

AGENDA
PANOCHÉ WATER DISTRICT
REGULAR BOARD OF DIRECTORS MEETING
November 08, 2022 – 9:30 a.m.

**CONSISTENT WITH RESOLUTION NO. 820-22 PROCLAIMING A LOCAL EMERGENCY AND
AUTHORIZING REMOTE TELECONFERENCE BOARD MEETINGS THROUGH NOVEMBER 10, 2022,
PURSUANT TO AB 361, THE OPEN SESSION OF THIS MEETING MAY BE JOINED
FROM YOUR COMPUTER, TABLET OR SMARTPHONE THROUGH THE FOLLOWING MEANS:**

<https://meet.goto.com/324045485>

AND PLEASE DIAL

Conference call in number: (866) 705-2554 Passcode: 148 890

PRESIDENT’S ANNOUNCEMENT: Pursuant to Government Code Section 54952.3, let it be known that Board Members receive no compensation or stipend for simultaneous or serial order meetings of the Panoche Water District, Panoche Drainage District, Panoche Financing Authority, and/or the Panoche Resource Conservation District.

- 1. CALL TO ORDER**
- 2. REVIEW OF AGENDA:** The Board will consider corrections and/or additions to the Agenda of items requiring immediate action that came to the attention of the Board after the Agenda was posted.
- 3. ROLL CALL:** A quorum will be confirmed and the Board will consider appointment of an acting Officer(s) in the event the President, Vice-President, and/or Secretary is absent from the meeting.
- 4. POTENTIAL CONFLICTS OF INTEREST:** Any Board member who has a potential conflict of interest may now identify the Agenda Item and recuse themselves from discussing and voting on the matter. [Government Code Section 87105]
- 5. PUBLIC COMMENT:** The Board of Directors welcomes participation in Board meetings. The public may address matters under the jurisdiction of the Board that have not been posted in the Agenda. The public will be given the opportunity to address the Board on any item in the Agenda at this time or before the Board’s consideration of that item. If members of the public desire to address the Board relative to a particular Agenda item at the time it is to be considered, they should so notify the President of the Board at this time. Please note, California Law prohibits the Board from taking action on any matter during a regular meeting that is not on the posted Agenda unless the Board determines that it is an emergency or one of the other situations specified in Government Code Section 54954.2. During a special meeting, the Board may not take action on any matter that is not on the posted Agenda. The President may limit the total amount of time allocated for public comment on particular issues to 3 minutes for each individual speaker.

6. DIVISION REPORTS:

- A. Water Operations & Maintenance – Juan Cadena
- B. Administration – Ara Azhderian
- C. Ethics, Compliance, & Human Resources – Lorena Chagoya

7. PANOCHÉ WATER & DRAINAGE DISTRICTS JOINT CLOSED SESSION: Conference with Legal Counsel.

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant Exposure to Litigation pursuant to Section 54956.9(d), paragraph (2) or (3):

Number of Cases: Ten

8. REPORT FROM JOINT CLOSED SESSION (GOVERNMENT CODE SECTION 54957.1)**9. CLOSED SESSION**

A. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant Exposure to Litigation pursuant to Section 54956.9(d), paragraph (2) or (3):

Number of Cases: Four

B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Pursuant to Section 54956.9(d)(1):

Names of Cases:

- i. Imani Percoats & Chris Bettencourt vs. Panoche Water District
Fresno County Superior Court Case No. 18CECG01651
- ii. Center for Biological Diversity, et al. v. United States, et al.
US District Court, E.D. Cal, Case No. 1:20-CV-00760 DAD-EPG
- v. North Coast Rivers Alliance, et al. v. Kenneth Salazar, et al.
US District Court, E.D. Cal., Case No. 1:16-cv-00307-DAD-SKO
- vi. Firebaugh Canal Water District & Central California Water District v. United States, et al.
US District Court, E.D. Cal., Case 1:88-cv-00634-LJO-SKO

C. CONFERENCE WITH LABOR NEGOTIATORS

Pursuant to Section 54957.6:

Agency Designated Representative: Ara Azhderian, General Manager

Employee Organization: International Brotherhood of Electrical Workers Local 1245

10. REPORT FROM CLOSED SESSION

11.**CONSENT CALENDAR**

All matters listed on the Consent Calendar are considered to be routine and non-controversial and will be acted upon by a single action of the Board of Directors, unless a Board Member requests separate consideration of the item. If such a request is made, the item may be heard as an Action Item at this meeting. The Board will review and consider (Tab 2):

- Adopting a Resolution determining that during the proclaimed state of emergency due to the COVID-19 pandemic, meeting in person would present imminent risk to the health or safety of attendees;
- Approving DRAFT minutes from the September 14, 2021, regular meeting of the Board;
- Approving DRAFT minutes from the September 28, 2021, special meeting of the Board;
- Approving DRAFT minutes from the October 12, 2021, regular meeting of the Board;
- Approving DRAFT minutes from the November 02, 2021, special meeting of the Board;
- Approving DRAFT minutes from the November 09, 2021, regular meeting of the Board;
- Approving DRAFT minutes from the November 16, 2021, special meeting of the Board;
- Approving DRAFT minutes from the November 23, 2021, special meeting of the Board;
- Approving DRAFT minutes from the December 14, 2021, regular meeting of the Board;
- Approving DRAFT minutes from the December 21, 2021, special meeting of the Board;
- Accepting the monthly financial statements for the period ending October 31, 2022;
- Accepting the Director's Monthly Credit Card Usage Report.

ACTION ITEMS

- 12.** The Board to review and consider accepting as FINAL the Price, Paige, & Company DRAFT Financial Audit for the fiscal-year ending February 28, 2022, subject to any further Board direction (Azhderian/Giosa – Tab 3);
- 13.** The Board to review and consider authorizing execution of a First Amendment to San Luis & Delta-Mendota Water Authority Long Term North-to-South Water Transfer Program Activity Agreement (Azhderian – Tab 4);
- 14.** The Board to review and consider authorizing award of contract to McElvany, Inc., for the Contour Canal Terminal Pump Station Traveling Water Screen Project, and making certain findings of exemption under the California Environmental Quality Act (Azhderian/Williams – Tab 5);
- 15.** The Board to review and consider amending the Property Related Fees & Charges Delinquency Policy (Azhderian/Williams – Tab 6);
- 16.** The Board to review and consider naming District Representatives to vote in the Association of California Water Agencies General Session Membership Meeting on proposed Amended and Restated Bylaws (Azhderian – Tab 7);
- 17.** The Board to review and consider claim by General Manager for lost property damages (Williams – Tab 8);

18. The Board to review and consider accepting the Treasurer’s Quarterly Investment Report for the period ending September 30, 2022 (Azhderian/Brazil – Tab 9);
19. The Board to review and consider approving the accounts payable (Azhderian – Tab 10).

REPORT ITEMS

20. **FINANCIAL REPORTS** (Tab 11)
 - A. FYE 2023 Budget-to-Actual Report;
 - B. Other financial matters affecting the District.
21. **REPORTS UNDER DISTRICT POLICIES**
 - A. Emergency COVID-19 Pandemic Response Policy;
 - B. Report(s) on Brown Act Meetings & Conferences Attended at District Expense (may be written or oral and may be joint for multiple attendees);
 - C. Board to Consider Update(s) or Approval(s) Required Under Any Other District Policies.
22. **GENERAL MANAGER’S REPORT** (Tab 12)
 - A. Water Supplies, Deliveries, and Quality;
 - B. Domestic Water Treatment Plant;
 - C. Solar Project;
 - D. Staffing;
 - E. Los Vaqueros Expansion Project;
 - F. B.F. Sisk Expansion Project;
 - G. Other Matters Affecting the District.
23. **REPORTS ON OTHER ITEMS PURSUANT TO GOVERNMENT CODE SECTION 54954.2(a)(3)**
24. **FUTURE MEETING DATES**
 - A. Board to Consider Action to Set Special Meeting Date(s): *No staff requests.*
 - B. Next Regular Meeting Date: December 13, 2022.
25. **ADJOURNMENT**
 - ❖ Items on the Agenda may be taken in any order.
 - ❖ Action may be taken on any item listed on the Agenda.
 - ❖ Writings relating to open session: Agenda items that are distributed to members of the Board of Directors will be available for inspection at the District office, excluding writings that are not public records or are exempt from disclosure under the California Public Records Acts.

Americans with Disabilities Act of 1990: Under this Act, a qualifying person may request that the District provide a disability-related modification or accommodation in order to participate in any public meeting of the District. Such assistance includes alternative formats for the agendas and agenda packets used for any public meetings of the District. Requests for assistance shall be made in person, in written form, or via telephone by calling (209) 364-6136. Requests must be received at least 18 hours prior to a scheduled public meeting.

Investment Information Disclaimer: This agenda has been prepared as required by the applicable laws of the State of California, including but not limited to, Government Code Section 54950 et seq., and has not been prepared with

a view to informing an investment decision in any of the District's bonds, notes, or other obligations. Any projections, plans, or other forward-looking statements included in the information in this agenda are subject to a variety of uncertainties that could cause any actual plans or results to differ materially from any such statement. The information herein is not intended to be used by investors or potential investors in considering the purchase or sale of the District's bonds, notes or other obligations and investors and potential investors should rely only on information filed by the District on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System for municipal securities disclosures, maintained on the World Wide Web at <https://emma.msrb.org/>.

PANOCHÉ WATER DISTRICT RESOLUTION NO. 824-22

A RESOLUTION OF THE BOARD OF DIRECTORS PROCLAIMING A LOCAL EMERGENCY, RATIFYING GOVERNOR NEWSOM'S MARCH 4, 2020, PROCLAMATION OF A STATE OF EMERGENCY, AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE LEGISLATIVE BODIES OF PANOCHÉ WATER DISTRICT THROUGH DECEMBER 8, 2022 PURSUANT TO BROWN ACT PROVISIONS

WHEREAS, the Panoche Water District is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of Panoche Water District's legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District's boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

WHEREAS, such conditions now exist in the District, specifically, on March 4th, 2020, Governor Newsom proclaimed a State of Emergency due to the COVID-19 pandemic and such proclamation has not as of the date of this Resolution been lifted; and

WHEREAS, due to what may be the sensitivity of some members of the public as well as to members of the Board and District staff, the contagious nature of COVID-19, including variants of the virus, and current guidance from federal, state, and local agencies that social distancing reduces the transmission of the virus, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, the Board of Directors does hereby find that the current status of the COVID-19 pandemic has caused, and will continue to cause, conditions of peril to the safety of persons within the District that are likely to be beyond the control of services, personnel, equipment, and facilities of the District, and desires to proclaim a local emergency and ratify the Proclamation of a State of Emergency by the Governor of the State of California; and

WHEREAS, as a consequence of the local emergency, the Board of Directors does hereby find that the legislative bodies of Panoche Water District shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

WHEREAS, District notices and agendas shall provide a reasonable means for members of the public to meaningful participate in public meetings of the District.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. The Board of Directors of the Panoche Water District hereby finds and determines the above Recitals are true and correct and are incorporated herein by this reference.
2. The Board hereby proclaims that a local emergency now exists throughout the District, and meeting in person would present a significant risk to the health and safety of those participating in person.
3. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance on March 4, 2020.
4. The General Manager, or his designee, and legislative bodies of the District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.
5. This Resolution shall take effect on November 8, 2022, and shall be effective until the earlier of (i) December 8, 2022, or (ii) such time as the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the District may continue to teleconference without strictly complying with certain provisions of the Brown Act due to the ongoing COVID-19 pandemic and resulting State of Emergency.

PASSED AND ADOPTED this 8th day of November 2022, in a duly noticed and open meeting of the Board of Directors by the following vote, to wit:

Ayes:
Nays:
Abstain:
Absent:

John Bennett, President

Attest: _____
Steve Fausone, Secretary

**CERTIFICATE OF SECRETARY
OF
PANOCHÉ WATER DISTRICT,
A California Water District**

I, Steve Fausone, do hereby certify that I am the duly authorized and appointed Secretary of the Panoche Water District, a California Water District (the “District”); that the foregoing is a true and correct copy of that certain resolution duly and unanimously adopted and approved by the Board of Directors of the District on the 8th day of November 2022; and that said resolution has not been modified or rescinded and remains in full force and effect as the date hereof:

IN WITNESS WHEREOF, I have executed this Certificate on this _____ day of November 2022.

Steve Fausone, Secretary

**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 prepare 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

**PANOCHÉ WATER DISTRICT MEETING MINUTES
SPECIAL MEETING OF THE BOARD OF DIRECTORS
September 28, 2021, at 9:00 A.M.**

A special 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
Michael Linneman, Vice-President
Mike Stearns, Secretary
Ross Koda, Director
Steve Fausone, 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 9:01 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

There were no conflicts reported.

PUBLIC COMMENT

There was no public comment.

THE BOARD TO REVIEW AND CONSIDER A RESOLUTION ADOPTING THE 2021 ASSESSMENT BOOK FOR THE NOVEMBER 9TH ELECTION OF DIRECTORS TO THE DISTRICT'S BOARD

General Manager Azhderian presented the Board the draft resolution. He explained the purpose of the resolution was to establish the ownership and value of lands in the District using the Fresno and Merced counties assessment rolls in order to properly compute votes in the upcoming November election. General Counsel Williams reviewed the pertinent water code sections and explained the election process. After consideration, on a motion by Director Stearns, seconded by Director Fausone, the Board unanimously adopted the resolution as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER A RESOLUTION DETERMINING THAT DURING THE PROCLAIMED STATE OF EMERGENCY DUE TO THE COVID-19 PANDEMIC, MEETING IN PERSON WOULD PRESENT IMMINENT RISKS TO THE HEALTH OR SAFETY OF ATTENDEES

General Manager Azhderian explained that Assembly Bill 361 had replaced Governor Newsom's Executive Order N-09-21 issued in response to the COVID-19 Pandemic, which allowed local and state legislative bodies to hold meetings by web and teleconference, and to make meetings accessible to the public electronically. He explained the Board could continue to meet virtually but, in order to do so, it had to adopt a resolution every thirty days to proclaim a local emergency related to the current status of the COVID- 19 pandemic and the sensitivity of some members of the Board or public to the health and safety risk of meeting in person. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board unanimously adopted the resolution as presented.

The vote on the matter was as follows:

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

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 9:32 a.m.

John Bennett, President

Mike Stearns, Secretary

**PANOCHÉ WATER DISTRICT MEETING MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
October 12, 2021, at 9:00 A.M.**

A regular meeting of the Board of Directors was held in accordance with Resolution 786-21 proclaiming a local emergency and authorizing remote teleconference Board meetings through October 28, 2021, pursuant to Assembly Bill 361, and to make the meetings accessible to the public electronically. Those present at the meeting were:

Directors Present: John Bennett, President
Michael Linneman, Vice-President
Mike Stearns, Secretary
Ross Koda, Director
Steve Fausone, Director

Directors Absent: None

District Staff Present: Ara Azhderian, General Manager
Juan Cadena, Water Resources Manager
John Paul Otollo, Treasurer & Controller

Others Present: Philip Williams, General Counsel
Diane Rathmann, Of Counsel
Palmer McCoy, Grassland Basin Authority
Will Gleason, West Hills Farms
Aaron Barcellos, A-Bar Ag Enterprises

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 9:02 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

There were no conflicts reported.

PUBLIC COMMENT

There was no public comment.

DIVISION REPORTS

- A. Water Resources Manager Juan Cadena reported the Water District's September deliveries were about 2,800 acre-feet and that current deliveries were about 30 cubic-feet per second. He said crews were grading the Main Canal from the Outside Canal to Old Station and performing maintenance on turnout 10W to install grating, safety rails, and coating ladders. Lastly, Cadena reported a PG&E power pole fell down near 10E2 and that the District had called to inform them.
- B. Controller JP Otollo reported the finance accounting staff were working on the mid-year budget review, analyzing water supplies, deliveries, costs with a focus on equipment repairs and pumps and structures maintenance costs. He also noted the District had started implementation of the new surplus asset policy. In the water accounting department, he reported staff were preparing the September usage water billing, processing supplemental water purchase requests, and processing the Sustainable Groundwater Management Act invoices to be sent out to growers by end of the week. Otollo said the Water District's FYE2021 audit was ongoing with the plan to have the audit completed by the end of this month and presented by Price Paige to the Board in November. He noted staff was working to prepare and include a Management Discussion and Analysis (MD&A) and Required Supplementary Information (RSI) in the audit report. Otollo explained that over the years, the District had not been preparing an MDA and RSI to avoid incurring the extra cost because its absence does not affect the opinion of the auditors; however, following issuance of the 2021 Bond and Standard & Poor's rating, General Manager Azhderian directed its inclusion to better explain year-to-year changes in the financial statement to investors and rating agencies. Lastly, Otollo reported the District would be sending the 2nd Drainage Service Fee billing by the end of the week with a two-month due date.
- 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. Chagoya said there had been no complaints reported on the SpeakUp Hotline and five internal matters were reported and addressed. She said she continues to monitor COVID related regulations and guidance to maintain continuity with the District's policies and protocols and that the District is continuing its search for a part-time janitor. She reported the California Safety Training Corporation performed its 3rd quarter safety inspection and that the District received a 96% score, which was a 2 point increase from the last quarter. Chagoya updated the Board on past and future planned training events, including ladder safety and fall protection, defensive driving, fire extinguisher use, and ethics & compliance. Lastly, she reminded the Board that certificates for state mandated biennial AB 1234 ethics training and sexual harassment training are good for 2 years and that she would be notifying individuals if they need to renew.

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 December 08, 2020, regular meeting of the Board; the monthly financial statements for the period ending September 30, 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, Linneman, Stearns, Koda
Nays:	None
Abstain:	Fausone
Absent:	None

THE BOARD TO REVIEW AND CONSIDER A RESOLUTION DETERMINING THAT DURING THE PROCLAIMED STATE OF EMERGENCY DUE TO THE COVID-19 PANDEMIC, MEETING IN PERSON WOULD PRESENT IMMINENT RISK TO THE HEALTH OR SAFETY OF ATTENDEES

General Manager Azhderian explained the proposed resolution was identical to the one adopted by the Board at the last meeting except that it extended the proclaimed state of emergency and ability to for the Board and public to meet virtually until November 11, 2021. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board unanimously adopted the resolution as presented.

The vote on the matter was as follows:

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

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 the U.S. Bureau of Reclamation was soliciting proposals for grant funding assistance under the WaterSMART Water and Energy Efficiency Grant Program and that staff and the District's consultants, Summers Engineering and the Hallmark Group, were recommending preparation of an application to line the portion of the Contour Canal between Nees and Herndon Avenues to conserve water and improve supply by reducing loss that otherwise seeps into the shallow groundwater table thus becoming subsurface drainage. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board unanimously accepted the recommendation to prepare and submit the grant application.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER A RESOLUTION DESIGNATING DISTRICT REPRESENTATIVES TO SERVE ON THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY BOARD OF DIRECTORS

General Manager Azhderian reported Director Bennett was wishing to step off of the San Luis & Delta-Mendota Water Authority Board of Directors, upon which he had served since 1997, and was requesting the Board consider adopting a Resolution naming Director Michael Linneman as his replacement and General Manager Azhderian as his alternate, beginning in November. After consideration, on a motion by Director Stearns, seconded by Director Fausone, the Board unanimously adopted the Resolution as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER AUTHORIZING MODIFICATION OF TURNOUT 13E

General Manager Azhderian explained the proposal to modify Turnout 13E, which serves lands east of Russell Avenue and north of the San Luis Canal, was to improve the District's ability to meter the blending of the grower's groundwater and District supplies at that location. He reported staff and Summers Engineering had met to inspect the turnout and develop a plan and noted that the site was tricky because there is a lot of District and private infrastructure located in a relatively small area. Azhderian said the cost estimate for the modification was up-to \$25,000. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board unanimously authorized the modification.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER AMENDING THE DISTRICT'S FYE-2022 BUDGET AND OPERATIONS & MAINTENANCE RATE

General Manager Azhderian presented the Board an analysis of current and projected costs for the fiscal-year. He said while some costs were down, energy costs for example, others were up, such as repairs and maintenance, and that the net projected increase was approximately \$165,000 or about 2% over the original budget. Azhderian stated the cost deviation was not the main driver of the request to amend the O&M rate; rather, it was the difference between forecasted and actual deliveries, which were significantly less than originally projected due to growers following more land, deficit irrigating, and relying more upon groundwater in the drought related absence of Central Valley Project contract supplies. The result, he said, was an under-collection of revenues of approximately \$230,000. Azhderian presented the Board two options, it could allow the deficit to accrue from reserves or it could increase the District's O&M rate by \$35 per acre-foot, which would be collected on future deliveries as well as through a supplemental billing for water already delivered. He acknowledged the difficulty in billing growers for water already delivered but also noted the recent Standard & Poors credit rating analysis, which was critical of what it considered to be the District's weak liquidity. The Board discussed the options and decided to table the matter for future consideration. No action was taken on the matter.

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 Koda, the Board approved payment of the bills.

The vote on the matter was as follows:

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

CONTROLLER'S REPORT

Controller Otollo reviewed the District's Budget-to-Actual report with the Board. General Manager Azhderian reported the District had sold a surplus backhoe through an online, competitive bidding process for \$28,500.

REPORTS UNDER DISTRICT POLICIES

General Manager Azhderian updated the Board on the District's COVID-19 Pandemic Response Policy implementation.

GENERAL MANAGER'S REPORT

Azhderian updated the Board on water deliveries, supplies, and forecasts.

At approximately 10:35 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 10:55 a.m., President Bennett called the joint closed session to order.

At approximately 11:24 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 11:25 a.m., President Bennett called the closed session to order.

At approximately 12:13 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)

No reports were given.

FUTURE MEETING DATES

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

ADJOURNMENT

With no further business on the agenda, President Bennett adjourned the meeting at 12:14 p.m.

John Bennett, President

Mike Stearns, Secretary

DRAFT

**PANOCHÉ WATER DISTRICT MEETING MINUTES
SPECIAL MEETING OF THE BOARD OF DIRECTORS
November 2, 2021, at 9:00 A.M.**

A meeting of the Board of Directors was held jointly with the Grassland Basin Authority Board of Directors at San Luis Water District, 1015 6th St., Los Banos, CA 93635. 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

Others Present: Aaron Barcellos, Grassland Basin Authority
David Cory, Grassland Basin Authority
Tom Teixeira, Grassland Basin Authority
Kevin Hurd, Grassland Basin Authority
Palmer McCoy, Grassland Basin Authority
Gabriela Munoz, Grassland Basin Authority
Jeff Bryant, Firebaugh Canal Water District
Steve Smith, Firebaugh Canal Water District
Darcy Villers, Firebaugh Canal Water District
Dan McCurdy, Firebaugh Canal Water District
Steve Stadler, San Luis Water District

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 meeting to order at 9:10 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

There were no conflicts reported.

PUBLIC COMMENT

There was no public comment.

THE BOARD TO MEET WITH OTHER MEMBERS OF THE GRASSLAND BASIN AUTHORITY TO DISCUSS ONGOING TRANSITION OF THE SAN JOAQUIN RIVER WATER QUALITY IMPROVEMENT PROJECT

Grassland Basin Authority President Barcellos made opening remarks and reviewed the topics for discussion, including operation of wells, ownership of property, facilities, and equipment, administration of grants, and decision making on matters that impact the SJRIP. Members of the boards shared ideas and perspectives on how to further and improve transition of the management of the SJRIP from the Panoche Drainage District to the GBA, with particulate emphasis on ensuring accountability and efficiency. After discussion, the Panoche Board agreed to take the matters up for further consideration at their next regular meeting.

FUTURE MEETING DATES

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

ADJOURNMENT

With no further business on the Agenda, President Bennett adjourned the meeting at 11:09 a.m.

John Bennett, President

Mike Stearns, Secretary

**PANOCHÉ WATER DISTRICT MEETING MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
November 09, 2021, at 9:00 A.M.**

A regular meeting of the Board of Directors was held in accordance with Resolution 787-21 proclaiming a local emergency and authorizing remote teleconference Board meetings through November 11, 2021, pursuant to Assembly Bill 361, and to make the meetings accessible to the public electronically. Those present at the meeting were:

Directors Present: John Bennett, President
Michael Linneman, Vice-President
Mike Stearns, Secretary
Ross Koda, Director
Steve Fausone, Director

Directors Absent: None

District Staff Present: Ara Azhderian, General Manager
Juan Cadena, Water Resources Manager
John Paul Otollo, Treasurer & Controller
Lorena Chagoza, Ethics & Compliance Officer

Others Present: Philip Williams, General Counsel
Palmer McCoy, Grassland Basin Authority
Beau Correia, KB Family Farms

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 9:02 a.m.

REVIEW OF AGENDA

General Manager Azhderian reported the Board meeting packet had been revised since original distribution to include the Accounts Payable and Budget-to-Actual reports for the correct time period.

ROLL CALL

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

POTENTIAL CONFLICTS OF INTEREST

There were no conflicts reported.

PUBLIC COMMENT

Mr. Correia requested the Board consider tabling all decisions until after the election, when a new Board is seated in December.

DIVISION REPORTS

- A. Water Resources Manager Juan Cadena reported the Water District's August deliveries were about 1,080 acre-feet and that current deliveries were about 35 cubic-feet per second. He said crews were replacing a control gate at turnout 10W and installing safety railings and catwalks at Station 1 and Laterals 1, 2, and 3. In the Drainage District, he said crews were cleaning the Davidson and Bennett drains and repairing washouts in the Charleston drain. Lastly, Cadena reported the region had received about .18 inches of rainfall but drainage flows into the San Joaquin River Improvement Project remain low and no discharge event is anticipated.
- B. Controller JP Otollo reported staff were preparing the October water usage billing and responding to ongoing requests for supplemental water. He said the Water District audit was in its final stages and the results would be presented to the Board at a special meeting on November 23rd. For the Drainage District, Otto reported cash flow had improved significantly following issuance of the second Drainage Service Fee billing and that staff were preparing for the next financial audit.
- 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. Chagoya said there had been no complaints reported on the SpeakUp Hotline and two internal matters were addressed. Lastly, Chagoya updated the Board on past and future planned training events.

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 9:13 a.m., President Bennett called the joint closed session to order.

At approximately 9:57 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.

At approximately 9:57 a.m., President Bennett suspended the Drainage District meeting and continued the Water District-ONLY meeting.

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 9:58 a.m., President Bennett called the closed session to order.

At approximately 10:31 a.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.

CONSENT CALENDAR

General Manager Azhderian presented the Board with the Consent Calendar, which included the draft minutes from the January 26, 2021, special meeting of the Board, and the February 9, 2021, regular meeting of the Board; the monthly financial statements for the period ending October 31, 2021; and the Director's Monthly Credit Card Usage Report. After consideration, on a motion by Director Linneman, seconded by Director Stearns, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER A RESOLUTION IN RECOGNITION AND PROFOUND APPRECIATION OF THE DISTINGUISHED SERVICE OF SUZANNE "SUE" REDFERN-WEST

General Manager Azhderian presented the Board the draft Resolution. He explained that in addition to recognizing Sue's contributions through the recitals, the Resolution proposed to contribute \$2,500 to a cause of Sue's choosing as a token of the Board's appreciation. General Counsel Williams explained the contribution needed to be made to a cause that was in line with the District's mission. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board adopted the Resolution as presented and directed the General Manager to work with Sue to identify an aligned cause.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER A RESOLUTION DETERMINING THAT DURING THE PROCLAIMED STATE OF EMERGENCY DUE TO THE COVID-19 PANDEMIC, MEETING IN PERSON WOULD PRESENT IMMINENT RISK TO THE HEALTH OR SAFETY OF ATTENDEES

General Manager Azhderian explained the proposed resolution was identical to the one adopted by the Board at the last meeting except that it extended the proclaimed state of emergency and ability for the Board and public to meet virtually until December 12, 2021. After consideration, on a motion by Director Stearns, seconded by Director Fausone, the Board unanimously adopted the resolution as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER A RESOLUTION ADOPTING CERTAIN FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND AUTHORIZING EXECUTION OF AN AGREEMENT WITH THE UNITED STATES BUREAU OF RECLAMATION FOR THE EXCHANGE OF WATER

General Manager Azhderian presented the Board the draft Resolution and said it was the culmination of months of discussions with the United States Bureau of Reclamation and the Grassland Water District to implement a groundwater exchange project consistent with the Central Valley Project Improvement Act Section 3406(d). He said the project would deliver water directly into the Grassland Water District and that under the proposed Agreement, for every two acre-feet of water delivered to Grassland, Reclamation would make one acre-foot of Central Valley Project water available to the District in San Luis Reservoir. Azhderian explained two of the project wells were in the San Joaquin River Improvement Project and that water from those wells would be shared with the members of the Grassland Basin Authority, and that the other two wells were privately owned by a grower with lands in the District. He noted that the price of the water and the costs to operate the project still needed to be determined. General Counsel Williams reviewed compliance with the California Environmental Quality Act with the Board. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board unanimously adopted the resolution as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER AN ORAL RECOMMENDATION REGARDING PROPOSED CHANGES TO GENERAL MANAGER SALARY, AND DISCUSSION AND POSSIBLE APPROVAL OF CHANGES TO GENERAL MANAGER SALARY

Consideration of potential changes to the General Manager's salary was tabled and no action was taken on the matter.

THE BOARD TO REVIEW AND CONSIDER DESIGNATING A VOTING REPRESENTATIVE AND ALTERNATE TO CAST THE DISTRICT'S VOTE FOR THE ASSOCIATION OF CALIFORNIA WATER AGENCIES PRESIDENT AND VICE-PRESIDENT

General Manager Azhderian reported the Association of California Water Agencies was holding an election for President and Vice-President on December 1st and that the Board needed to designate a voting delegate and alternate for the District to attend the ACWA General Session Membership Meeting and cast the District's votes. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board unanimously designated General Manager Azhderian as the voting delegate and President Bennett as the alternate.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER ACCEPTING THE TREASURER'S QUARTERLY INVESTMENT REPORT FOR THE PERIOD ENDING SEPTEMBER 30, 2021

Treasurer Otollo presented the Board with the Quarterly Investment Report. He stated the majority of District funds were invested in the State of California Local Agency Investment Fund and the remaining balance was deposited in Federal Deposit Insurance Corporation insured accounts at Mechanics Bank. Otollo reported the District's financial portfolio was in compliance with the District's Statement of Investment Policy and that he expected the District to be able to meet its expenditure requirements for the next six months based on projected revenue from water sales and reimbursements from other agencies. After consideration, on a motion by Director Fausone, seconded by Director Linneman, the Board accepted the Treasurer's Report as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER AMENDING THE DISTRICT'S FYE-2022 BUDGET AND OPERATIONS & MAINTENANCE RATE

General Manager Azhderian reported this matter had been originally presented at the last meeting and that after discussion, the Board tabled it for further consideration at this meeting. He reminded the Board that the primary driver of the request to consider amending the O&M rate was the less than forecasted level of deliveries due to the drought and that the two options available were to increase the O&M rate by \$35 per acre-foot and retroactively bill for deliveries that had already occurred during the fiscal-year or absorb the deficit from reserves. After further consideration, the Board requested staff work with Director Fausone to further evaluate the budget forecast and alternatives. The matter was then tabled and no further action was taken.

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

CONTROLLER'S REPORT

Controller Otollo reviewed the District's Budget-to-Actual report with the Board.

REPORTS UNDER DISTRICT POLICIES

No reports were given.

GENERAL MANAGER'S REPORT

Azhderian updated the Board on water deliveries, supplies, and forecasts. He then introduced Jeremiah Seng with the School Project for Utility Rate Reduction (SPURR) joint powers authority to discuss the Renewable Energy Aggregated Procurement (REAP) Program. Azhderian explained the District had been examining various approaches to funding a solar project to help reduce operating costs and that

previous direction from the Board was for staff to prepare and issue a Request for Proposals. He said that in researching solar project RFPs, including one developed by the Association of California Water Agencies, he discovered the REAP Program and that SPURR had already done what the District was proposing to do and concluded it would be more efficient, less costly, and less risky to participate in the REAP Program than to produce a District specific RFP. Seng explained that SPURR was formed in 1989 and has since helped over 300 public agencies develop thousands of solar facilities. He said the focus of the REAP Program was to streamline the solar buying process, aggregate purchasing power and expertise to drive down solar project pricing, and improve contract terms and conditions for its public agencies. He said from SPURR's competitive RFP process, ForeFront Power was chosen due to their solar expertise, competitive pricing, pre-negotiated contracts, and standardized terms. Seng responded to questions from the Board. Azhderian said that he would work with SPURR and ForeFront to begin developing a project proposal for future Board consideration.

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

No reports were given.

FUTURE MEETING DATES

Special meeting dates were set for November 16th and 23rd. The next regular meeting of the Board was scheduled for December 14, 2021, at 9:00 a.m.

ADJOURNMENT

With no further business on the agenda, President Bennett adjourned the meeting at 11:59 a.m.

John Bennett, President

Mike Stearns, Secretary

**PANOCHÉ WATER DISTRICT MEETING MINUTES
SPECIAL MEETING OF THE BOARD OF DIRECTORS
AND
GENERAL ELECTION PUBLIC HEARING
November 16, 2021, at 9:00 A.M.**

A special meeting of the Board of Directors was held in accordance with Resolution 790-21 proclaiming a local emergency and authorizing remote teleconference Board meetings through December 12, 2021, pursuant to Assembly Bill 361, and to make the meetings accessible to the public electronically. Those present at the meeting were:

Directors Present: Michael Linneman, Vice-President
Mike Stearns, Secretary
Ross Koda, Director
Steve Fausone, Director

Directors Absent: John Bennett, President

District Staff Present: Ara Azhderian, General Manager

Others Present: Philip Williams, General Counsel
Beau Correia, KB Family Farms

ANNOUNCEMENT PURSUANT TO GOVERNMENT CODE SECTION 54952.3

Pursuant to the Brown Act, Vice-President Linneman 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

Vice-President Linneman called the regular meeting to order at 9:01 a.m.

REVIEW OF AGENDA

There were no changes to the Agenda.

ROLL CALL

President Bennett was absent; however, a quorum of the Board and presence of the District's Officers were confirmed.

POTENTIAL CONFLICTS OF INTEREST

There were no conflicts reported.

PUBLIC COMMENT

There was no public comment.

THE PRESIDENT OF THE BOARD TO OPEN THE GENERAL ELECTION PUBLIC HEARING

Vice-President Linneman opened the 2021 General Election public hearing and invited public comment on the matter of the General Election. Following no speakers coming forth, Vice President Linneman waited an additional 20 seconds before closing the public hearing.

THE PRESIDENT OF THE BOARD TO CLOSE THE GENERAL ELECTION PUBLIC HEARING

Vice-President Linneman closed the 2021 General Election public hearing and asked the District Secretary, Mr. Stearns, who served as the District's Election Officer, to swear in the election officers: Ms. Chagoya, Mr. Marquez, Ms. Brazil, and Ms. Cardoza. With the oath of office having been administered, Mr. Stearns directed the election officers to begin the canvass of the vote. The election officers then began to count the ballots, the results from which would be certified on November 23rd, 2021, at a special meeting of the Board. Members of the public were invited to remain at the District to observe the canvass of the ballots.

FUTURE MEETING DATES

A special meeting of the Board was scheduled for November 23rd at 9:00 a.m. The next regular meeting of the Board was scheduled for December 14, 2021, at 9:00 a.m.

ADJOURNMENT

With no further business on the agenda, Vice-President Linneman adjourned the meeting at 9:12 a.m..

Michael Linneman, Vice-President

Mike Stearns, Secretary

**PANOCHÉ WATER DISTRICT MEETING MINUTES
SPECIAL MEETING OF THE BOARD OF DIRECTORS
November 23, 2021, at 9:00 A.M.**

A special meeting of the Board of Directors was held in accordance with Resolution 790-21 proclaiming a local emergency and authorizing remote teleconference Board meetings through December 12, 2021, pursuant to Assembly Bill 361, and to make the meetings accessible to the public electronically. Those present at the meeting were:

Directors Present: John Bennett, President
Michael Linneman, Vice-President
Mike Stearns, Secretary
Steve Fausone, Director

Directors Absent: Ross Koda, Director

District Staff Present: Ara Azhderian, General Manager

Others Present: Philip Williams, General Counsel
Diane Rathmann, Of Counsel
Fausto Hinojosa, Price Paige & Company
Larisa Murren, Price Paige & Company
Lora Carpenter, Fieldman, Rolapp & Associates
Palmer McCoy, Grassland Basin Authority
Beau Correia, KB Family Farms
Aaron Barcellos, A-Bar Ag Enterprises
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 9:02 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

There were no conflicts reported.

PUBLIC COMMENT

There was no public comment.

THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION CERTIFYING THE RESULTS OF THE 2021 GENERAL ELECTION FOR DIRECTORS TO SERVE ON THE DISTRICT'S BOARD

General Manager Azhderian presented the Board the draft resolution. He explained the results of the votes canvass performed by staff on November 16th was the election Mr. Aaron Barcellos, Mr. Mike Stearns, and Mr. Beau Correia to serve as Directors on the Board through November 2024. Azhderian stated both positions would become effective at noon, December 3rd, 2021. After congratulating the newly elected Directors, on a motion by Director Linneman, seconded by Director Fausone, the Board adopted the resolution as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER ACCEPTING AS FINAL THE PRICE, PAIGE, AND COMPANY DRAFT FINANCIAL AUDIT FOR THE FISCAL-YEAR ENDING FEBRUARY 28, 2021, SUBJECT TO ANY FURTHER BOARD DIRECTION

General Manager Azhderian introduced Fausto Hinojosa, Audit Principal with Price Paige & Company, to present the draft audit. Hinojosa explained the District's and the auditor's responsibilities in the preparation of the audit, reviewed the statements of net position, activities, cash flows, and related notes with the Board, and responded to questions. Hinojosa remarked on the significant improvement the District had made in its accounting system and procedures over the past few years, noting no internal control problems now exist, and that the opinion of the audit was clean and without any findings. Hinojosa also noted the District's inclusion of a Management Discussion and Analysis. After discussion, on a motion by Director Stearns, seconded by Director Linneman, the Board accepted as final the FYE2021 Financial Audit, as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER ACCEPTING AS FINAL THE DRAFT 2021 BOND CONTINUING DISCLOSURE ANNUAL REPORT FOR THE FISCAL-YEAR ENDING FEBRUARY 28, 2021, SUBJECT TO ANY FURTHER BOARD DIRECTION

General Manager Azhderian introduced Lora Carpenter, Vice President of Fieldman Rolapp & Associates, to present the draft report. Carpenter explained preparation of the report was an obligation of the District's 2021 Bond issuance and that the purpose of the annual report is to provide certain financial information, operating data, and notice of significant events to assist the Bond underwriter in complying with Rule 15c2-12 of the Securities Exchange Act of 1934, as amended. She said the Report would be published on the Electronic Municipal Market Access website, a service of the Municipal Securities Rulemaking Board, for the benefit of the owners of the Bonds and the underwriter. After discussion, on a motion by Director Linneman, seconded by Director Fausone, the Board accepted as final the Continuing Disclosure Report, as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER A RESOLUTION DETERMINING THAT DURING THE PROCLAIMED STATE OF EMERGENCY DUE TO THE COVID-19 PANDEMIC, MEETING IN PERSON WOULD PRESENT IMMINENT RISK TO THE HEALTH OR SAFETY OF ATTENDEES

General Manager Azhderian explained the proposed resolution was identical to the one adopted by the Board at the last meeting except that it extended the proclaimed state of emergency and ability to for the Board and public to meet virtually until December 31, 2021. After consideration, on a motion by Director Stearns, seconded by Director Linneman, the Board adopted the resolution as presented.

The vote on the matter was as follows:

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

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 9:46 a.m., President Bennett called the closed session to order.

At approximately 10:24 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.

FUTURE MEETING DATES

The next regular meeting of the Board was scheduled for December 14, 2021, at 9:00 a.m.

ADJOURNMENT

With no further business on the agenda, President Bennett adjourned the meeting at 10:25 a.m.

John Bennett, President

Mike Stearns, Secretary

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

A regular meeting of the Board of Directors was held in accordance with Resolution 793-21 proclaiming a local emergency and authorizing remote teleconference Board meetings through December 23, 2021, pursuant to Assembly Bill 361, and to make the meetings accessible to the public electronically. Those present at the meeting were:

Directors Present: John Bennett, President
Mike Stearns, Secretary
Steve Fausone, Director
Aaron Barcellos, Director
Beau Correia, Director

Directors Absent: None

District Staff Present: Ara Azhderian, General Manager
Juan Cadena, Water Resources Manager

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 9:03 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

There were no conflicts reported.

PUBLIC COMMENT

General Manager Azhderian welcomed new Directors, Messrs. Barcellos and Correia, and thanked the outgoing Directors, Messrs. Linneman and Koda, for their years of dedicated service. Azhderian also reported that Controller, John Paul Otollo, was leaving the District for a new job with Fresno First Bank.

DIVISION REPORTS

- A. Water Resources Manager Juan Cadena reported the Water District's August deliveries were about 469 acre-feet and that current deliveries were about 5 cubic-feet per second. He said crews were replacing turnouts 13E and 302, repairing a washout on the Contour Canal and standpipe at turnout 77, and performing routine maintenance on Laterals 1, 2, and 3. In the Drainage District, he said routine drain cleaning was continuing and the District had graded 16 miles of roads on the San Luis Drain. Lastly, Cadena reported the region had received about .44 inches of rainfall but drainage flows into the San Joaquin River Improvement Project remain low and no discharge event is anticipated and that crews were wrapping up work on the Grassland Bypass Channel Operable Gates Project.
- B. General Manager Azhderian reported that staff had prepared a transition plan to manage the administration and accounting work following the departure of JP Otollo and would be relying on a consulting Certified Public Accountant to provide periodic review of the accounting work. Azhderian said staff was reviewing Otollo's job description and duties to assess the kinds of skills to recruit for and recommended the Board consider hiring a recruiting firm to help search for a replacement. The Board requested staff hold off on recruitment and instead present the assessment when complete so that the Board could better understand the need of the position and consider next steps.
- C. General Manager Azhderian presented the Ethic & Compliance report in Lorena Chagoya's absence. He reported there had been no property, liability, or worker's compensation insurance claims, nor COVID-19 cases, in the last month and no complaints reported on the SpeakUp Hotline, though three internal matters were addressed. Azhderian reported the District had finally hired a parttime housekeeper, who was expected to start work on January 3rd. Lastly, he updated the Board on past and future planned training events and said that for the new Directors, Chagoya would be reaching out directly to facilitate their on-boarding.

THE BOARD TO REVIEW AND CONSIDER REVISING MEETING DATES AND/OR TIMES

General Manager Azhderian requested the Board consider establishing a new meeting date and/or time for the Water District since it now had different Board members than the Drainage District. He recommended starting the Drainage District meeting at 9:00 a.m. and the Water District at 9:30 a.m. as the Drainage District typically had a lighter agenda. 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, Stearns, Fausone, Barcellos, Correia
Nays:	None
Abstain:	None
Absent:	None

CONSENT CALENDAR

General Manager Azhderian presented the Board with the Consent Calendar, which included the draft minutes from the March 9, 2021, regular meeting of the Board and the March 30, 2021 special meeting of the Board; the monthly financial statements for the period ending November 30, 2021; and the Director's Monthly Credit Card Usage Report. Directors Bennett and Stearns affirmed the meeting minutes. After consideration, on a motion by Director Barcellos, seconded by Director Stearns, the Board accepted the Consent Calendar as presented.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER APPOINTING A VICE-PRESIDENT AND FILLING VACANCIES ON THE DISTRICT'S ETHICS & COMPLIANCE AND FINANCE & AUDIT AD-HOC COMMITTEES

General Manager Azhderian reported that with the departure of Messrs. Linneman and Koda from the Board, the position of Vice-President was now open and needed to be filled along with open seats on the District's Ethics & Compliance and Finance & Audit ad-hoc committees. After consideration, on a motion by Director Barcellos, seconded by Director Correia, the Board unanimously elected to appoint Director Barcellos as Vice-President, Director Correia on the Ethics & Compliance committee, and Directors Fausone and Barcellos on the Finance & Audit committee.

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 A RESOLUTION DESIGNATING DISTRICT REPRESENTATIVES TO SERVE ON THE SAN LUIS & DELTA-MENDOTA WATER AUTHORITY BOARD OF DIRECTORS

General Manager Azhderian reported that with the departure of Mr. Linneman from the Board, the position of Director on the San Luis & Delta-Mendota Water Authority Board of Directors was now open and needed to be filled. After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board unanimously elected to appoint Director Correia as Director on the Water Authority Board and maintain General Manager Azhderian as Alternate.

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 A RESOLUTION DESIGNATING DISTRICT REPRESENTATIVES TO SERVE ON THE CENTRAL DELTA-MENDOTA REGION GROUNDWATER SUSTAINABILITY AGENCY BOARD OF DIRECTORS

General Manager Azhderian reported that with the departure of Mr. Linneman from the Board, the position of Alternate on the Central Delta-Mendota Region Groundwater Sustainability Agency Board of Directors was now open. Further, he said, President Bennett was requesting that his role as Director on the Agency's Board end; therefore, two seats needed to be filled. After consideration, on a motion by Director Correia, seconded by Director Barcellos, the Board unanimously elected to appoint Director Stearns as Director on the Agency's Board and Director Fausone as Alternate.

The vote on the matter was as follows:

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

THE BOARD TO REVIEW AND CONSIDER A RESOLUTION ADOPTING CERTAIN FINDINGS UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT AND AUTHORIZING EXECUTION OF A WATER TRANSFER AGREEMENT WITH THE EAST SIDE CANAL & IRRIGATION COMPANY AND SAN LUIS CANAL COMPANY

General Manager Azhderian reported he had been working with representatives of East Side Canal and San Luis to renew the District's long-term water transfer agreement and that the parties had come to terms for a new agreement through 2029. Azhderian explained the ESC&IC had implemented water conservation projects to make the water available and that the transfer was facilitated by the SLCC, which takes direct delivery of the conserved transfer water from East Side in exchange for CVP water that is then transferred to the District. He said Reclamation had approved the transfer and satisfied its requirements under the National Environmental Policy Act and issued a Finding of No Significant Impact. He also said a draft Environmental Assessment that incorporates Reclamation's FONSI had been prepared to comply with the California Environmental Quality Act and was awaiting finalization. Lastly, Azhderian stated the agreement was awaiting approval by the State Water Resources Control Board. General Counsel Williams reported execution of the Transfer Agreement would be contingent upon compliance with CEQA and State Board approval. He reviewed the applicable CEQA exemptions with the Board. After consideration, on a motion by Director Stearns, seconded by Director Barcellos, the Board unanimously adopted the Resolution.

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 AUTHORIZING EXECUTION OF A LETTER OF INTENT WITH FOREFRONT POWER TO EXPLORE IMPLEMENTATION OF A POWER PURCHASE AGREEMENT

General Manager Azhderian reported he had been exploring alternative approaches to implement a solar project to reduce the District's operations costs and through that effort discovered the School Project for Utility Rate Reduction (SPURR) joint powers authority's Renewable Energy Aggregated Procurement (REAP) Program. He then introduced SPURR Program Manager Jeremiah Seng and asked him to recapitulate the presentation about the program he did for the Board in November for the new Directors. Seng explained that SPURR was formed in 1989 and has since helped over 300 public agencies develop thousands of solar facilities. He said the focus of the REAP Program was to streamline the solar buying process, aggregate purchasing power and expertise to drive down solar project pricing, and improve contract terms and conditions for its public agencies. He said from SPURR's competitive RFP process, ForeFront Power was chosen due to their solar expertise, competitive pricing, pre-negotiated contracts, and standardized terms.

Azhderian explained staff had begun working with ForeFront Power to explore the feasibility and potential benefits of a solar project for the District and said that the current analysis shows promise. He then introduced ForeFront's California Public Sector Director Brian Taylor to present the current analysis. Taylor reviewed a proposed one-megawatt project that could be constructed near the District's office and connected to PG&E's transmission system near Pump Station 2. He explained the project was estimated to save the District approximately \$8.9 million over the next 20 years. He also explained that ForeFront

was continuing to work with District staff on analyzing additional meters of interest and that a second one-megawatt project may also be feasible.

Azhderian explained that at this stage, with the potential benefits being significant and analysis of a second system underway, ForeFront was requesting the District consider executing a Letter of Intent to facilitate further project design and refinement and the negotiation, preparation, and potential execution one or more Energy Services Agreements for the projects. He said that other than the exclusivity clauses contained in the Letter, it is not intended to be a binding agreement but rather a vehicle for further discussion and negotiation between the District and ForeFront. If negotiations are successful, Azhderian stated, then a fully binding agreement, including proposed final project pricing, would be brought to the Board for its consideration and approval. Seng and Taylor responded to questions from the Board. After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board unanimously approved execution of the Letter of Intent.

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 A RESOLUTION DETERMINING THAT DURING THE PROCLAIMED STATE OF EMERGENCY DUE TO THE COVID-19 PANDEMIC, MEETING IN PERSON WOULD PRESENT IMMINENT RISK TO THE HEALTH OR SAFETY OF ATTENDEES

General Manager Azhderian explained the proposed resolution was identical to the one adopted by the Board at the last meeting except that it extended the proclaimed state of emergency and ability for the Board and public to meet virtually until January 13, 2022. After consideration, on a motion by Director Stearns, seconded by Director Barcellos, the Board unanimously adopted the resolution 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 AUTHORIZING EXECUTION OF A SERVICE AGREEMENT WITH K-COE ISOM TO SUPPORT RECRUITMENT OF A CONTROLLER

General Manager Azhderian requested the Board authorize execution of the Service Agreement to facilitate the District's recruitment of a new controller following the departure of JP Otollo. He explained the difficulty the District has had recruiting and retaining talented financial managers and said that K-Coe Isom would be a good fit due to their knowledge of the District and experience in the agriculture and accounting industries. Azhderian said K-Coe would assist the District in evaluating its needs, preparing the recruitment package, and managing the hiring process. Prior to further consideration, the Board requested staff to reevaluate the continuing need for a controller to assess if the District required a highly skilled financial manager versus a more broadly skilled administrator and if the need could be served by a consultant or on a part-time basis. Azhderian said he would develop some alternatives and report back. No further action was taken on the matter.

THE BOARD TO REVIEW AND CONSIDER AUTHORIZING EXECUTION OF A SERVICE AGREEMENT WITH MADERA PUMP FOR THE REPAIR AND CLEANING OF WELL #48

General Manager Azhderian explained the District owns a well near the corners of Shields and Russell Avenues that had not be operated in a number of years. With a 0% allocation of Central Valley Project contract water, he said the District had the well inspected by Anderson Pump to ready for service. He said that once the maintenance work was completed and the well turned on, it did not produce an expected volume of water and that the water was high in total dissolved solids. The District had hydrologist Ken Schmidt review the well log and video shot by Anderson Pump and he recommended the well be chemically cleaned. Azhderian said requested price quotes from Anderson and Madera Pump and that Madera offered the lowest cost proposal. Azhderian expressed concern given the location of the well, which limits how much it can be run, and the poor water quality that the cost to clean the well may be worth the benefit. After consideration, the Board requested staff analyze the well's prior production to determine whether the cleaning work should proceed. No further action was taken on the matter.

THE BOARD TO REVIEW AND CONSIDER AUTHORIZING EXECUTION OF A SERVICE AGREEMENT WITH GARTUNG CONSULTING TO PROVIDE DESIGN SERVICES AND SUPPORT ISSUANCE OF A REQUEST FOR BIDS TO UPGRADE THE DISTRICT'S SURFACE WATER TREATMENT PLANT

General Manager Azhderian explained the District's surface water treatment plant was in need of modernization and that staff had been working with Summers Engineering and the State Water Resources Control Board on the design and funding of a new plant but that recent and significant increases in the prices of materials had ballooned the project's cost to approximately \$8 million. The state could provide grant funding for up-to \$3 million and a low-interest loan for the rest but, given the small number of connections, even with the state's loan support, the project had grown unaffordable. Azhderian said staff has since meet with State Board representatives and the District's water treatment consultant, Westside Water, to identify an affordable, alternative approach that could be implemented for less than \$3 million. An approach has been identified, he said, and Westside Water was recommending the District engage Gartung Consulting to provide the necessary design and services. After consideration, on a motion by Director Stearns, seconded by Director Correia, the Board accepted the recommendation and authorized execution of the Service Agreement.

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 AUTHORIZING EXECUTION OF AN EASEMENT AGREEMENT WITH TURLOCK FRUIT CO. TO FACILITATE CONSTRUCTION OF AN IRRIGATION PIPELINE UNDER THE DISTRICT'S CONTOUR CANAL

General Manager Azhderian reported that Turlock Fruit was requesting to construct a pipeline under the District's Contour Canal to connect two pieces of their property that are separated by the canal. He said Water Resources Manager Juan Cadena had reviewed the proposal with the District's engineer and they have concluded that Water Reclamation can perform the requested work without jeopardizing the canal or interfering with its operation. Azhderian said General Counsel Williams could prepare a suitable agreement and recommended the Board approve the request. After consideration, on a motion by Director Correia, seconded by Director Barcellos, the Board accepted the recommendation and authorized development and execution of the Easement Agreement.

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 DISTRICT'S FYE-2022 BUDGET AND OPERATIONS & MAINTENANCE RATE

General Manager Azhderian reported this matter had been considered at both the October and November Board meetings and tabled each time for further evaluation and consideration. He then presented the Board the current analysis and explained that while some costs were down, energy costs for example, others were up, such as repairs and maintenance, but that the major driver of the cost deviation remained the difference between forecasted and actual deliveries, which were significantly less than originally projected due to growers following more land, deficit irrigating, and relying more upon groundwater. The result, he said, was an under-collection of revenues of approximately \$230,000. Azhderian presented the Board two options, it could allow the deficit to accrue from reserves or it could increase the District's O&M rate by \$35 per acre-foot, which would be collected on future deliveries as well as through a supplemental billing for water already delivered. He acknowledged the difficulty in billing growers for water already delivered but also noted the recent Standard & Poors credit rating analysis, which was critical of what it considered to be the District's weak liquidity. The Board discussed the alternatives and whether the District should consider a "reserve policy". After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board elected to amend the District's budget, increase the O&M rate by \$12.00 per acre-foot, and issue a supplemental billing for water already delivered.

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 AUTHORIZING DISTRICT PARTICIPATION IN ASSOCIATIONS AND OTHER FORUMS SUPPORTING AGRICULTURAL WATER AND RELATED OUTREACH AND EDUCATION EFFORTS

General Manager Azhderian presented the Board a list of organizations the District had traditionally supported and he requested direction on future contributions. After consideration, on a motion by Director Barcellos, seconded by Director Fausone, the Board authorized participation in the organizations and at the amounts presented and added a \$500 contribution to the California Agriculture in the Classroom program.

The vote on the matter was as follows:

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

THE BOARD TO CONSIDER PRESENTING CHRISTMAS BONUSES TO ALL DISTRICT EMPLOYEES

General Manager Azhderian reported the Board had approved a \$300 Christmas bonus for all employees in 2020 and he requested direction for 2021. After consideration, on a motion by Director Stearns, seconded by Director Correia, the Board authorized a \$300 bonus for all employees.

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 PAYMENT OF BILLS

General Manager Azhderian presented the Board with the District's accounts payable. After consideration, on a motion by Director Stearns, seconded by Director Fausone, the Board approved payment of the bills.

The vote on the matter was as follows:

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

REPORT ITEMS

No reports were given.

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

No reports were given.

CLOSED SESSIONS

No closed session was held.

FUTURE MEETING DATES

A special meeting was scheduled for December 21st at 9:00 a.m.. The next regular meeting of the Board was scheduled for November 9, 2021, at 9:00 a.m.

ADJOURNMENT

With no further business on the agenda, President Bennett adjourned the meeting at 11:57 a.m..

John Bennett, President

Steve Fausone, Secretary

**PANOCHÉ WATER DISTRICT MEETING MINUTES
SPECIAL MEETING OF THE BOARD OF DIRECTORS
December 21, 2021, at 9:00 A.M.**

A special meeting of the Board of Directors was held in accordance with Resolution 794-21 proclaiming a local emergency and authorizing remote teleconference meetings through January 13, 2022, pursuant to Assembly Bill 361, and to make the meetings accessible to the public electronically. 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
Diane Rathmann, Of Counsel
Chris Panetta, Special Counsel
William Haahsy, Special Counsel
Suzanne Redfern-West, Redfern Ranches

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 9:03 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

There were no conflicts reported.

PUBLIC COMMENT

General Manager Azhderian wished everyone a Merry Christmas.

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 9:04 a.m., President Bennett called the joint closed session to order.

At approximately 12:31 p.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.

FUTURE MEETING DATES

The next regular meeting of the Board was scheduled for January 11, 2022, at 9:00 a.m.

ADJOURNMENT

With no further business on the agenda, President Bennett adjourned the meeting at 12:31 p.m.

John Bennett, President

Mike Stearns, Secretary

PANOCHE WATER DISTRICT TREASURER'S MONTHLY FINANCIAL REPORT BALANCE SHEET-CURRENT ASSETS & LIABILITIES		
	<u>October 31, 2022</u>	<u>September 30, 2022</u>
CURRENT LIABILITIES		
ACCOUNTS PAYABLE	\$411,544	\$202,202
PREPAYMENTS/CREDIT ACCOUNTS	-	-
TOTAL CURRENT LIABILITIES	\$411,544	\$202,202
CASH AND INVESTMENT ACCOUNTS		
O&M CHECKING	\$645,751	\$263,034
PAYROLL CHECKING	\$22,461	\$91,843
CONTRACTUAL OBLIGATION FUND MONEY MARKET	\$321,364	\$321,353
LAIF	\$5,466,311	\$5,840,194
2021 REVENUE BONDS - LAIF RESTRICTED	\$1,174,981	\$1,170,997
TOTAL CASH AND INVESTMENTS	\$7,630,869	\$7,687,421
ACCOUNTS RECEIVABLES		
WATER	\$391,850	\$705,705
GROUNDWATER MANAGEMENT FEE	-	-
DELINQUENT ACCOUNT CHARGES	\$187,120	\$937,838
OTHER	\$85	\$305
GBA NOTE RECEIVABLE	\$68,218	\$85,211
PDD NOTE RECEIVABLE	\$48,080	\$60,025
CASH ADVANCE - PROP 84	\$560,000	\$560,000
TOTAL ACCOUNTS RECEIVABLES	\$1,255,353	\$2,349,084
TOTAL CURRENT UNAUDITED ASSETS	\$8,886,222	\$10,036,505
NET CURRENT UNAUDITED ASSETS (NET CASH POSITION)	\$8,474,677	\$9,834,303

Account Number/Description

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Beginning Balance**Debit****Credit****Net Change**

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Ending Balance

13112-000

MECHANIC CKNG #*****8566

142,411.21

22,662,485.84

22,159,145.87

503,339.97

645,751.18

13412-000

MECHANIC PR#*****7895

28,911.18

1,142,255.45

1,148,705.50

6,450.05-

22,461.13

13465-000

2021 REVENUE BONDS - LAIF

1,167,888.30

7,093.05

0.00

7,093.05

1,174,981.35

13470-000

CONTRACTUAL OBLIGATION FUND #9745

346,609.19

622,537.77

647,783.35

25,245.58-

321,363.61

13520-000

LOCAL AGENCY INVESTMENT FD

3,973,256.98

6,793,054.28

5,300,000.00

1,493,054.28

5,466,311.26

Report Total:

5,659,076.86

31,227,426.39

29,255,634.72




1,971,791.67

7,630,868.53

RETURN SERVICE REQUESTED

PANOCHÉ WATER DISTRICT
 O & M ACCOUNT
 52027 W ALTHEA AVE
 FIREBAUGH CA 93622-9401

Managing Your Accounts

-  Client Services 800.797.6324
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Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC CHECKING	XXXXXXXX8566	\$662,488.10

RETURN SERVICE REQUESTED

PANOCHÉ WATER DISTRICT
PAYROLL ACCOUNT
52027 W ALTHEA AVE
FIREBAUGH CA 93622-9401

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Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC CHECKING	XXXXXXXX7895	\$24,157.13

RETURN SERVICE REQUESTED

PANOCHÉ WATER DISTRICT
 CONTRACTUAL OBLIGATION FUND
 52027 W ALTHEA AVE
 FIREBAUGH CA 93622-9401

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The "Per Check Charge" defined on your statement represents a \$15 charge for each check that exceeds the six check limitation on your account. Refer to Mechanics Bank's Account Agreement for additional information.

Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC MONEY MARKET	XXXXXXXXX9745	\$321,363.61

PANOCHÉ WATER DISTRICT
AGED ACCOUNTS RECEIVABLE - Delinquent
As Of 10/31/2022

Name	31-60 Days	61-90 Days	Over 90 Days	Total A/R
Cecilia Echeveste Survivor's Trust	-	23,021.00	5,237.04	28,258.04
Dehbala Orchards, LP	90.00	-	-	90.00
Imperial Merchants USA, LLC	3.53	3.53	249.27	256.33
John S. Diedrich Farms,	2.44	2.44	384.15	389.03
Olam West Coast, Inc. (OSVI)	7.66	7.66	564.04	579.36
	103.63	23,034.63	6,434.50	29,572.76
<u>Other</u>				
Camp 13 Drainage District	-	-	57,050.97	57,050.97
Central California Irrigation District	-	-	71,456.33	71,456.33
Grassland Basin Authority	278.28	15,357.10	13,404.50	29,039.88
	278.28	15,357.10	141,911.80	157,547.18
Total Accounts - Delinquent	381.91	38,391.73	148,346.30	187,119.94

Aaron Barcellos

Oct 31, 2022

Review Period: 9/8/2022 – 10/6/2022

Statement and documentation made available: ~~10/31~~/2022

I have reviewed the credit card documentation for the Westamerica Bank VISA account ending in 8512.

Included in the packet were credit card statement detail and supporting documentation. Activity for this time period include charges from the following cardholders:

Mr. Ara Azhderian – General Manager

Mr. Juan Cadena – Director of Operations

All charges reviewed appear to be valid district related expenses complete with supporting documents.

Sincerely,

Aaron Barcellos

A handwritten signature in dark ink, appearing to be 'A. Barcellos', with a long horizontal flourish extending to the right.

BACK

**PANOCHE WATER DISTRICT
FIREBAUGH, CALIFORNIA**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
FEBRUARY 28, 2022**

**PANOCHÉ WATER DISTRICT
FINANCIAL STATEMENTS
FEBRUARY 28, 2022**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Panoche Water District
Firebaugh, California

Opinions

We have audited the accompanying financial statements of Panoche Water District (the District) as of and for the year ended February 28, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District, as of February 28, 2022, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Clovis, California
November xxx, 2022

**PANOCHÉ WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FEBRUARY 28, 2022**

History & Background

The Management Discussion and Analysis (MDA) of Panoche Water District (the District) provides an overview of the financial activities and transactions for the fiscal-year ended February 28, 2022, in the context of the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, as amended. The MDA is designed to provide the District's citizens, taxpayers, customers, and creditors with a financial overview and highlights of the primary factors affecting the District's finances and operations. This discussion and analysis should be read in conjunction with the District's audited financial statements and accompanying notes.

The District was formed in, and has operated continuously since, 1950 under the California Water District Law (Division 13 of the California Water Code), for the purpose of furnishing irrigation water for agricultural use within the District. The District includes approximately 38,231 acres located on the west side of the San Joaquin Valley in northwestern Fresno and southwestern Merced Counties of which approximately 36,970 acres are irrigable. The Delta-Mendota Canal, the San Luis Canal, and Interstate 5 pass through or are in close proximity to the District. The District primarily supplies water for Agricultural ("Ag") purposes, with a small amount of water delivered for Municipal & Industrial ("M&I") purposes, to approximately 106 landowners and lessees through its contract (14-06-200-7864A-IR1-P) with the United States Bureau of Reclamation (USBR) for water service from the Central Valley Project (CVP). The District holds other contracts with the USBR for the conveyance and storage of supplemental supplies and for the purchase or exchange of refuge water supplies, in addition to other agreements with other entities to acquire supplemental water supplies.

Financial Reporting

The District's accounting records are maintained in accordance with Generally Accepted Accounting Principles as prescribed by the GASB, which is the accrual basis of accounting for the District.

Description of Basic Financial Statements

This discussion and analysis provides an introduction and a brief description of the District's financial statements, including the relationship of the statements to each other and the significant differences in the information they provide. The District's financial statements include five components:

- Statement of Net Position
- Statement of Revenues, Expenses and Changes in Net Position
- Statement of Cash Flows
- Notes to Basic Financial Statements
- Required Supplementary Information

The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Net position is displayed in two categories:

- Net investment in capital assets
- Unrestricted

The Statement of Net Position provides the basis for evaluating the capital structure of the District and assessing its liquidity and financial flexibility.

The Statement of Revenues, Expenses, and Changes in Net Position presents information which shows how the District's net position changed during the fiscal year. All the current year's revenues and expenses are recorded when the underlying transaction occurs, regardless of timing of the related cash flows. The Statement of Revenues, Expenses, and Changes in Net Position measures the effect of the District's operations over the

**PANOCHÉ WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FEBRUARY 28, 2022**

Description of Basic Financial Statements (Continued)

past year and indicates whether the District has covered its costs through user fees and other charges or from cash reserves.

The Statement of Cash Flows provides information regarding the District's cash receipts and cash disbursements during the year. This statement reports cash activity in three categories:

- Operating
- Investing
- Capital and Related Financing

This statement differs from the Statement of Revenues, Expenses, and Changes in Net Assets by only accounting for transactions that result in cash receipts or cash disbursements.

The Notes to the Basic Financial Statements provide a description of the accounting policies used to prepare the financial statements and present material disclosures required by generally accepted accounting principles that are not otherwise present in the financial statements.

Financial Highlights

- The District's assets exceeded liabilities at the close of fiscal-year 2022, resulting in a net position of \$13,800,739.
- The District's current year net position decreased by \$498,479 and is predominately attributed to decreases in operating revenues compared to fiscal-year 2021.
- During the fiscal-year 2022, the District's revenues decreased by \$1,178,216, or 6%, and expenses decreased by \$3,024,811, or around 13%.
- For fiscal-year 2022, operating expenses exceeded operating revenues by \$601,663.
- The District's cash balance on February 28, 2022, was \$5,659,076 representing an increase of \$1,203,926 from February 28, 2021.

Statement of Net Position

To begin our analysis, a summary of the District's Statements of Net Position is presented below:

	2022	2021	Increase (Decrease)	Percent Change
Current assets:	\$ 21,957,774	\$ 17,561,498	\$ 4,396,276	25%
Capital assets	18,414,502	10,133,411	8,281,091	82%
Other noncurrent assets	720,927	1,140,863	(419,936)	-37%
Total assets	41,093,203	28,835,772	12,257,431	43%
Current liabilities:	7,431,750	7,350,833	80,917	1%
Noncurrent liabilities	19,860,714	7,185,721	12,674,993	176%
Total liabilities	27,292,464	14,536,554	12,755,910	88%
Net position:				
Net investment in capital assets	8,245,548	10,133,411	(1,887,863)	-19%
Unrestricted	5,555,191	4,165,807	1,389,384	33%
Total net position	\$ 13,800,739	\$ 14,299,218	\$ (498,479)	-3%

**PANOCHÉ WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FEBRUARY 28, 2022**

Statement of Net Position (Continued)

The District's net position decreased by \$498,479 between fiscal-year 2021 and 2022 from \$14,299,218 to \$13,800,739 due to operating expenses exceeding operating revenues. The District's net position reflects its investment in capital assets (e.g., land and land rights, sources of water supply, canal structures, automobiles and trucks, machinery & equipment, building and improvement, office furniture and equipment, and the surface water treatment plant) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to customers; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The increase in capital assets of \$8,281,091, or about 82%, is primarily due to the execution of a permanent Repayment Contract with the United States Bureau of Reclamation Providing for Project Water Service San Luis Unit and Delta Division and the District's resultant pre-payment of its Central Valley Project construction capital obligation in the amount of \$9,292,693, along with current year depreciation exceeding acquisition of new assets by the amount of \$126,676.

The increase in current liabilities of \$80,917 or about 1% is not material and is the result of normal operations.

Statement of Revenues, Expenses and Changes in Net Position

	2022	2021	Increase (Decrease)	Percent Change
Operating revenues	\$ 19,014,664	\$ 20,192,880	\$ (1,178,216)	-6%
Operating expenses	(19,616,327)	(22,641,138)	3,024,811	-13%
Operating income (loss)	(601,663)	(2,448,258)	1,846,595	-75%
Nonoperating revenues/(expenses)	103,184	2,135,800	(2,032,616)	-95%
Change in net position:	(498,479)	(312,458)	(186,021)	60%
Net position, beginning	14,299,218	14,611,676	(312,458)	-2%
Net position, ending	<u>\$ 13,800,739</u>	<u>\$ 14,299,218</u>	<u>\$ (498,479)</u>	-3%

- Operating revenues and expenses decreased due actual water deliveries being less than forecasted resulting in decreased revenue.
- Non-operating revenues decreased when compared to FY21 mainly due to a one-time settlement expense to the USBR in FY21.

Capital Assets

The District's investment in capital assets as of February 28, 2022, amounts to \$18,414,502, net of accumulated depreciation/amortization. The total increase in capital assets for the current fiscal year was approximately \$8,281,091, or about 82%. Major capital asset events during the current fiscal year included:

- CVP Repayment Contract: \$9,292,693
- New SprayTec Weed Control Spray Rig: \$126,676
- The District continued its policy of write-off of old and obsolete assets.

Additional information on the District's capital assets can be found in Note 4 of the financial statements.

**PANOCHÉ WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FEBRUARY 28, 2022**

Long-term Debt

On February 28, 2022, the District had \$19,860,714 of long-term debt; this represents an increase of \$12,674,993 or about 176% from the prior year. Of this amount, \$468,715 was due within the next twelve months. More detailed information about the District's long-term debt is presented in Note 6 to the financial statements.

Major Economic Factors and Other Issues Affecting the District's 2021 Fiscal-Year

The primary factor affecting the District's finances year-over-year is water supply. On average, the District relies upon its contract with the USBR for the majority of the water it delivers in any given year to the District's growers. Other sources of supply include additional agreements with USBR for supplemental water, other agreements with other entities for supplemental water, and local supplies including groundwater and recycled drainage. Other factors impacting the District's finances include third-party costs to convey water to the District, labor, energy, regulation, and the cost to operate, maintain, and repair the District's aging infrastructure.

Water Supply

The District's primary source of water is its contract with the USBR for water service from the Central Valley Project (CVP). In the early 1950's, the USBR completed construction of the Delta-Mendota Canal, which provided the District an opportunity for a long-term, reliable source of surface water. In August 1955, the District executed a 40-year contract with the USBR providing for water service from the CVP and a firm water supply of up-to 94,000 acre-feet per year. In the 1960's, the USBR and the California Department of Water Resources undertook the joint effort to build the San Luis Reservoir and San Luis Canal – the CVP's San Luis Unit. In August 1974, the District entered into a new contract with the USBR to provide for new points of delivery, storage, and drainage service from the San Luis Unit. The 1974 contract expired at the end of 2008 and the District operated under a series of "Interim Renewal Contracts" ("IRC") for a number of years. The District's sixth IRC expired at the end of the 2021 fiscal-year. In February 2021, the District's Board authorized execution of the District's seventh IRC, which provided a basis for CVP and other water delivery until the District's permanent Repayment Contract, executed under authority granted under the Water Infrastructure Improvements for the Nation Act (Public Law 114-322, 130 Stat. 1628), became effective on July 1, 2021. Under each of its various Federal contracts since 1955, the District has contracted for a 94,000 acre-foot supply of CVP water per year. For planning purposes, under the current regulatory regime, the District projects receiving 40% of its CVP contract allocation on average.

At the end of the 2022 fiscal-year, the District held two other contracts with the USBR to provide for the conveyance, storage, exchange, and/or purchase of supplemental water supplies. Two of these agreements are commonly referred to as Warren Act Contracts. One allows for the conveyance and storage of supplemental water acquired by the District in Northern California. The other allows for the conveyance and storage of local groundwater developed by the District. A third agreement, which provides for the exchange and/or purchase of locally developed groundwater by the District for the USBR to supplement its refuge management water supply, was under negotiation and ultimately executed on April 1, 2022.

In addition, at the end of the 2022 fiscal-year, the District had five agreements for the purchase of supplemental water from other entities. These agreements, in general, have pricing structures that inversely relate to annual allocations of CVP contract water. In other words, when CVP allocations are high, supplemental water prices are lower and when CVP allocations are low, supplemental water prices are higher. In addition to potential swings in the price of water, the rate to deliver water, both to the District and within the District, can vary dramatically as water supply dependent, forecasted deliveries are the denominator used to set the delivery rate. Therefore, the delivery rate can expand or contract significantly. Higher delivery rates, coupled with higher water prices, can force some growers to fallow land and/or deficit irrigate perennial crops, compounding the impact on delivery rates through diminished deliveries.

**PANOCHÉ WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FEBRUARY 28, 2022**

One-Time Settlements

During the 2022 fiscal-year, the District resolved two major issues so as to significantly reduce its litigation risk. The first issue involved the United States' contention that the District made unauthorized diversions of federally-owned water from the Delta-Mendota and San Luis canals between 2009 and 2015. The District entered into a Settlement Agreement with the United States in January 2021, agreeing to pay the United States the total sum of \$7,462,808.00, against which 1% simple interest per year began to accrue beginning January 15, 2021. An initial payment of \$1,000,000 was required at the time of execution in January, which was paid from the District's cash reserve. In the 2022 fiscal-year, the District conducted a Proposition 218 special benefits assessment election, which passed overwhelmingly. The Board of Directors imposed the assessment and provided the District an opportunity to issue a bond to pay the required settlement amount, including recovery of the initial payment amount, in FY22. This was complete in August 2021.

The second issue stems from alleged damage to the San Luis & Delta-Mendota Water Authority (the "Water Authority") as a result of the unauthorized diversions. The USBR Settlement Agreement provided that the Water Authority sustained damages of \$798,653.00 and required the District make reasonable efforts to negotiate and resolve a final amount to be paid by the District to the Water Authority. In return, the District would obtain releases from the Water Authority for the benefit of both the District and the United States relating to the Covered Conduct.

On July 16, 2021, the District and the Water Authority entered into a Settlement Agreement and Limited Release, the terms of which satisfied the relevant requirements of the USBR Settlement Agreement. In the Settlement Agreement and Limited Release, the District agreed to pay to the Water Authority for: unpaid operations and maintenance costs associated with the unauthorized diversions in the amount of \$798,653; interest thereon of around \$172,252; the Water Authority's costs of around \$17,766 for sealing certain sites related to the unauthorized diversions; and costs of around \$60,000 for the Water Authority's staff and outside counsel time related to the negotiation of the Settlement Agreement and Limited Release. The District has performed all terms under the Settlement Agreement and Limited Release in fiscal-year 2022.

Cash Advances

Drainage management is vital to the District's agricultural productivity and sustainability. Management of the District's drainage is preformed, in large part, by the Panoche Drainage District. The Panoche Drainage District is administering a California Proposition 84 grant to implement the Westside Regional Drainage Plan. The District is the largest beneficiary of the Plan's implementation. The grant is a reimbursement grant and, on occasion, the Drainage District may not have cash sufficient to support ongoing activities so the District will provide cash advances that are subsequently reimbursed. In fiscal-year 2022, the District advanced approximately \$460,000 to support the grant activities, which it expects to recover from the Drainage District in fiscal-year 2023.

Accounts Receivable

The liabilities related to the SJRIP primarily stem from its service rate having been set too low from the fiscal-year ending 2018 through 2021, thereby creating a need for cash to maintain its vital function. This was a period of significant transition for the SJRIP as a new management team was established, revenues from grants were suspended, and governance and financial responsibility for the SJRIP was being transformed through the formation of a new joint-powers authority, the Grassland Basin Authority. The joint powers agreement was signed in June 2019. During this transition period, services to the SJRIP through the PDD continued to be provided by the District. While cognizant of the growing liability, as the largest entity dependent upon the essential drainage management services provided by the SJRIP, and in the interest of facilitating the transition of the SJRIP operations to the joint-powers authority, the District allowed the liabilities to accumulate as the SJRIP could not meet its reimbursement obligations as and when they fell due. The District is currently working with the Grassland Basin Authority to establish a process to validate the liability and a repayment schedule. Management expects an agreement with the Grassland Basin Authority to be executed prior to the end of the current 2023 fiscal-year.

**PANOCHÉ WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FEBRUARY 28, 2022**

Contacting the District Regarding Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances, and to demonstrate the District's accountability for the financial resources it manages. The District can be contacted for questions about this report or additional financial information at 52027 West Althea Avenue, Firebaugh, California 93622, or by phone at (209) 364-6136.

PANOCHÉ WATER DISTRICT
STATEMENT OF NET POSITION
FEBRUARY 28, 2022

ASSETS

Current assets:

Cash and cash equivalents	\$ 5,659,076
Accounts receivable	2,312,638
Accounts receivable - related party	4,412,363
Employees receivable	20,393
Interest receivable	2,850
Current portion of notes receivable	115,565
Current portion of notes receivable - related party	346,281
Advance to Panoche Drainage District - related party	460,000
Water inventory	8,417,092
Supplies inventory	89,243
Prepaid expense	<u>122,273</u>
 Total current assets	 <u>21,957,774</u>

Noncurrent assets:

Noncurrent portion of notes receivable	227,885
Noncurrent portion of notes receivable - related party	493,042
Capital assets, net of accumulated depreciation/amortization	<u>18,414,502</u>
 Total noncurrent assets	 <u>19,135,429</u>

Total assets	<u>41,093,203</u>
--------------	-------------------

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	1,004,770
Unearned revenue	5,958,265
Current portion of noncurrent liabilities - bonds payable	<u>468,715</u>
 Total current liabilities	 <u>7,431,750</u>

Noncurrent liabilities:

Bonds payable	<u>19,860,714</u>
 Total noncurrent liabilities	 <u>19,860,714</u>

Total liabilities	<u>27,292,464</u>
-------------------	-------------------

NET POSITION

Net investment in capital assets	8,245,548
Unrestricted	<u>5,555,191</u>
 Total net position	 <u>\$ 13,800,739</u>

The notes the basic financial statements are an integral part of this statement.

PANOCHÉ WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED FEBRUARY 28, 2022

Operating revenues:	
Irrigation water sales	\$ 12,708,759
District operations and maintenance	4,648,481
Charges for services to other governments	735,946
Fresno County property assessments	787,276
Other operating revenue	<u>134,202</u>
Total operating revenues	<u>19,014,664</u>
Operating expenses:	
Water costs	11,237,992
Transmission and distribution	2,590,254
Administration and general	3,323,794
Depreciation/amortization	1,458,716
General plant	<u>1,005,571</u>
Total operating expenses	<u>19,616,327</u>
Operating income (loss)	<u>(601,663)</u>
Nonoperating revenues (expenses):	
Nonoperating grant revenue	631,567
Interest revenue	54,400
Sale of capital assets	28,500
Bad debt recovery revenue	17,734
Bad debt expense	(21,340)
Interest expense	<u>(607,677)</u>
Total nonoperating revenues (expenses)	<u>103,184</u>
Change in net position	(498,479)
Net position - beginning	<u>14,299,218</u>
Net position - ending	<u>\$ 13,800,739</u>

The notes the basic financial statements are an integral part of this statement.

**PANOCHÉ WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED FEBRUARY 28, 2022**

Cash flows from operating activities:	
Receipts from customers	\$ 22,460,435
Payments to suppliers	(21,283,284)
Payments to employees	<u>(1,787,541)</u>
Net cash provided by (used for) operating activities	<u>(610,390)</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets (capital outlay)	(126,676)
Gross proceeds from sale of equipment	28,500
Acquisition of water rights	<u>(9,613,131)</u>
Net cash provided by (used for) capital and related financing activities	<u>(9,711,307)</u>
Cash flows from noncapital financing activities:	
Nonoperating grant revenue	631,567
Funds borrowed for operating activities	18,613,954
Principal paid on noncapital noncurrent liabilities	(7,664,496)
Interest paid on noncurrent liabilities	<u>(607,677)</u>
Net cash provided by (used for) noncapital financing activities	<u>10,973,348</u>
Cash flows from investing activities:	
Payments received on loans to others	159,720
Payments received on loans to related party	338,543
Interest revenue	<u>54,012</u>
Net cash provided by (used for) investing activities	<u>552,275</u>
Net increase (decrease) in cash	1,203,926
Cash and cash equivalents - beginning	<u>4,455,150</u>
Cash and cash equivalents - ending	<u>\$ 5,659,076</u>
Supplemental disclosure of cash flow information:	
Cash paid for interest	<u>\$ (607,677)</u>

The notes the basic financial statements are an integral part of this statement.

PANOCHÉ WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED FEBRUARY 28, 2022
(Continued)

**Reconciliation of Operating Income (Loss) to Net Cash Provided by
(Used for) Operating Activities:**

Operating income (loss)	\$ (601,663)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation/amortization	1,458,716
(Increase) decrease in accounts receivable	1,047,273
(Increase) decrease in inventory	(4,311,269)
(Increase) decrease in prepaid expenses	(9,899)
Increase (decrease) in accounts payable and accrued expenses	(592,047)
Increase (decrease) in unearned revenue	<u>2,398,499</u>
Net cash provided by (used for) operating activities	<u>\$ (610,390)</u>

The notes the basic financial statements are an integral part of this statement.

**PANOCHÉ WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FEBRUARY 28, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

Panoche Water District (the District) was formed in 1950 pursuant to the California Water District Act to furnish irrigation water to District land in Fresno and Merced Counties, California. Land eligible for water provided by the District as of February 20, 2020, approximated 38,000 acres. The District has entered into a contract with the United States Bureau of Reclamation providing for delivery of water to the District from the Delta-Mendota and San Luis Canals of the Central Valley Project. Such contracts also include a forty-year renewal provision.

B. Financial Reporting Entity

The Panoche Water District Financing Corporation (the Corporation) is a component unit of the District as the Corporation's governing board is appointed by the District's Board of Directors and consists of all the members of the District's Board of Directors. The District does not have a relationship with any other related activities, organizations or functions of government which should be included in the financial reporting entity of the District as required by GASB Statement No. 14, *The Financial Reporting Entity*. In addition, the District is not a component unit of any other governmental entity.

C. Basis of Presentation and Accounting

The financial statements of the District are presented using the full accrual method of accounting and conform to accounting principles generally accepted in the United States of America and with the policies and procedures of the office of the State Controller for the State of California.

The accounts of the District are organized on the basis of a proprietary fund type, specifically an enterprise fund. The activities of this fund are accounted for with a set of accounts that comprise the District's assets, liabilities, net position, revenues and expenses. Enterprise funds account for activities (i) that are financed with debt that is secured solely by a pledge of the net revenue from fees and charges of the activity; or (ii) that are required by law or regulation that the activity's costs of providing services, including capital costs (such as depreciation or debt service) be recovered with fees and charges, rather than with taxes or similar revenue; or (iii) that the pricing policies of the activity establishes fees and charges designated to recover its costs, including capital costs (such as depreciation or debt service).

The accounting and financial reporting treatment applied to the District is determined by its measurement focus. The transactions of the District are accounted for on a flow of economic resources measurement focus. With this measurement focus all assets and all liabilities associated with the operations are included on the statement of net position. Net position (i.e., total assets less total liabilities) are segregated into net investment in capital assets, restricted and unrestricted components.

D. Budgetary Procedures

The District operates under a budget prepared and approved by the Board of Directors. The budget is prepared on a detailed line-item basis. Revenue is budgeted by use (services and supplies, other charges, water supply and contingencies). Once approved, the Board of Directors may amend the adopted budget when unexpected modifications are required in estimated revenues and expenditures or expenses.

The District follows these procedures in establishing the budgetary data: (a) prior to the beginning of the year, the budget is legally enacted through passage of a resolution; (b) budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except that loan and bond proceeds are treated as other financial sources and loan and bond principal payments and fixed asset purchases are treated as expenditures.

**PANOCHÉ WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FEBRUARY 28, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Net Position

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Inventory

Panoche Water District accounts for water inventory consisting of water purchases in the current fiscal year and sold in the following fiscal year, such as: USBR CVP (Central Valley Project) Contract Water, Exchange Contractor water, Non-Project water, Wells, and Transfers. The District utilizes a vigorous process of tracking all components of water inventory on a monthly basis. The new process accounts for any usage, transfers, or losses for the purposes of financial statement presentation. Water inventory is valued at cost using the average-cost method.

Supplies inventories consist of materials and supplies for ongoing maintenance of the District's facilities. Supplies inventory is valued at cost.

Capital Assets

Capital assets (fixed assets) are stated at historical cost, except for donated assets, which are stated at fair value on the date donated. It is the policy of the District to capitalize all property, plant and equipment, except equipment with a cost of less than \$5,000. Costs of assets sold or retired are eliminated from the accounts in the year of disposition and the resulting proceeds (if any) are recorded as proceeds of sales in the applicable fund. Depreciation is recorded using the straight-line method. The estimated useful life for the irrigation distribution system of the District is 50 years.

In July 2021, the District entered into the 2021 Bond Revenue Agreement and acquired water rights from the United States Bureau of Reclamation. The purchase price was \$9,613,131 and the District is amortizing the cost over the 30 years period.

Operating Revenue and Expense

Operating revenues and expenses consist of those revenues that result from ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Nonoperating revenues and expenses consist of those revenue and expense items that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities. When an expense is incurred for purposes for which there are both restricted and unrestricted net position available, it is the District's policy to apply those expenses to restricted net position to the extent such is available and then to unrestricted net position.

**PANOCHÉ WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FEBRUARY 28, 2022**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities and Net Position (Continued)

Net Position

Net position comprises the various net earnings from operating income, nonoperating revenue, expenses and capital contributions. Net position is classified in the following three components:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvements of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net components as the unspent proceeds.

Restricted – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of net position that does not meet the definition of restricted or net investment in capital assets.

F. Estimates

Presentation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – CASH AND CASH EQUIVALENTS

Unrestricted cash and cash equivalents as of February 28, 2022, consist of the following:

Cash in bank	\$ 1,685,819
Local Agency Investment Fund	<u>3,973,257</u>
 Total	 <u>\$ 5,659,076</u>

A. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District maintains its cash balances in one financial institution, Rabobank, N.A. The balances are insured by the federal deposit insurance corporation up to \$250,000.

The District's deposits as of February 28, 2022, were entirely covered by federal depository insurance or otherwise collateralized. The Government Code of the State of California requires California financial institutions to secure District deposits by pledging government securities as collateral.

The market value of pledged securities must equal at least 110 percent of the District's deposits. California law also allows financial institutions to secure the District's deposit by pledging first deed of mortgage notes having a value of at least 150 percent of the District's total deposit.

**PANOCHÉ WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FEBRUARY 28, 2022**

NOTE 2 – CASH AND CASH EQUIVALENTS (Continued)

B. Investments Authorized

The District strives to maintain the level of investment of idle funds as near to 100% as possible and operates its pooled idle cash investments under the Prudent Investor Standard. This affords a broad spectrum of investment opportunities so long as the investment is deemed prudent and is permissible under currently effective legislation of the State of California and other imposed legal restrictions. Permitted investments are identified in Section 53635 of the Government Code of California. Criteria for selecting investments and the absolute order of priority are safety, liquidity and yield. The primary basic premise underlying the District's investment policy is to insure the safety of principal and to provide funds when needed. A high dollar yield on investments, though important, ranks third in the priority of investment strategy.

Investment maturities are selected to anticipate cash needs, thereby obviating the need for forced liquidation and the accompanying loss of interest income.

The District operates its investment program with many Federal, State and self-imposed constraints. It does not buy stocks; it does not speculate; it does not deal in futures, options or security loan agreements. Longer term investments (over one year) are generally limited to maturities of five years or less.

To maximize investment income, the District uses all available, economically feasible investment aids. Economic conditions and various money markets are monitored in order to assess the probable course of interest rates.

C. Local Agency Investment Fund (LAIF)

The District participates in an external investment pool by way of its funds on deposit in the Local Agency Investment Fund (LAIF) managed by the State of California Treasurer and is not registered with the Securities and Exchange Commission. These funds are pooled with those of other agencies in the State and invested in accordance with State guidelines. The value of the District's shares in the LAIF that may be withdrawn is determined on an amortized costs basis, which may be different from the fair value of the District's position in the pool. The District's portion of the February 28, 2022, balance was \$3,973,257.

D. Credit Rate Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At February 28, 2022, the Local Agency Investment Fund managed by the State of California was not rated.

E. Concentration of Credit Rate Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) did not exceed 5% or more of total District investments.

F. Fair Value Measurement

LAIF investment pool invests in numerous types of investments ranging all levels in the fair value hierarchy, and accordingly, is not an investment type that can be categorized in any particular level in the fair value hierarchy.

PANOCHÉ WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FEBRUARY 28, 2022

NOTE 3 – ACCOUNTS RECEIVABLE

A summary of accounts receivable at February 28, 2022 is as follows:

Charges for services to other governments	\$ 173,124
Water user fees	2,594,902
Less allowance for doubtful accounts	<u>(455,388)</u>
Total	<u>\$ 2,312,638</u>

NOTE 4 – CAPITAL ASSETS

A summary of capital assets activity for the year ended February 28, 2022 is as follows:

	Balance March 1, 2021	Additions	Deletions	Balance February 28, 2022
Capital assets being depreciated/amortized:				
Property, plant and equipment	\$ 26,555,539	\$ 126,676	\$ (33,669)	\$ 26,648,546
Acquired water rights	<u>-</u>	<u>9,613,131</u>	<u>-</u>	<u>9,613,131</u>
Total capital assets	<u>26,555,539</u>	<u>9,739,807</u>	<u>(33,669)</u>	<u>36,261,677</u>
Accumulated depreciation/amortization:				
Property, plant and equipment	(16,422,128)	(1,138,278)	33,669	(17,526,737)
Acquired water rights	<u>-</u>	<u>(320,438)</u>	<u>-</u>	<u>(320,438)</u>
Total accumulated depreciation/amortization	<u>(16,422,128)</u>	<u>(1,458,716)</u>	<u>33,669</u>	<u>(17,847,175)</u>
Capital assets, net of accumulated depreciation/amortization	<u>\$ 10,133,411</u>	<u>\$ 8,281,091</u>	<u>\$ -</u>	<u>\$ 18,414,502</u>

Depreciation/amortization expense for the year ended February 28, 2022 was \$1,458,716.

NOTE 5 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

A summary of accounts payable and accrued expenses at February 28, 2022 is as follows:

Trade payables	\$ 857,484
Compensated absences payable	<u>147,286</u>
Total	<u>\$ 1,004,770</u>

PANOCHÉ WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FEBRUARY 28, 2022

NOTE 6 – LONG-TERM LIABILITIES

A. 2022 Bonds Payable

Following is a summary of noncurrent (long-term) liabilities for the year ended February 28, 2022:

	Balance March 1, 2021	Incurred or Issued	Satisfied or Matured	Balance February 28, 2022	Due within One Year
Direct placements:					
Bonds payable, San Luis & Delta-Mendota Water Authority	\$ 2,118,510	\$ -	\$ (103,035)	\$ 2,015,475	103,715
Total notes from direct placements:	\$ 2,118,510	\$ -	\$ (103,035)	\$ 2,015,475	\$ 103,715

Bonds payable, San Luis & Delta-Mendota Water Authority reflects Panoche Water District's, a Financing Participant, share of bond proceeds used to complete general planning requirements, preliminary engineering and design, and required environmental analysis and documentation leading to implementation of elements of the Bay Delta Conservation Plan. Under the Department of Water Resources (DWR) funding agreement, Westlands Water District agreed to pay 100 percent of the principal and interest when due for purposes of funding the Water Authority obligations under such agreement; failure of a Financing Participant to make payment required by this DHCCP Activity Agreement shall not relieve Westland Water District of its obligation to pay 100 percent of the outstanding bonds payable, which matured February 2043. On February 4, 2021 Panoche Water District refinanced the DWR funding agreement and has made all required scheduled payments year-to-date. The bonds bear interest at a rate of 6.8 percent per annum, with future payments summarized as follows:

Fiscal Years Ending February 28	Principal	Interest	Total
2023	\$ 103,715	\$ 44,555	\$ 148,270
2024	90,113	43,882	133,995
2025	90,793	43,072	133,865
2026	91,813	42,036	133,849
2027	92,834	40,770	133,604
2028-2032	489,332	177,497	666,829
2033-2037	548,160	116,337	664,497
2038-2042	508,715	32,325	541,040
Total	\$ 2,015,475	\$ 540,474	\$ 2,555,949

PANOCHÉ WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FEBRUARY 28, 2022

NOTE 6 – LONG-TERM LIABILITIES (Continued)**B. 2021 Bonds Payable**

	Balance March 1, 2021	Incurred or Issued	Satisfied or Matured	Balance February 28, 2022	Due within One Year
Direct placements:					
2021 Bonds Payable,					
Panoche Financing Authority	\$ -	\$ 17,155,000	\$ (300,000)	\$ 16,855,000	\$ 365,000
2021 Bonds - Premium	-	1,509,263	(50,309)	1,458,954	-
Total notes from direct placements:	\$ -	\$ 18,664,263	\$ (350,309)	\$ 18,313,954	\$ 365,000

In July 2021 the District issued the 2021 revenue bonds. The 2021A Bonds were issued in the aggregate principal amount of \$8,610,000 and the 2021B Bonds was issued in the aggregate principal amount of \$8,545,000. Interest on the 2021 Bonds is payable on each March 1 and September 1 (each an Interest Payment Date), commencing on March 1, 2022. In the case of default, Panoche Financing Authority shall assume custody or control of the District or any substantial part of its property.

Proceeds from the series 2021A bonds were used to prepay the district's capital obligation to the Bureau of Reclamation (the Bureau) and convert its Central Valley Project (CVP) water supply contract to a 9(d) permanent contract from a 9(e) contract. As authorized under the Water Infrastructure Improvements for the Nation (WIIN) Act, reclamation contractors may receive 9(d) permanent contracts if they prepay their allocated share of known CVP construction costs. The permanent contractual right thereby eliminates potential contract renewal risk, administrative costs, and certain limitations on corporate farming. The district estimates that the financing after prepayment will provide a cost savings for its customers in all years where the CVP water allocation is greater than zero percent. Nevertheless, the amended contract does not give higher priority to the district's water rights.

Series 2021B bonds proceeds were used to fund a settlement payment of approximately \$7.5 million to the Bureau and approximately \$1.1 million to the San Luis & Delta-Mendota Water Authority, both of which relate to a certain settlement agreement that was a precondition for prepayment for the CVP contract. There is no parity debt outstanding.

The 2021 Bonds installment payments of principal and interest summarized as follows:

Fiscal Years Ending February 28	Principal	Interest	Total
2023	\$ 365,000	\$ 563,866	\$ 928,866
2024	370,000	559,978	929,978
2025	375,000	555,152	930,152
2026	380,000	549,561	929,561
2027	390,000	542,997	932,997
2028-2032	2,075,000	2,580,874	4,655,874
2033-2037	2,390,000	2,262,004	4,652,004
2038-2042	2,840,000	1,811,593	4,651,593
2043-2047	3,455,000	1,199,500	4,654,500
2048-2051	4,215,000	434,500	4,649,500
Subtotal	16,855,000	11,060,025	27,915,025
Plus: unamortized premium	1,458,954	-	1,458,954
Totals	\$ 18,313,954	\$ 11,060,025	\$ 29,373,979

**PANOCHÉ WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FEBRUARY 28, 2022**

NOTE 7 – DEFICIT DEPOSITS: CENTRAL VALLEY PROJECT O&M AND CAPITAL OBLIGATIONS

Federal legislation enacted in 1986 directed Reclamation to determine each water contractor's share of main projects O&M costs (occurring after October 1, 1985) which are not currently reimbursed to Reclamation under existing water contracts. Reclamation was further directed to accumulate these excess costs; including interest (collectively O&M deficits) until such time that the new contracts were renewed. Beginning in fiscal-year 2022, under the new, permanent repayment contract, the District is required to reimburse Reclamation for such O&M deficits through increased costs of its water supply. As of September 30, 2021, according to Reclamation calculations, O&M deficits totaled zero.

NOTE 8 – COMPENSATED ABSENCES

The District has a paid vacation policy which allows employees to accumulate vacation leave. Upon termination, employees are paid their accrued vacation at the rate of pay at separation. The District has a sick leave policy which allows employees to accumulate medical sick leave. Upon termination, the District has no obligation to compensate employees for unused sick leave. Accumulated vacation benefits in the amount of \$147,286, as of February 28, 2022, are included in accounts payable and accrued expense.

NOTE 9 – EMPLOYEE RETIREMENT BENEFITS

The District provides retirement benefits for all of its full-time employees through a defined contribution plan (Panoche Water District Retirement Plan). The plan is administered by the Panoche Water District and uses the Central Administrative Services, Inc. trust approved by the IRS. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All full-time employees, 21 years or older, are eligible to participate in the plan after six months of full-time service. The District makes an annual discretionary contribution, currently it contributes seven percent of eligible employee's annual compensation. If the employee terminates employment before fully vesting, forfeiture will take place as of the end of the plan year in which the earlier of the following occurs: 1) the employee incurs five consecutive breaks in service, 2) the employee receives a distribution of the entire vested account balance. Any changes to the rates are approved by the Governing Board. Employees may make voluntary pre-tax salary deferral contributions to the plan subject to Internal Revenue Service limits which combine employer and employee contributions. Total District contributions for the year ended February 28, 2022, were \$120,453, with covered payroll equaling \$1,787,541.

NOTE 10 – DEFERRED COMPENSATION

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all permanent employees, permits them to defer a portion of their current salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

NOTE 11 – UNEARNED REVENUE

Unearned revenue in the amount of \$5,958,265 represent prepayments from customers and water assessments billed in the current fiscal year for water which will be delivered to water users during the next fiscal year ending February 28, 2023.

**PANOCHÉ WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FEBRUARY 28, 2022**

NOTE 12 – RISK MANAGEMENT

The District is exposed to various risks and loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured for the first \$2,500 in claims paid for auto and general liability claims. Buildings, personal property and mobile equipment are also self-insured for the first \$2,500 in claims paid.

The District is a member of the Association of California Water Agencies – Joint Powers Insurance Authority for insurance claims above the self-insured limits listed above. The District and Authority members have pooled funds to be self-insured for liability and property coverage. The District accounts for premiums paid as a pooling of risk arrangement and, accordingly, expense premiums as they are paid.

NOTE 13 – COMMITMENTS AND CONTINGENCIES**A. Commitments**

As part of its ongoing operations, the District has entered into several long-term water purchase agreements. The range of terms under individual agreements are as follows: 0-94,000 acre-feet (AF) at a cost of \$35 - \$+1,000 per AF, which can differ based on water source type, Central Valley Project (CVP) south-of-Delta agricultural water contract allocations, and price escalators (if applicable); agreements expire based on individual agreement terms ranging from FY 2023 to FY 2034, and new agreements may be negotiated upon expiration.

As provided for by federal law, the District converted its CVP water service contract, which had been subject to a two-year renewal cycle, into a permanent repayment contract with the United States, Contract No. 14-06-200-7864A-IR1-P, on January 14, 2021. The Repayment Contract is for the same 94,000 acre-feet of CVP water that the water service contract provided for and had an effective date of July 1, 2021. The Repayment Obligation, as provided for in Exhibit C of the Repayment Contract, provides for either four equal installments of \$2,843,314, or for a single lump sum payment of \$11,172,832. The District chose and timely paid the lump sum payment as provided for in the Repayment Contract. In part to provide for this lump sum payment, the District performed the required analysis to levy Special Benefit Assessments (SBA) against lands in the District in accordance with Proposition 218. The landowners overwhelmingly approved of the SBA Funds from the SBA used to provide a source of repayment for debt the District caused the Panoche Financing Authority (of which the District is a member) to issue through bonds to provide funds to make the lump sum payment.

A federal civil investigation commenced by the United States Attorney's Office, Eastern District of California in FY 2018. The matters that appear to have been the subjects of the investigation include the rates set forth in invoices provided under grants administered by the District on behalf of the Panoche Drainage District for employees providing services, the acquisition of equipment utilizing grant funds, fees charged for certain custom harvesting and management services beginning in mid-2012, compliance with federal procurement regulations, and reporting and unauthorized diversions of water from the Delta-Mendota and San Luis Canals. The District and the United States subsequently entered into a Settlement Agreement on January 15, 2021, settling certain matters. The key financial terms of the Settlement Agreement are that the District pay the United States a total sum of \$7,462,808 (the "Settlement Amount"), against which 1% simple interest per year began accruing on January 15, 2021, for what the United States contends to be the District's unauthorized diversion of water from the Delta-Mendota Canal and the San Luis Canal between 2009 and 2015. In the Settlement Agreement, the United States specifically contends that between, on or about, January 1, 2009, and April 30, 2015, the District diverted approximately 53,000 acre-feet of federally owned water from the Delta-Mendota and San Luis Canals, that the diversions were unauthorized, and that the District did not compensate the United States Bureau of Reclamation for the diversions (collectively, the "Covered Conduct").

An initial payment of \$1,000,000 was timely made to the United States as required by the Settlement Agreement. The Settlement Agreement provides that the District may pay the remainder of the Settlement Amount, to include interest accrued up to the date of payment, in one lump sum during calendar year 2021 (the "Lump Sum Payment"). The Settlement Agreement also provides that the District is entitled to prepay the

**PANOCHÉ WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FEBRUARY 28, 2022**

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

A. Commitments (Continued)

Settlement Amount including interest accumulated to the payment date (the “Payoff Amount”) early, without penalty. As discussed above, the District conducted a Proposition 218 Special Benefit Assessment proceeding related to the issuance of bonds, in part to provide sufficient revenue for the Payoff Amount. The SBA was approved by a significant majority of the landowners in the District and the District complied with the terms in the Settlement Agreement regarding the Payoff Amount and provided the funds to the United States in accordance with the Settlement Agreement. The District has therefore satisfied the terms in the Settlement Agreement related to the Settlement Amount.

Subject to certain specific exceptions provided in the Settlement Agreement, and conditioned upon the District’s timely payment of the amounts described above, through the Settlement Agreement the United States agreed to release the District, together with its current and former direct and indirect parent corporations, current or former direct and indirect subsidiaries or affiliates, current or former brother or sister corporations, divisions, current or former direct and indirect corporate owners, other districts for whom the District has performed or does perform services, and the corporate successors and assigns of any of them, from any civil or administrative monetary claim the United States has for the Covered Conduct, arising under the False Claims Act, 31 U.S.C. §§ 3729, et seq.; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801, et seq, the Injunctions Against Fraud Act, 18 U.S.C. §§ 1345; 18 U.S.C. Section 1956; common law theories of conversion, negligence, gross negligence, payment by mistake, unjust enrichment, money had and received, breach of fiduciary duty, breach of contract, misrepresentation, deceit, fraud, civil conspiracy, and aiding and abetting any of the foregoing; or any other statutory or common law cause of action for civil damages or civil penalties that the Civil Division of the United State Department of Justice has actual and present authority to assert and compromise pursuant to 28 C.F.R. Part O, Subpart 1, .45(d) in connection with the Covered Conduct. For purposes of the Settlement Agreement, “affiliates” includes Panoche Drainage District and any other public agency managed by the District or whose Board of Directors contains Directors or designated representatives of the District, including any joint powers authority established under California law of which the District is a member.

The Settlement Agreement contains the requirement that the District continue to maintain certain programs, policies and procedures, provide certain training and undergo a limited review annually through the period ending December 31, 2025. In the event the District does not comply, it could be subject to an annual payment of \$100,000 for each calendar year in which the non-compliance occurs. The District has engaged an independent, third party to perform an annual audit of the District compliance with the non-monetary terms of the Settlement Agreement. At this time, no threatened claim has been made against the District for non-compliance with this provision.

In addition to the above, the Settlement Agreement provides that the San Luis & Delta-Mendota Water Authority (the “Water Authority”) sustained damages of \$798,653 as a result of the Covered Conduct. The Settlement Agreement required the District to make reasonable efforts to negotiate and resolve the final amount to be paid by the District to the Water Authority and, in return, to obtain releases from the Water Authority for the benefit of both the District and the United States relating to the Covered Conduct.

On July 16, 2021, the District and the Water Authority entered into a Settlement Agreement and Limited Release, the terms of which satisfy the relevant requirements of the Settlement Agreement. In the Settlement Agreement and Limited Release, the District agreed to pay to the Water Authority: unpaid operations and maintenance costs associated with the Released Conduct in the amount of \$798,653; interest thereon of around \$172,252; the Water Authority’s costs of sealing certain sites related to the Covered Conduct of around \$17,766; and costs of Water Authority’s staff and outside counsel time related to the negotiation of the Settlement Agreement and Limited Release of around \$60,000. The District has performed all terms under the Settlement Agreement and Limited Release.

**PANOCHÉ WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FEBRUARY 28, 2022**

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

B. Contingencies

USEPA Show Cause

Based upon the litigation filed by the California Department of Justice against certain former District employees noted below, on February 20, 2018, the United States Environmental Protection Agency in April 2018, issued a Notice of Suspension to Panoche Water District and Drainage Districts suspending the Districts from participation on future federal contracts. The suspension was subsequently reversed and a notice to show cause issued. The District submitted documentation of its present responsibility to act as a federal contractor and provided supplemental information in the fall of 2019. The District's understanding is that USEPA still has not acted in response to that submittal, but the District does not expect any further action by the EPA based upon the issues in that proceeding. The District is currently an authorized federal contractor.

California Department of Justice Investigation

Commencing in approximately May 2016, the District was subject to investigation by the California Department of Justice relating to issues regarding handling and disposal of chemicals under the jurisdiction of the Department of Toxic Substance Control. The investigation also potentially relates to whether personnel of the District may have misused District credit cards, issued or received District loans to public employees, or violated requirements under the Fair Political Practices Act. On February 20, 2018, the California Department of Justice filed a felony complaint against the former General Manager, former office manager, two former employees and one then employee (all since separated from the District), *People v. Cascia*, Fresno County Superior Court Case No. F18901227. Following a preliminary hearing, two former employees were held over for trial on three counts each of embezzlement of public funds, and one was held over on one count of unlawful disposal of hazardous waste. At this point the likelihood that the California Department of Justice would bring any criminal complaint against the District appears to be remote.

Federal Grand Jury Investigation Against Former District Employees

A Federal Grand Jury investigation was initiated in May 2016, by the United States Attorney's Office, Eastern District of California, the Federal Bureau of Investigation, the Internal Revenue Service, Criminal Investigations Division and the United States Bureau of Reclamation, Office of Inspector General (hereinafter referred to as the "Federal Grand Jury Investigation"), when multiple subpoenas were served on the Custodian of District Records for both the District and the Panoche Drainage District, as well as on certain individual employees. The District, with its special counsel, engaged in efforts to resolve certain issues through the federal civil investigation discussed further above. As discussed above, the federal civil investigation resulted in a settlement of certain matters relating to the alleged unauthorized diversions of water.

The Federal Grand Jury Investigation included examining whether personnel of the District may have misused credit cards issued to them by using the cards at times for personal expenses and not for District business expenses and certain matters referenced in the civil investigation. The Federal Grand Jury Investigation also has sought information concerning whether certain payments made to or on behalf of employees of the District for housing, utilities, and other housing-related expenses were properly treated as business expenses, as opposed to personal expenses benefiting the employees. The District understands that the Federal Grand Jury Investigation also included an examination of the water usage by the District from the Delta-Mendota Canal and the San Luis Canal.

On April 14, 2022, the United States Attorney's Office for the Eastern District of California obtained a federal grand jury indictment against Dennis Falaschi, the District's former General Manager. The indictment includes one count of conspiracy in violation of Title 18, United States Code, Section 371, one count of theft of government property in violation of Title 18, United States Code, Section 641, three counts of filing a false tax return in violation of Title 26, United States Code, Section 7206(1) and a criminal forfeiture count. The grand jury indictment alleges, among other things, that the defendant, beginning in or around 1992 and continuing to,

**PANOCHÉ WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FEBRUARY 28, 2022**

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

B. Contingencies (Continued)

Federal Grand Jury Investigation Against Former District Employees (Continued)

on or about, April 30, 2015, was involved in a conspiracy to steal and convert water from the Delta-Mendota Canal that belongs to the United States Bureau of Reclamation, to his own use and the use of others, and to file false tax returns for certain years. The District does not anticipate any criminal proceeding to be brought against it relating to the federal grand jury investigation.

Santa Clara Valley Water District Claim

On January 14, 2022, Panoche Water District received a letter from Santa Clara Valley Water District ("Santa Clara"), in which it alleged damages due to the District's activities as described by the Covered Conduct described above as part of its settlement with the United States (the "Santa Clara Claim"). Santa Clara is, like the District, a South of Delta contractor for CVP water and a member of the San Luis & Delta-Mendota Water Authority. The Santa Clara Claim makes no specific reference to damages or the bases for those damages. The District and Santa Clara are in the process of engaging in mediation for the Santa Clara Claim, in which the District believes it will be able to demonstrate that Santa Clara suffered no damages as a result of the Covered Conduct. The District believes Santa Clara suffered no damages as a result of the Covered Conduct, and the District will defend its position vigorously.

California Department of Toxic Substance Control

Finally, the District could be subject to fines or penalties assessed by the Department of Toxic Substance Control, the State Water Resources Control Board or the County of Fresno relating to matters arising during or after FY 2017 which have been or are being investigated by those agencies and that have been remediated by District actions. The Department of Toxic Substance Control and the State Water Resources Control Board have notified the District of their intent to bill for investigation time, estimated to be in the range of \$200-\$1000. Issues concerning violations of water quality objectives at the domestic water treatment plant are ongoing and it is possible, but not probable that the State Water Resources Control Board would impose fines on the District if current cooperative efforts to identify and fund new technology or a new plant were to fail. At this time, while possible, it does not appear reasonably likely that additional claims or litigation against the District will result.

NOTE 14 – RELATED PARTY

The District's Governing Board presides as the Panoche Drainage District's (PDD) Governing Board. PDD is a separate Special District organized to provide for the water of certain agricultural lands, other than swamp and overflow lands located in Fresno and Merced Counties. A separate audit is performed for Panoche Drainage District and financial information of PDD can be obtained by writing to the PDD's Chief Financial Officer, 52027 W. Althea Avenue, Firebaugh, CA 93622.

PDD, which has no employees, utilizes staff of the Panoche Water District and outside contractors to meet its administrative, operational, and maintenance needs. Amounts charged to PDD for fiscal year ended February 28, 2022, were \$201,205 in total. As of February 28, 2022, the amount due from related party is summarized as follows:

Account payable	\$ 4,412,363
Notes payable	839,323
Due from Panoche Drainage District	<u>460,000</u>
	<u>\$ 5,711,686</u>

The District has outstanding employee loans receivable totaling \$20,393 as of the fiscal year ended February 28, 2022.

OTHER AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
Panoche Water District
Firebaugh, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Panoche Water District (the "District"), as of and for the year ended February 28, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated **November xxx, 2022**.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Clovis, California

November xxx, 2022

FINDINGS AND QUESTIONED COSTS

**PANOCHÉ WATER DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FEBRUARY 28, 2022**

SECTION I – SUMMARY OF AUDITOR'S RESULTS**Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	_____ Yes <u> X </u> No
Significant deficiencies identified that are not considered to be material weaknesses?	_____ Yes <u> X </u> None reported
Noncompliance material to financial statement noted?	_____ Yes <u> X </u> No

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

None reported.

BACK

**FIRST AMENDMENT TO
SAN LUIS & DELTA-MENDOTA WATER AUTHORITY
LONG TERM NORTH TO SOUTH WATER TRANSFER PROGRAM
ACTIVITY AGREEMENT**

1. RECITALS

A. The San Luis & Delta-Mendota Water Authority (“**Water Authority**”) and Byron-Bethany Irrigation District; Del Puerto Water District; Eagle Field Water District; Mercy Springs Water District; Pacheco Water District; Panoche Water District; San Benito County Water District; San Luis Water District; Santa Clara Valley Water District; and Westlands Water District have executed that certain Long Term North to South Water Transfer Program Activity Agreement (the “**Activity Agreement Members**” and “**Activity Agreement**”), made effective as of October 30, 2012.

B. On March 18, 2019, the Water Authority executed an Agreement re Cooperation and Cost Sharing for the Revised Long-Term Water Transfers Environmental Impact Statement/ Environmental Impact Report (“**Cost Sharing Agreement**”) with non-Water Authority members Contra Costa Water District (“**CCWD**”) and East Bay Municipal Utility District (“**EBMUD**”), in which CCWD and EBMUD agreed to “each reimburse 1/12th of the Water Authority’s actual reasonable attorney’s fees and out-of-pocket expenses incurred by the Water Authority for defending the NEPA/CEQA document, and any monetary award associated therewith.”

C. Subsequent to execution of the Activity Agreement, Byron-Bethany Irrigation District and Del Puerto Water District withdrew from participation, effective February 10, 2020, with Valley Water and Westlands Water District assuming their allocated shares for transfers.

D. The remaining eight Activity Agreement Members now desire to revise certain provisions governing payment for the following category of Activity Agreement Expenses: Costs and fees incurred by the Water Authority to prepare, approve and certify the Long-Term Water Transfers EIS/EIR; all attorneys’ fees, court filing fees and litigation expenses incurred by the Water Authority for purposes of defending the Long-Term Water Transfers EIS/EIR; Water Authority obligations for attorneys’ fees and or court costs awarded to parties challenging the Long-

Term Water Transfers EIS/EIR; and any other Water Authority costs associated with the Long-Term Water Transfer EIS/EIR. (Activity Agreement, § 1.B.1.)

E. The Activity Agreement Members desire to clarify the current allocation of Long-Term Water Transfers EIS/EIR-related costs, and also to modify the allocation of such costs following the resolution of any EIS/EIR-related litigation, based on the percentage of the total quantity of water delivered to each beneficiary in reliance on the EIS/EIR out of the total quantity of water delivered under the EIS/EIR.

F. The Activity Agreement Members desire through this First Amendment to amend the Activity Agreement by incorporating the agreed-upon procedures listed below to accomplish the purposes set forth above.

G. In addition, the Activity Agreement Members desire through this First Amendment to extend the term of the Activity Agreement by one year, to December 31, 2024, to have the term of the Activity Agreement be consistent with the term of the Long-Term Water Transfers EIS/EIR.

H. The Activity Agreement authorizes amendments in Section 13, Amendments, which provides: “This Agreement may be amended in writing by the parties hereto.”

AGREEMENT

NOW, THEREFORE, in consideration of the true and correct facts recited above, the Activity Agreement Members and the Water Authority agree as follows:

2. AMENDMENT TO REVISE PROVISIONS GOVERNING PAYMENT FOR ACTIVITY AGREEMENT EXPENSES AND FOR MULTI-YEAR AND ONE-YEAR ANNUAL TRANSFER COSTS

2.1. Current Section 7.A.2 shall be replaced with the following, new section:

“2. Beginning March 1, 2022, the Water Authority will bill each Activity Agreement Member for Activity Agreement Expenses relating to the Long-Term Water Transfers EIS/EIR, including related consultant and legal expenses, e.g. attorney’s fees, court filing fees, and out-of-pocket expenses (“Litigation Costs”), as incurred, in accordance with the allocation ratios identified in Exhibit “A,” as last amended on or about February 10, 2020. Before such Activity Agreement Expenses are allocated and billed to Activity Agreement Members, 2/12ths of the Water

Authority's actual Litigation Costs incurred by the Water Authority for defending the Long-Term Water Transfers EIS/EIR will be deducted from the total cost, as 2/12ths of the total litigation expenses will be reimbursed by non-Activity Agreement Members Contra Costa Water District and East Bay Municipal Utility District pursuant to separate agreement."

2.2. Current Sections 7.A.2. through 7.A.4. shall be re-numbered as new Sections 7.A.3. through 7.A.5.

2.3. Section 7.C. shall be revised to read as follows:

C. "Within sixty (60) days following the end of each Fiscal Year during the term of this Agreement, the Water Authority will calculate adjustments to Annual Costs to take into account differences between amounts collected from each Activity Agreement Member and actual expenditures made pursuant to the Agreement, including Activity Agreement Expenses and Multi-Year or One-Year Transfer Annual Costs, on behalf of Activity Agreement Member Transfer Participants. Immediately following such calculation of adjustments, the Water Authority will provide notice of credits or bills for additional charges to the Activity Agreement Member Transfer Participants. Each Activity Agreement Member may elect to obtain refunds or to apply any credit balance and shall remit payment of bills for additional amounts within thirty (30) days.

1. Beginning March 1, 2022, Litigation Costs will be billed to the Activity Agreement Members consistent with the Allocation Ratio identified in Exhibit A to the Activity Agreement in all years in which litigation is pending.

a. Within sixty (60) days following the Effective Date of this Amendment, each Activity Agreement Member will report to the Water Authority and all other Activity Agreement Members the total quantity of water delivered to that member pursuant to the Long-Term Water Transfers EIS/EIR, including water transfers made outside of the Water Authority's transfer activities, since October 30, 2012.

b. Within sixty (60) days following the end of each Fiscal Year during the term of this Agreement, each Activity Agreement Member will report to the Water Authority and all other Activity Agreement Members the total quantity of water delivered to that Activity Agreement Member in the prior Fiscal Year pursuant to the Long-Term Water Transfers EIS/EIR, including water transfers made outside of the Water Authority's transfer activities.

c. Within sixty (60) days following the final resolution of any litigation relating to the Long-Term Water Transfers EIS/EIR, the Water Authority will calculate the total amount of Litigation Costs. The amount of Litigation Costs allocated to each Activity Agreement Member shall be based on the total quantity of water delivered to each Activity Agreement Member pursuant to the Long-Term Water Transfers EIS/EIR. The Water Authority shall provide its accounting of all such water deliveries to each Activity Agreement Member. The Water Authority shall then make adjustments to each Activity Agreement Member's share of such Litigation Costs. Immediately following such calculation of adjustments, the Water Authority will provide notice of credits or bills for additional charges to the Activity Agreement Members. Each Activity Agreement Member may elect to obtain refunds or to apply any credit balance and shall remit payment of bills for additional amounts within thirty (30) days."

3. AMENDMENT TO EXTEND TERM

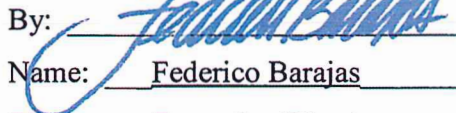
3.1 Section 10 shall be revised to read as follows: "This Agreement shall take effect on the date it is executed by the Water Authority and be retroactive for costs incurred in pursuit of the Long-Term Water Transfers EIS-EIR or the development of this Agreement and shall remain in full force and effect through December 31, 2024, or until all obligations arising under each of the water transfer agreements have been satisfied, whichever comes later."

4. EFFECT AND EFFECTIVE DATE OF FIRST AMENDMENT

4.1. All other terms of the Activity Agreement not modified by this First Amendment remain in full force and effect.

4.2. Effective Date. This First Amendment shall become effective upon its execution by an authorized representative of the Water Authority and authorized representatives of all Activity Agreement Members.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

By: 
Name: Federico Barajas
Title: Executive Director
Date: 8/5/2022

BACK

ACTIVITY AGREEMENT MEMBERS**EAGLE FIELD WATER DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____

MERCY SPRINGS WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

PACHECO WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

PANOCHE WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

SAN BENITO COUNTY WATER DISTRICT

By: _____

Name: JEFF CATTANEOTitle: GENERAL MANAGERDate: 8/18/22**SAN LUIS WATER DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____

SANTA CLARA VALLEY WATER DISTRICT WESTLANDS WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

ACTIVITY AGREEMENT MEMBERS**EAGLE FIELD WATER DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____

MERCY SPRINGS WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

PACHECO WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

PANOCHE WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

SAN BENITO COUNTY WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

SAN LUIS WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

SANTA CLARA VALLEY WATER DISTRICT WESTLANDS WATER DISTRICTBy:  _____
DocuSigned by: 494EFB72AD8C4F9...

Name: Rick L. Callender, Esq. _____

Title: Chief Executive Officer _____

Date: 8/19/2022 _____

By: _____

Name: _____

Title: _____

Date: _____

ACTIVITY AGREEMENT MEMBERS**EAGLE FIELD WATER DISTRICT**

By: _____
Name: _____
Title: _____
Date: _____

MERCY SPRINGS WATER DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

PACHECO WATER DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

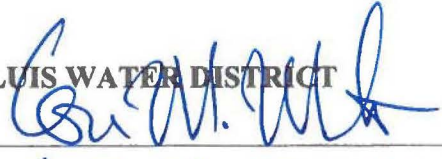
PANOCHE WATER DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

SAN BENITO COUNTY WATER DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

SAN LUIS WATER DISTRICT

By: 
Name: LON M. MARTIN
Title: GENERAL MANAGER
Date: SEPTEMBER 9, 2022

SANTA CLARA VALLEY WATER DISTRICT WESTLANDS WATER DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

ACTIVITY AGREEMENT MEMBERS**EAGLE FIELD WATER DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____

MERCY SPRINGS WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

PACHECO WATER DISTRICT

By: _____

Name: DAVID L. PARRERATitle: PresidentDate: 9/27/22**PANOCHE WATER DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____

SAN BENITO COUNTY WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

SAN LUIS WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

SANTA CLARA VALLEY WATER DISTRICT WESTLANDS WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

ACTIVITY AGREEMENT MEMBERS**EAGLE FIELD WATER DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____

MERCY SPRINGS WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

PACHECO WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

PANOCHE WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

SAN BENITO COUNTY WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

SAN LUIS WATER DISTRICT

By: _____

Name: _____

Title: _____

Date: _____

SANTA CLARA VALLEY WATER DISTRICT WESTLANDS WATER DISTRICT

By: _____


Name: _____

Title: _____

Date: _____

By: Name: Jose GutierrezTitle: Chief Operating OfficerDate: September 27, 2022

ACTIVITY AGREEMENT MEMBERS**EAGLE FIELD WATER DISTRICT**

By: 
Name: Hugh Bennett
Title: President
Date: 09-27-22

MERCY SPRINGS WATER DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

PACHECO WATER DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

PANOCHE WATER DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

SAN BENITO COUNTY WATER DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

SAN LUIS WATER DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

SANTA CLARA VALLEY WATER DISTRICT WESTLANDS WATER DISTRICT

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

PANOCHÉ WATER DISTRICT

52027 WEST ALTHEA AVE, FIREBAUGH, CA 93622
TELEPHONE (209) 364-6136 • FAX (209) 364-6122



BOARD MEETING MEMORANDUM

TO: BOARD OF DIRECTORS

FROM: ARA AZHDERIAN, GENERAL MANAGER

SUBJECT: AGENDA ITEM 14
AWARD OF TRAVELING SCREEN PROJECT CONTRACT AND
FINDINGS OF EXEMPTION UNDER CEQA

DATE: NOVEMBER 7, 2022

CC: PHIL WILLIAMS, GENERAL COUNSEL
JOSH MARQUEZ, CONTRACTS ADMINISTRATOR

Recommendation: Award contract to McElvany Inc., for the installation of the Contour Canal Terminal Pump Station Traveling Water Screen Project and adopt CEQA findings of exemption.

DISCUSSION: The existing trash screen at the Terminal Pump Station on the Contour Canal needs to be upgraded to minimize pump maintenance costs and improve system reliability. Panoche Water District invited bids for the Contour Canal Terminal Pump Station Traveling Water Screen Project (the “Project”), and received two bids in return. The Project includes the furnishing and installation of a traveling water screen, including necessary support structure and electrical controls, pumps, and filters; the furnishing and installation of a conveyor system to move debris collected by the traveling water screen; furnishing and installation of galvanized steel support beam and timbers; furnishing and installation of a reinforced concrete trash basin; and other necessary works.

In accordance with Notice of Intent to Award, attached hereto, the District intends to award the contract to McElvany, Inc.

CEQA FINDINGS: Staff has reviewed the Project and the provisions of CEQA and have determined that the Project is exempt from CEQA under the “Common Sense” provision in CEQA Guidelines section 15061(b)(3), as there is no possibility that the Project may have a significant impact on the environment. The Project simply involves upgrading the existing trash screen at pump station 6E on the Contour Canal. The Project is also categorically exempt from CEQA pursuant to CEQA Guidelines section 15301 because it involves operations of existing facilities with negligible expansion of use.



NOTICE OF INTENT TO AWARD

November 3, 2022

Re: Contour Canal Terminal Pump Station Traveling Waterscreen Project

Dear Vendors,

Thank you for submitting your bid on or before November 1, 2022 for the Contour Canal Terminal Pump Station Traveling Waterscreen project .

The following vendors submitted bids to the above solicitation:

- **Arnaudo Construction, Inc.**
- **McElvany, Inc.**

We would like to thank each vendor for their time and efforts in preparing a response to this solicitation.

Responses were evaluated according to the criteria as stated in the invitation for bid. On November 8, 2022 the Panoche Water District Board intends to accept the lowest proposed bid. Therefore, we would like to announce our intent to award for the Contour Canal Terminal Pump Station Traveling Waterscreen project to McElvany Inc. in the amount of \$232,733.71.

Congratulations to the successful vendor!

We appreciate your interest in doing business with Panoche Water District.

Sincerely,

Josh Marquez
Contracts Administrator

CC: Ara Azhderian
General Manager

SUMMERS ENGINEERING, INC.

CONSULTING ENGINEERS

887 N. IRWIN ST. - P. O. BOX 1122
HANFORD, CALIFORNIA 93232-1122

TELEPHONE
(559) 582-9237
FAX
(559) 582-7632

JOSEPH C. MCGAHAN
ROGER L. REYNOLDS
BRIAN J. SKAGGS
SCOTT L. JACOBSON
JAMES C. LINNEMAN

November 3, 2022

Board of Directors
Panoche Water District
52027 W. Althea Ave.
Firebaugh, CA 93622

**SUBJECT: Contour Canal Terminal Pump Station Traveling Waterscreen Project
- Recommendation of Award**

Dear Board Members:

On November 1, 2022, we accepted bids for the Contour Canal Terminal Pump Station Traveling Waterscreen project. Attached is a copy of the bid tabulation. Two bids were received and the low bidder was McElvany, Inc., located in Los Banos, California, with a bid amount of \$232,733.71.

We contacted McElvany, Inc. and confirmed they can complete the work for the amount they bid. McElvany, Inc. has completed several projects with Summers Engineering as the project engineer, as well as for Panoche Water District and we are confident that McElvany, Inc. is well qualified to complete this project.

We verified that McElvany's license is current and active and they are maintaining appropriate workers compensation insurance.

Based on our review we recommend awarding the contract to McElvany, Inc. in the amount of \$232,733.71. The next step is to issue them a Notice of Award and the contract for signature.

Very truly yours,



Chris Linneman

Enclosures

JCL/cl

Panoche Water District
Contour Canal Terminal Pump Station
Traveling Water Screen Project

				Engineer's Estimate		McElvany Inc. 13343 Johnson Rd. Los Banos CA 93635		Arnaudo Construction, Inc. PO Box 174 Tracy CA 95378	
Item No.	Work or Material	Quantity	Unit	Unit Cost	Amount	Unit Cost	Amount	Unit Cost	Amount
1	Furnish & Install (F&I) Traveling Water Screen, Conveyor and Appurtenances		Lump Sum		\$175,000		\$176,543.04		\$178,500.00
2	F&I Miscellaneous Metal	2,759	Pounds	\$12.00	\$33,108	\$9.56	\$26,376.04 *	\$6.00	\$16,554.00
3	F&I Reinforced Concrete	1.7	Cubic Yards	\$8,000.00	\$13,600	\$4,129.50	\$7,020.15	\$11,900.00	\$20,230.00
4	F&I 2"x12" Redwood Timbers	24	Each	\$300.00	\$7,200	\$462.27	\$11,094.48 *	\$243.00	\$5,832.00
5	F&I Dewatering & Site Work		Lump Sum		\$15,000		\$11,700.00		\$29,000.00
TOTAL					\$243,908.00		\$232,733.71		\$250,116.00
<p>* Corrected amount</p> <p>I hereby certify that this abstract of bids is true and correct</p> <p>James C. linneman, R.C.E. 59067</p> <p>Prepared By: Summers Engineering, Inc. Consulting Engineers Hanford, California November 2, 2022</p>									

BACK

CONTRACT TO FURNISH & INSTALL THE CONTOUR CANAL TERMINAL PUMP STATION TRAVELING WATER SCREEN

This agreement is made and entered into this ____ day of _____, 2022, by and between the Panoche Water District, acting by and through its Governing Board (“Owner”) and _____, a California _____ [type of business, e.g., corporation] (“Contractor”). Owner and Contractor may be referenced herein individually as “Party” or collectively as the “Parties.”

WITNESSETH, that for and in consideration of the mutual promises, covenants, agreements, and conditions herein contained, the Parties agree as follows:

1. **THE WORK:** The Work constitutes a public work of improvement. Contractor shall provide and pay for all labor, materials, equipment, tools, construction equipment and machinery, water, light, heat, utilities, transportation and other facilities and services necessary for the execution and completion of the Work in accordance with the Contract Documents and any applicable code or statute, whether or not specifically described herein, as long as same is reasonably inferable there from as being necessary to produce the intended results. Contractor agrees to perform and complete in a good and workmanlike manner the work of supplying and installing pumps and motors as more specifically described in the specifications and other Contract Documents (“Work”). The Work is subject to the approval of the Project Engineer.

In no case shall Owner have any responsibility for the means, methods, techniques, sequences or procedures utilized by the Contractor, or for safety precautions and programs in connection with the Work.

Contractor shall give all notices and shall observe and comply with all laws, ordinances, rules, regulations, permits, rights-of-way, or orders of any public authority bearing on the performance of the Work. All Work shall be performed in accordance with Title 24, Parts 1 through 5 and 9, of the California Code of Regulations. Contractor shall conduct the Work so that all laws and ordinances for the protection of the public and the workers shall be obeyed fully by Contractor and all subcontractors.

Contractor shall comply with all applicable provisions of federal, state and local safety laws and building codes to prevent accidents or injury to persons on, about, or adjacent

to the premises where the Work is being performed. Contractor shall be responsible for initiating, maintaining and supervising all safety measures in connection with the Work, for maintaining all safety conditions on the Site, and for ensuring against and/or correcting any hazardous conditions on the Site. Contractor shall at all times maintain adequate protection against injury to persons, including employees, or damage to property, on or near the project, or adjacent to the Site.

Contractor shall take all necessary precautions to protect the Owner's structures, facilities, equipment, tools, materials, and any other property on or adjacent to the Site against damage, loss, or theft resulting from the operations, equipment or workers of the Contractor during the course of the construction, and shall provide adequate security measures. Contractor shall repair or replace any damage and remove any damaged or defaced material and/or equipment from the Site at no cost to the Owner. Contractor shall be strictly liable for failure to adequately protect any existing improvements and/or facilities.

Any change to the Work increasing or decreasing the Contract Price must be approved in writing by the Project Engineer.

Contractor will remove all dirt, debris, and waste from the Site, and insure upon completion that the grounds and any adjacent sidewalks and streets are left clear and in the condition the Contractor originally found them.

2. LICENSE AND REGISTRATION: By executing this Agreement, Contractor represents that it is currently licensed by the California Contractors State License Board, Class ___, License number ___, and that Contractor is registered with the California Department of Industrial Relations as required by California Labor Code section 1725.5, License number _____.
3. BONDS AND INSURANCE: Contractor shall provide to Owner payment and performance bonds in an amount not less than 100 percent of the total amount payable by the terms of the contract before commencement of any contract Work.

Before beginning work, Contractor shall file with the District certificates of insurance and policy endorsements satisfactory to the District evidencing general liability coverage of not less than \$1,000,000 per occurrence (\$2,000,000 general and

products-completed operations aggregate) for bodily injury, personal injury and property damage; auto liability of at least \$1,000,000 for bodily injury and property damage each accident limit; workers' compensation (statutory limits); requiring 30 days (10 days for non-payment of premium) notice of cancellation to the District. Such insurance shall be primary, and any insurance, self-insurance or other coverage maintained by the District, its directors, officers, employees, or authorized volunteers shall not contribute to it. The general liability coverage shall give the District, its directors, officers, employees, and authorized volunteers insured status using ISO endorsement CG2010, CG2033, or equivalent. Coverage is to be placed with a carrier with an A.M. Best rating of no less than A-:VII, or equivalent, or as otherwise approved by the District. If Contractor employs subcontractors, Contractor shall require and confirm that each subcontractor meets the minimum insurance requirements specified herein.

4. LOCATION OF WORK: The Work is to be performed at the following location: Panoche Water District Station 6E, approximately 1.6 miles south of Herndon Avenue along the Contour Canal, 1 mile west of Russell Avenue (Site).
5. TIME FOR COMPLETION: The Parties hereby agree that the Work shall be completed by February 15, 2023.

Notwithstanding the foregoing, a party shall be excused from the performance of any obligation imposed herein for any period and to the extent that the party is prevented from performing such obligation, in whole or in part, as a result of delays caused by acts of the State or other government entity in its sovereign capacity, fires, floods, earthquakes, disabling labor strikes, epidemics, quarantine restrictions, freight embargoes, limitations on offloading cargo imposed by ports or railways, riot, war, terrorism, extraordinary weather conditions, or any other cause beyond the reasonable control of either party, provided that the party asserting such an event as a cause of delay shall give the other party written notice of the same as soon as practical, but in no event later than five (5) days after the occurrence of the event giving rise to the delay. Delays due to COVID-19 shall not be subject to this clause, except to the extent that any such delay is materially greater than reasonably would be expected at the time this agreement is awarded.

6. CONTRACT DOCUMENTS: The contract documents include this agreement, the general and special provisions, the payment and performance bonds (if required), the plans, the specifications, the drawings, construction change directives, and any change orders (“Contract Documents”) and comprise the complete and integrated contract between Parties, superseding all prior negotiations, representations or agreements, either written or oral. All Contract Documents are complementary, and what is called for by any one shall be as binding as if called for by all. In case of conflict, detail drawings shall govern over small-scale drawings, the specifications shall govern over the drawings, special provisions (if any) shall govern over the drawings, and change orders shall govern over the original documents, unless a different order of precedence is noted.
7. SUBCONTRACTORS: Contractor shall not use any subcontractors to perform any Work hereunder unless those subcontractors have been identified in Contractor’s bid to Owner. All subcontractors shall be registered with the California Department of Industrial Relations as required by California Labor Code section 1725.5, and shall comply with Paragraphs 8 and 10 below.
8. PREVAILING WAGES AND RECORDS: Contractor and all subcontractors shall comply with and adhere to the general prevailing rate of per diem wages and the general prevailing rate for holiday and overtime work as determined by the Director of DIR pursuant to Division 2, Part 7, Chapter 1, of the California Labor Code. Contractor shall pay wages not less than once per week.

Schedules of the prevailing rate of per diem wages are available for public inspection at Owner’s offices or can be found at www.dir.ca.gov/dlsr for California rates, and are incorporated herein by reference. Contractor shall obtain and post copies of the applicable prevailing wage rates in a prominent place at the job site, in accordance with the regulations of DIR. Failure to comply with wage and hour requirements may result in the Contractor being assessed penalties in accordance with Articles 2 and 3, Chapter 1, Part 7, Division 2 of the Labor Code, including without limitation Sections 1775, 1776, 1777.7 and 1813.

Contractor shall keep, and shall cause all its subcontractors to keep, certified payroll records of the hours and wages of all employees employed on the Project, and those

records shall be open at all times for inspection by Owner and/or the Division of Labor Statistics and Enforcement, in accordance with Sections 1776 and 1812 of the Labor Code. The certified payroll records shall contain at least the following information: the name, address, social security number, work classification, dates of payroll period, straight time, and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the Contractor and/or each subcontractor in connection with the Work.

Payroll records shall be furnished electronically to the Labor Commissioner of the DIR monthly, unless more frequent submission is required herein, and shall be furnished within 10 days of any separate request by the DIR or DLSE. Payroll records shall be furnished in a format prescribed by the DIR and uploaded into the electronic certified payroll reporting (eCPR) system.

The DIR may confirm the accuracy of payroll reports, including without limitation through worker interviews, examination of time and pay records, direct verification of “Employer Payments” (as defined at section 16000 of Title 8 of the California Code of Regulations), or any other legal and reasonable method of corroboration. The DIR also may conduct in-person inspection(s) at the Site, including visual inspection of required job site notices, inspections of records, observation of work activities, interviews of workers and others involved with the Project, and any other activities deemed necessary by the DIR to ensure compliance with prevailing wage requirements.

In accordance with Title 8, Section 16463 of the California Code of Regulations, Owner may, on its own or if required by the Labor Commissioner, withhold funds due to Contractor when payroll records are delinquent or inadequate. Contractor shall cease all payments to a subcontractor whose payroll records are delinquent or inadequate until the Labor Commissioner provides notice that the subcontractor has cured the delinquency or deficiency.

9. GUARANTEE: Per Quote and attached form.
10. COMPLIANCE WITH WORKERS’ COMPENSATION LAW: By executing this contract, Contractor certifies that it is aware of the provisions of Section 3700 of the Labor Code of the State of California which require every employer to be insured against liability for workers’ compensation or to undertake self-insurance in accordance with the statutory

requirements, and Contractor will comply with such provisions before commencing the performance of the Work.

11. CONTRACT PRICE AND PAYMENT: As compensation for the Work, and its satisfactory construction, erection and completion, Owner shall pay or cause to be paid to Contractor the sum of _____ [state in words] dollars (\$ _____), subject to additions and deductions as provided by change order ("Contract Price"). Payment will be made as follows.

If equipment is delivered thirty (30) or more days prior to the scheduled installation date, then payments may be made by the District, at its discretion, on account of the equipment not incorporated in the Work but delivered to the Site (or such other location agreed upon by District) and suitably stored by the Contractor. Payments for equipment stored shall only be considered upon submission of satisfactory evidence demonstrating that the Contractor has acquired title to such equipment and that it is satisfactorily stored, protected and insured, and that the Contractor has undertaken such other procedures satisfactory to the District to protect the District's interests. Materials stored off-site and under Contractor's control, to be considered for payment, shall, in addition to the above requirements, be stored in a bonded warehouse, fully insured, and available to the District for inspection. The District shall have complete discretion as to the amount of equipment that may be stored on the Site at any given time. Any payments made shall not exceed the invoiced cost of the equipment, but may be at a lesser amount at the District's discretion.

Payment of the contract price, or the remaining contract price if payment previously was made for equipment as provided above, will not be made until all Work is completed to the satisfaction of Owner.

12. CLAIMS: Claims are subject to the requirements of Public Contract Code sections 20104 *et seq.* and 9204. A summary of those provisions is set forth below. To the extent that the summary below is inconsistent with the statutes, the statutes control.

12.01. Notice of Potential Claim.

The Contractor shall promptly provide a written Notice of Potential Claim to the Owner upon discovery of concealed or unknown conditions or discovery of facts regarding any

disagreement, direction, or occurrence that may result in a claim. Failure to timely submit a Notice of Potential Claim acknowledges that the condition, facts, disagreement, direction, or occurrence did not cause any increase in cost or time, and waives any Claim that the Contractor otherwise may have had the right to submit.

12.02. Definitions.

“Claim” means a separate demand by Contractor sent by registered mail or certified mail with return receipt requested, for one or more of the following:

(A) a time extension, including, without limitation, for relief from damages or penalties for delay.

(B) payment of money or damages arising from work done by, or on behalf of, Contractor pursuant to the contract and payment for which is not otherwise expressly provided or to which the claimant is not otherwise entitled.

(C) payment of an amount that is disputed by the Owner.

“Mediation” means any nonbinding process in which an independent third party or board assists the parties in dispute resolution through negotiation or evaluation.

“Subcontractor” means any type of contractor within the meaning of Chapter 9 (commencing with Section 7000) of Division 3 of the Business and Professions Code who either is in direct contract with the Contractor or is a lower tier subcontractor.

12.03. Claims Procedure.

All Claims under this Contract shall be resolved using the following procedure.

12.03.01 The Claim shall be in writing and include the documents necessary to substantiate the Claim. The evaluation of the Claim will be based on the Owner’s records and the Claim documentation submitted by the claimant, which shall include but not be limited to the following: an explanation of the Contractor’s position; supporting documentation; analysis of delay for any claimed additional time; a calculation of amounts claimed, if any; and the certification required by Section 12.04 below. Claims must be filed on or before the date of final payment.

12.03.02 The Contractor may present a Claim on behalf of a Subcontractor. A first-tier Subcontractor may request in writing, for itself or a lower tier Subcontractor, that the Contractor present a Claim. The Subcontractor shall furnish reasonable documentation to support the Claim. Within 45 days of receipt of this written request, the Contractor shall notify the Subcontractor in writing as to whether the Contractor presented the Claim and, if not, the reasons for not having done so.

12.03.03 The Owner shall review the Claim. Within 30 days of receipt of the Claim, the Owner may request, in writing, additional documentation from the claimant. Where additional information is requested, the time in which the Owner must respond to a Claim shall be tolled until all requested information is provided.

12.03.04 Within 45 days of receipt of the Claim, as that time may be tolled as provided in Section 12.03.03 above, the Owner shall provide Contractor with a written statement identifying what portion of the Claim is disputed and what portion is undisputed. The Owner and the Contractor may agree to extend the time period for a response. Failure by the Owner to respond within the specified time results in the Claim being deemed rejected in its entirety.

12.03.05 Any payment due on an undisputed portion of the Claim shall be processed and made within 60 days after the Owner issues its written statement.

12.03.06 Within 15 days of receipt of the Owner's response or within 15 days of the Owner's failure to respond, the Contractor may demand, in writing, an informal conference to meet and confer for settlement of the issues in dispute. The Owner shall schedule a meet and confer conference within 30 days after receipt of such demand for settlement of the dispute.

12.03.07 Within 10 business days following a meet and confer conference, the Owner shall provide the Contractor a written statement identifying any portion of the Claim that remains in dispute and any portion that is undisputed. Failure by the Owner to provide the written statement within the specified time results in the remaining Claim issues being deemed rejected in their entirety. Any payment due on an undisputed portion of the Claim shall be processed and made within 60 days after the Owner issues its written statement.

12.03.08 Any remaining disputed portion of the Claim following the meet and confer conference shall be submitted to nonbinding mediation, in accordance with Public Contract Code section 9204(d)(2)(B). The Owner and Contractor shall share the associated costs equally. The mediation excuses any further obligation under Public Contract Code section 20104.4 to mediate after litigation has been commenced. This Section does not preclude arbitration if mediation under this Section does not resolve the parties' dispute.

12.03.09 If mediation is unsuccessful, then the Contractor may file a claim as provided in Government Code sections 900 *et seq.* with respect to the parts of the Claim remaining in dispute. The time within which a Government Code claim must be filed is tolled from the time the Contractor submits the written Claim until mediation of disputed portions of that Claim is completed.

12.03.10 Amounts not timely paid under this Section bear interest at seven percent (7%) per year.

12.03.11 The following procedures apply to litigation filed to resolve Claims:

(a) The case shall be submitted to judicial arbitration pursuant to Code of Civil Procedure sections 1141.10 *et seq.*, notwithstanding Section 1141.11 of that code.

(b) The arbitrator shall be experienced in construction law. The parties shall split equally the arbitrator's fees and expenses, except where the arbitrator, for good cause, determines a different division.

(c) Any party who, after receiving an arbitration award, requests a trial *de novo* but does not obtain a more favorable judgment shall, in addition to payment of costs and fees, pay the attorneys' fees of the other party arising out of trial *de novo*.

(d) The court may, upon request by any party, order any witnesses to participate in arbitration process.

In any suit filed under Public Contract Code Section 20104.4, the Owner shall pay interest at the legal rate on any arbitration award or judgment. The interest shall begin to accrue on the date the suit is filed in a court of law.

Section 12.04. Claim Certification.

Every party with an interest in a Claim, including Contractor and any Subcontractor or material supplier, shall include the following “Claim Certification” with every Claim. A Claim without the required certification is incomplete and will not be accepted.

CLAIM CERTIFICATION

Under penalty of perjury, and with specific reference to the California False Claims Act, Government Code sections 12650 *et seq.* (“Act”), I certify that I have read and am familiar with the provisions of the Act; that submission of the attached claim is made in good faith; that the supporting data prepared by the undersigned company are accurate and complete to the best of my knowledge and belief; that submission of the claim to the District does not violate the False Claims Act; and that I am duly authorized to certify the claim on behalf of the claimant.

Dated: _____ Company _____
 Signature _____
 Print _____
 Name/Title: _____

13. UNFAIR COMPETITION: Pursuant to Public Contract Code section 7103.5, Contractor offers and agrees to assign to Owner all rights, title, and interest in and to all causes of action Contractor may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services, or materials pursuant to the Contract. This assignment shall be made and become effective at the time Owner tenders final payment to Contractor, without further acknowledgment by the parties. Contractor agrees to require all subcontractors to similarly assign such rights to Owner.

14. **TERMINATION**: Owner may, at any time and for any reason, terminate, in whole or in part, this contract for the Owner's convenience. Termination shall be by written notice to Contractor. Upon receipt of such notice, Contractor shall, unless the notice directs otherwise, immediately discontinue Contractor's work. Upon such termination, Contractor shall be entitled to payment of: a) Contractor's direct, actual cost of the Work completed in conformity with the Contract, not to exceed the Contract Price allocable to that portion of the Work; plus b) an allowance of ten percent (10%) of those costs for Contractor's overhead and profit.

Owner also may terminate this contract for cause if a) Contractor is insolvent or has made a general assignment for the benefit of creditors or b) Contractor or any subcontractor materially breaches this contract. Termination shall be by written notice to Contractor, after five (5) days' written notice of and opportunity to cure any material breach. In the event of such termination, the Owner may, without liability, take possession of and utilize in completing the Work, Contractor's materials that are necessary for completion. In the event of a termination for cause, Contractor shall not be entitled to receive payment until the Work is finished. At that time, Contractor shall be entitled to payment of the Contract Price, less the cost to secure a replacement contractor and complete the Work, less any liquidated damages, which shall continue to accrue until the Date of Completion, *except that* Contractor shall not be entitled to be paid more than it would be entitled to be paid under a termination for convenience.

If this Contract is terminated for cause and if it is later determined that Owner was not entitled to terminate for cause, such termination automatically shall be converted to and treated as a termination for convenience.

15. **INDEMNITY**: Contractor shall defend with counsel acceptable to the Owner, indemnify and save harmless the Owner and any of its officers, agents, employees, and other contractors from and against any and all losses, claims, demands, damages, costs, expenses, attorney's fees, or liability arising out of or in any way connected with Contractor's performance of the Work or with this contract, arising from any wrongful act, or any negligent act or omission to act, whether active or passive, on the part of the Contractor or any of its agents, employees, subcontractors or suppliers. Without limiting the foregoing, the defense and indemnity applies to any wrongful acts, or any actively or passively negligent acts or omissions to act, committed jointly or concurrently

by Contractor (or any of its agents, employees, subcontractors or suppliers) and the Owner (or any of its officers, agents, employees, and other contractors). Contractor has no obligation to indemnify the Owner in contravention of Section 2782 of the Civil Code for the active or sole negligence or willful misconduct of the Owner. The defense and indemnification requirements extend to claims occurring after this contract is terminated or the Work is completed.

16. LIQUIDATED DAMAGES: Should the Work not be completed within the Contract Time, as adjusted for any delays caused by conditions beyond the control and without the fault or negligence of Contractor, Contractor acknowledges that Owner will suffer damage, and that it is impracticable and infeasible to fix the amount of actual damages. Therefore, it is agreed by and between Contractor and Owner that Contractor shall pay to Owner as fixed and liquidated damages, and not as a penalty, the sum of \$1,000 per calendar day delay until final completion of the Work and its delivery to Owner, and that Owner may deduct Liquidated Damages from any monies due or that may become due to Contractor.
17. EXECUTION OF CONTRACT: IN WITNESS WHEREOF, this agreement has been duly executed by the above named parties, on the day and year first above written.

CONTRACTOR:

By: _____

Title: _____

PANOCHÉ WATER DISTRICT (Owner)

52027 W Althea Ave

Firebaugh, CA 93622

By: _____

Title: General Manager

SUBCONTRACTOR LISTING FORM

LIST OF SUBCONTRACTORS FOR: _____
 (PROPOSER)

PROJECT: _____

Pursuant to the provisions of sections 4100 to 4114 of the California Public Contract Code, the undersigned hereby designates below the names, portions of work, contractor license numbers, place of business, and DIR registration number of each Subcontractor. Failure to list a subcontractor for a portion of work in excess of one-half of one percent of the Bid amount will obligate the Contractor to perform that portion of the work. Failure to submit this form with the Bid will result in the Bid being rejected as non-responsive and being unavailable for award. Please check one of the boxes and sign below:

_____ We are not using any Subcontractors.

_____ All of our Subcontractors performing at least 1/2 of 1% of the Work are listed below.

SUBCONTRACTOR NAME	PORTION OF WORK	PLACE OF BUSINESS	LICENSE NO.	D.I.R. NUMBER

 Signed

PERFORMANCE BOND**(To be Submitted After Award)**

BOND NO.: _____

PREMIUM: _____

Panoche Water District

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the PANOCHÉ WATER DISTRICT (hereinafter "District") has awarded to _____ (hereinafter "Principal") a contract for _____ (hereinafter "Project").

WHEREAS, the work to be performed by Principal is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter "Contract Documents"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, said Principal is required by said Contract Documents to perform the terms thereof and to furnish a bond for the faithful performance of said Contract Documents.

NOW, THEREFORE, we, the undersigned Principal and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the District in the sum of _____ DOLLARS, (\$_____), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH, that, if said Principal, or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and agreements in the Contract Documents and any alteration thereof made as therein provided, on its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their intent and meaning; and shall faithfully fulfill all obligations including the two-year guarantee of all materials and workmanship; and shall indemnify and save harmless the District, its officers and agents, as stipulated in said Contract Documents, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees including reasonable attorneys' fees, incurred by District in enforcing such obligation.

The obligations of Surety hereunder shall continue so long as any obligation of Principal remains. Nothing herein shall limit the District's rights or Principal's or Surety's obligations under the Contract, law or equity, including, but not limited to, Code of Civil Procedure section 337.15.

Whenever Principal shall be, and is declared by the District to be, in default under the Contract Documents, the Surety shall remedy the default pursuant to the Contract Documents, or shall promptly, at the District's option:

- (1) Take over and complete the Project in accordance with all terms and conditions in the Contract Documents; or
- (2) Obtain a bid or bids for completing the Project in accordance with all terms and conditions in the Contract Documents and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a Contract between such Proposer, the Surety and the District, and make available as work

progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term “balance of the contract price” as used in this paragraph shall mean the total amount payable to Principal by the District under the Contract and any modification thereto, less any amount previously paid by the District to Principal and any other set offs pursuant to the Contract Documents.

(3) Permit the District to complete the Project in any manner consistent with California law and make available as work progresses sufficient funds to pay the cost of completion of the Project, less the balance of the contract price, including other costs and damages for which Surety may be liable. The term “balance of the contract price” as used in this paragraph shall mean the total amount payable to Principal by the District under the Contract and any modification thereto, less any amount previously paid by the District to Principal and any other set offs pursuant to the Contract Documents.

If Surety does not proceed as provided in Paragraphs 1-3 with reasonable promptness, Surety shall be deemed to be in default on this Bond seven (7) days after receipt of additional written notice from the District to Surety demanding that the Surety perform its obligations under this Bond, and the District shall be entitled to enforce any remedy available to it.

Surety expressly agrees that the District may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by Principal. Surety shall not utilize Principal in completing the Project nor shall Surety accept a bid from Principal for completion of the Project if the District, when declaring Principal in default, notifies Surety of the District’s objection to Principal’s further participation in the completion of the Project.

Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project to

be performed there under shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract Documents or to the Project.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20____, then names and corporate seals of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to the authority of its governing body.

Principal: _____

By: _____

Surety: _____

Address: _____

Telephone: _____

Attorney in Fact: _____

(Attach Attorney-In-Fact Certificate, Corporate Seal and Surety Seal. This bond must be accompanied by a current Power of Attorney Appointing the Attorney-in-Fact)

NOTICE:

A CERTIFICATE OF ACKNOWLEDGMENT IN ACCORDANCE WITH THE PROVISIONS OF CIVIL CODE SECTION 1189 MUST BE ATTACHED FOR EACH PERSON EXECUTING THIS AGREEMENT ON BEHALF OF PRINCIPAL AND SURETY.

PAYMENT BOND
(To be Submitted After Award)

BOND NO.: _____

PREMIUM: _____

Panoche Water District

KNOW ALL PERSONS BY THESE PRESENTS:

THAT WHEREAS, the PANOCHÉ WATER DISTRICT (hereinafter "District") has awarded to _____, (hereinafter "Principal") an agreement for _____ (hereinafter the "Project").

WHEREAS, the work to be performed by Principal is more particularly set forth in the Contract Documents for the Project dated _____, (hereinafter the "Contract"), the terms and conditions of which are expressly incorporated herein by reference; and

WHEREAS, said Principal is required to furnish a bond in connection with said Contract providing that if Principal or any of its subcontractors shall fail to pay for any materials, provisions, or other supplies, or terms used in, upon, for or about the performance of the Work contracted to be done, or for any work or labor done thereon of any kind the Surety on this bond will pay the same together with a reasonable attorney's fee in case suit is brought on the bond.

NOW, THEREFORE, we, the undersigned Principal and _____ as Surety, a corporation organized and duly authorized to transact business under the laws of the State of California, are held and firmly bound unto the District in the sum of _____ DOLLARS, (\$ _____), said sum being not less than one hundred percent (100%) of the total amount of the Contract, for which amount well and truly to be made, we bind ourselves, our heirs, executors and administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH that if the Principal, or its subcontractors, heirs, executors, administrators, successors, or assigns, shall fail to pay for any materials, provisions, or other supplies or machinery used in, upon, for or about the performance of the Work contracted to be done, or for work or labor thereon of any kind, or fail to pay any of the persons named in California Civil Code Section 9100, or amounts due under the Unemployment Insurance Code with respect to work or labor performed by any such claimant, or for any amounts required to be deducted, withheld, and paid over to the Employment Development Department from the wages of employees of Principal and his subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to such work and labor, and all other applicable laws of the State of California and rules and regulations of its agencies, then said Surety will pay the same in or to an amount not exceeding the sum specified herein. In case legal action is required to enforce the provisions of this bond, the prevailing party shall be entitled to recover reasonable attorneys' fees in addition to court costs, necessary disbursements and other consequential damages. In addition to the provisions hereinabove, it is agreed that this bond will inure to the benefit of any and all persons, companies and corporations entitled to make claims under Section 9100 of the California Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or additions to the terms of the said Contract or to the work to be performed thereunder or the specification accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Contract or to the work or to the specifications.

IN WITNESS WHEREOF, we have hereunto set our hands and seals this _____ day of _____, 20____, then names and corporate seals of each corporate party being hereto affixed and these presents duly signed by its undersigned representative, pursuant to the authority of its governing body.

Principal: _____

By: _____

Surety: _____

Address: _____

Telephone: _____

Attorney in Fact: _____

(Attach Attorney-In-Fact Certificate, Corporate Seal and Surety Seal. This bond must be accompanied by a current Power of Attorney Appointing the Attorney-in-Fact)

NOTICE:

A CERTIFICATE OF ACKNOWLEDGMENT IN ACCORDANCE WITH THE PROVISIONS OF CIVIL CODE SECTION 1189 MUST BE ATTACHED FOR EACH PERSON EXECUTING THIS AGREEMENT ON BEHALF OF PRINCIPAL AND SURETY.

BACK



Property Related Fees & Charges Delinquency Policy

Board Adopted – July 13, 2021???

Board Amended – ???

District Objectives

Through this Property Related Fees and Charges Delinquency Policy (the “Policy”), the Panoche Water District (the “District”) intends to ensure its Landowners and water users are aware of the options the District has should a Landowner become Delinquent in paying any Property Related Fees and Charges, including Drainage Service Fees, imposed by the Panoche Drainage District, levied on a Parcel within the District or on a person as an incident of ownership of a Parcel within the District, and in so doing, securing fiscal assurances for the District. The delivery of water by the District and the sustainable efficient management of drainage water by the Panoche Drainage District are so intimately connected as to necessitate this Policy to ensure sustainable agricultural uses of land within the District.

Scope

This Policy applies to all Property Related Fees and Charges, including Special Assessments and Drainage Service Fees imposed by the Panoche Drainage District, levied on Parcels within the District or upon any person as an incident of ownership of a Parcel within the District. As of the adoption of this Policy, the District has applied to Fresno and Merced Counties to participate in their respective alternative method of distribution of tax levies and collections of tax sale proceeds, or “Teeter Plans,” as provided for through Revenue and Taxation Code sections 4700, *et seq.* ~~Should the~~ The District’s application(s) has been accepted, ~~then and~~ the respective County may have levied and collected the District’s respective Property Related Fees and Charges, including the two for the 2021 Bond special benefits assessments adopted and imposed by the Board of Directors on June 8, 2021, through Resolution 781-21-_____. Such Property Related Fees and Charges may be captured on the respective County’s property tax roll sent on or around April 10th and December 10th of each year. In addition, the Panoche Drainage District levies and collects the Drainage Service Fee directly from Landowners. The Landowner shall be liable to pay any such Property Related Fees and Charges, regardless of whether the District or the appropriate County, through the Teeter Plan, levies and collects the Property Related Fees and Charges. The General Manager has authority to interpret this Policy to ~~effect~~ affect the District Objectives and the discretion to implement this Policy to balance the District Objectives in the best interests of the District.

The following definitions shall apply to this Policy:

“Assessment” means any levy or charge imposed upon real property by the District for a special benefit conferred upon the real property, including a special assessment.

“Delinquent” means the failure to deliver payment of the Property Related Fee and Charge to the appropriate Levying and Collecting Authority ~~within fifteen (15) days or within the deadline otherwise~~ provided to the Landowner in writing by the Levying and Collecting Authority, whichever is later, after

~~notice of payment has been delivered to the Landowner.~~ This definition includes the failure to deliver payment to the County within the time provided for Property Related Fees and Charges levied and sought to be collected on the respective County's property tax roll.

"Drainage Service Fees" means those fees levied by the Panoche Drainage District on Parcels within Panoche Drainage District's boundaries and which Parcels may also be within the District.

"Landowner" shall mean any person(s) or entity(ies) that or who holds title to real property within the District.

"Levying and Collecting Authority" means the entity that has the authority to levy and collect Property Related Fees and Charges, ~~including the Panoche Drainage District.~~ As an illustrative example, ~~should-as~~ Fresno County ~~has~~ accepted the District's application to participate in Fresno County's Teeter Plan regarding ~~a particular~~ the 2021 Bond Special Assessment, then Fresno County shall be the Levying and Collecting Authority for that particular Special Assessment.

"Parcel" means real property against which any Property Related Fees or Charges have been levied.

"Property Related Fees and Charges" means any fees or charges levied upon real property or upon a person as an incident of real property ownership, including both a user fee for any property related service and any special assessment. For purposes of this Policy, "Property Related Fees and Charges" includes Drainage Service Fees.

"Special Assessment" means a charge imposed by the District on particular Parcel for a local public improvement of direct benefit to that parcel.

"Water Service" means the delivery by the Panoche Water District, including the use of any District-owned facilities, of water to the Parcel.

Property Related Fees and Charges Delinquency Policy

Any Landowner who fails to pay any Property Related Fees and Charges before it becomes Delinquent, shall, in addition to any other penalty provided for by law, have Water Service discontinued on that Parcel upon which any Property Related Fees and Charges were levied. Water Service shall not be resumed on a respective Parcel until all Delinquent Property Related Fees and Charges have been paid.

District as Levying and Collecting Authority. Should the ~~District~~ Water or the Panoche Drainage District be responsible for levying and collecting any Property Related Fees and Charges, any Delinquency may constitute a debt owed by the Landowner to the respective District and ~~shall~~ may be secured by a lien against the Parcel upon which any such Property Related Fees and Charges were levied. Should ninety (90) days pass before payment is received by the District, the Landowner shall be in default. In case of default, all payments for any Property Related Fees and Charges that are Delinquent, as well as any Property Related Fees and Charges for the subsequent year, shall be received by the District before the District will remove any lien placed on the Parcel.

Respective County as Levying and Collecting Authority. Should the respective County, through acceptance of the District's application to participate in the respective County's Teeter Plan, become a Levying and Collecting Authority for any Property Related Fees and Charges, this Policy shall not be construed to restrict in any manner the respective County's authority, rights, or remedies regarding the levy and collection of the respective Property Related Fees and Charges. As the Levying and Collecting Authority, the respective County shall retain any and all such authority, rights, or remedies it would otherwise have absent this Policy.

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MEMORANDUM

Via U.S. Mail and Electronic Mail

TO: ACWA Member Agency Board Presidents and General Managers
CC: ACWA Board of Director
FROM: Dave Eggerton, ACWA Executive Director
DATE: October 5, 2022
SUBJECT: Notice of General Session Membership Meeting — November 30, 2022

There will be a General Session Membership Meeting at the ACWA 2022 Fall Conference on **Wednesday, November 30, 2022, at 12:30 p.m.** The meeting will be held in the Crystal Ballroom, Renaissance Esmeralda Resort Hotel, Indian Wells. The purpose of the meeting is to conduct a vote by the membership on proposed Amended and Restated Bylaws of the Association of California Water Agencies as recommended by the Board of Directors at its meeting on September 23, 2022.

Proposed Amended and Restated Bylaws

As part of ongoing efforts to ensure ACWA's Bylaws are current and reflect consistency with other governance documents and daily operations and to implement changes related to the election of ACWA's Board Officers, the Board of Directors is recommending proposed Amended and Restated Bylaws for consideration by the membership.

Staff worked with Dale Stern, Downey Brand LLP, to prepare the proposed Amended and Restated Bylaws, which include the following changes:

- Amendments to clarify language and to reflect consistency with other governance documents and daily operations
- Amendments to implement changes to the Board Officers' election process as recommended by the Election Task Force
- Amendments to incorporate California Corporations Code provisions allowing meetings to be held by electronic communication
- Restructuring and reformatting to incorporate a new numbering system

Legal Affairs Committee (LAC) Chair, Jennifer Buckman, appointed LAC member, Doug Coty, to serve as the committee's representative to review the proposed Amended and Restated Bylaws and provide an analysis pursuant to ACWA Bylaws (Article 9, Section 8). The proposed Amended and Restated Bylaws reflect the LAC's recommended edits as adopted by the ACWA Board on September 23.

Redline and clean versions of the proposed Amended and Restated Bylaws are available on ACWA's website at the link listed below. The materials have also been emailed to member agency general managers and board presidents.

<https://www.acwa.com/2022-membership-meeting/>

Voting Process

Consistent with ACWA's Bylaws, Article 9, Section 5:

- Each member of the Association shall be entitled to one vote that shall be cast by its authorized representative.
- Voters must be present at the membership meeting to vote.

ACWA will be using a voting system called Live-Tally, which will allow voters to vote using a handheld keypad.

- Member agencies must indicate their voting representative and alternate on the attached Voter Designation & Information Form as well as provide all of the information identified on the form in order for ACWA to facilitate all aspects of the membership meeting and voting processes.

Deadline & Changes

The deadline for submitting the Voter Designation & Information Form is **Wednesday, November 23, 2022**. While this form identifies both a voting delegate and an alternate voting delegate for the ACWA member agency, if for any reason the member agency desires for the alternate voting delegate to vote at the membership meeting in place of its designated voting delegate, the member agency must notify ACWA in advance of its exchange of voting delegates by contacting the Senior Clerk of the Board Donna Pangborn at donnap@acwa.com or 916-669-2425 **no later than 5:00 p.m. on Tuesday, November 29, 2022**.

ACWA General Session Desk

ACWA staff will be available at the **ACWA General Session Desk**, located in the Crystal Ballroom Foyer, Renaissance Esmeralda Resort Hotel, on **Wednesday, November 30**, between **9:00 a.m. and 11:45 a.m.** to answer questions about the membership meeting and voting process.

Voters need to check in at the ACWA General Session Desk on Wednesday, November 30, between 10:00 and 11:45 a.m. to pick up handheld keypads.

If you have any questions regarding the proposed Amended Bylaws and Restated or voting process, please contact Senior Clerk of the Board Donna Pangborn at 916-669-2425 or donnap@acwa.com.

dgp

Attachments:

1. Voter Designation & Information Form
2. Proposed Amended and Restated Bylaws (redline version) – see website link above
3. Proposed Amended and Restated Bylaws (clean version) – see website link above

To: Donna Pangborn, Senior Clerk of the Board

Email: donnap@acwa.com

Fax: 916-669-2425

The person designated below will be attending the ACWA General Session Membership Meeting(s) on Wednesday, November 30, 2022 (and December 1, 2022 if necessary) as our voting delegate. Please designate an alternate voting delegate to facilitate any change to your voting representation at the meeting. To change your alternate, however, you must notify Donna Pangborn of the change no later than 5:00 p.m. on Tuesday, November 29, 2022.

Member Agency's Name

Agency's Phone No.

Print Member Agency's Authorized Signatory Name

Authorized Signatory Signature

Voting delegate must be present at the membership meeting to vote.

Voting Delegate's Name	Voting Delegate's Email	Voting Delegate's Phone No.
Alternate Voting Delegate's Name	Alternate Voting Delegate's Email	Alternate Voting Delegate's Phone No.
Voting Delegate's Affiliation (if different from assigning agency)*		Date

*If your agency designates a delegate from another entity to serve as its authorized voting representative, please indicate the delegate's entity in the appropriate space above.

BACK



As recommended by the Board of Directors at its meeting on 9/23/2022.

AMENDED AND RESTATED BYLAWS of the Association of California Water Agencies



BYLAWS OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES

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BYLAWS OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES

(As amended and restated by the Members on November 29, 2017 _____, 2022)

ARTICLE 1 ~~Article 1~~ – General

Section 1.01. ¹Name. The name of this California nonprofit corporation shall be the Association of California Water Agencies (hereinafter referred to as the Association).

Section 1.02. Principal Office. The principal office for the transaction of business of the Association ~~is shall be~~ located ~~at 910 K Street, Suite 100, in~~ Sacramento, California; ~~provided, however, that the Board of Directors may change the location of the principal office by resolution and without amendment of these bylaws.~~

Section 1.03. Purposes. The purposes of the Association shall be to work together with its members and others for the best interests of California and its citizens and landowners who use, need and depend upon water; to encourage the orderly development of the waters of the state; to seek means of obtaining and making available to all of California a dependable water supply of the best possible quality at the lowest possible cost, giving due consideration to environmental factors involved therein; to provide inspiration and leadership in meeting and solving the water supply problems of this state; to propose and advocate such policies and measures—local, state and federal—that serve the best interests of the Association, opposing those of contrary nature; to assist in promoting the health, safety and welfare of the employees of its members; and to do all other things that are in the best interests of its members.

¹ Section numbers have been reformatted to incorporate a new numbering system throughout this document.

BYLAWS OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES

ARTICLE 2 ~~Article 2~~ – Membership and Dues**Section 2.01. Membership.**

- (a) **Members.** Only a public district, public agency, or public organization created and operated for the purpose of controlling, treating, developing, acquiring, using or supplying water for any purpose for inhabitants or lands within the state of California, or for the protection, drainage or reclamation of lands within the state of California, may become a member of the Association. Such an entity will become a member upon written application, approval by the Board of Directors, and the payment of the required dues. Acceptance to membership shall authorize full participation in Association activities. Except as otherwise provided in ~~subsection~~ Section 2.01(b) below, in no case may an organization other than a state, a political subdivision (as defined in § 1.103-1(b) of the Income Tax Regulations) of a state or an entity the income of which is excluded from gross income under § 115 of the Internal Revenue Code be a member of the Association. A member of the Association shall be in good standing if in compliance with all bylaws and requirements of membership, including timely payment of annual dues and emergency assessments.
- (b) **Honorary Life Members.** Any person who has rendered conspicuous service in furthering the purposes of the Association may, by vote of the Board of Directors, be granted an honorary life membership in the Association without payment of dues or assessments. All past presidents of the Association shall automatically be honorary life members without vote of the Board of Directors. Honorary life members shall not be entitled to a vote or to hold office automatically because of their status as honorary life members.
- (c) **Termination of Members.** Membership shall cease upon the failure of any member to pay the dues provided for in Section 2.02 of this Article. The membership of any member may be terminated at any time by such member sending written notification of its intention to withdraw to the Association's principal office. The Board of Directors may terminate the membership of any member upon 30 days' written notice by first-class mail when it is determined at any regular Board meeting or at any special Board meeting called for that purpose that continuance of such membership would not be in the best interests of the Association. Withdrawal or termination of membership ends any participation in Association activities and shall terminate a member's interest in the Association's assets.

Section 2.02. Dues. The annual dues of each member of the Association shall be established by the Board of Directors; provided, however, that any member may apply for a change in its dues because of conditions that differentiate such applicant from other members.

Section 2.03. Liability of Members. No member shall be liable for any obligation incurred by the Association with the following exception: (1) the payment of the annual dues while it remains a member;

BYLAWS OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES

and (2) the payment of emergency assessments, which shall not exceed 10 percent of current annual dues for each member in any calendar year while it remains a member. No emergency assessment may be levied against any member during its first two years of membership in the Association.

ARTICLE 3~~Article 3~~ – Officers

Section 3.01. President and Vice President.

- (a) **General.** The president and vice president of the Association shall be the elected officers of the Association. At the time of their election the president and vice president shall each be an elected or appointed member of the governing body or commission (as appropriate) of a member agency of the Association. The president and vice president shall be elected by the members of the Association ~~at its fall conference~~ by written ballot in each odd-numbered year ~~before the Association's annual meeting, shall be announced at the Association's annual meeting,~~ shall take office on January 1 of the calendar year following election, and shall hold office until such time as their successors take office or are appointed. An elected president shall not be permitted to succeed himself/herself to that office. Except as provided in this Article, should vacancies occur in either office of the president or vice president, the Board of Directors shall appoint persons to fill such offices for the unexpired terms thereof.
- (b) **President.** The president shall preside at all meetings of the Board of Directors, the Executive Committee, and the general membership; shall appoint members of all committees, including the chair and vice chair of each, upon recommendation from members and regions (as communicated by the region chairs), with each such committee chair and vice chair ratified by the Board of Directors; and shall perform all other duties necessary to carry out the functions of the office. The president shall be a non-voting *ex officio* member of each committee, but shall not be an *ex officio* member of the Nominating Election Committee or the region boards.
- The president may be expelled from office with or without cause, upon the satisfaction of the following two events: (1) a two-thirds vote of the Board of Directors; and (2) a subsequent simple majority vote of the members of the Association during a meeting of the membership.
- (c) **Vice President.** The vice president shall, in the absence of the president, assume all of the duties of that office and, if a vacancy occurs, succeed thereto for the unexpired term. The vice president shall sit as a member of the Executive Committee of the ACWA Joint Powers Insurance Authority and shall perform such other duties as assigned by the president.

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Section 3.02. Executive Director/Secretary and Controller/Treasurer.

- (a) **General.** The executive director/secretary and controller/treasurer of the Association shall also be officers of the Association. The executive director/secretary shall be appointed by and hold office at the pleasure of the Board of Directors of the Association.
- (b) **Executive Director/Secretary.** The executive director/secretary shall: (1) advise and assist the Board of Directors, all committees, the boards of each region, and the workgroups of each region; (2) be responsible for administering the total operations of the Association; (3) employ, direct, and release all employed staff in accordance with the policies adopted by the Board of Directors and consistent with the budget adopted by the Board of Directors; (4) provide relevant information to the Board of Directors needed by the Board to take actions; (5) give members notice and record minutes of all meetings of the membership, Board of Directors, and Executive Committee; and (6) have such other powers and perform such other duties as may be provided and assigned by the Board of Directors directly or through the president of the Board or the Executive Committee. The executive director/secretary, with the assistance of the controller/treasurer, shall render a report to the Board of Directors at the first meeting following the close of each calendar year showing the membership of the Association, the receipts and expenditures during the year, and the work accomplished during the previous year.
- (c) **Controller/Treasurer.** The controller/treasurer shall report to and act under the direction of the executive director/secretary. The controller/treasurer shall be a signatory on all accounts held by the Association and shall act as a fiduciary for all assets of the Association.

ARTICLE 4~~Article 4~~ – Board of Directors**Section 4.01. Membership.** The Board of Directors shall consist of:

- (a) The Association president and vice president.
- (b) The chair and vice chair of each region.
- (c) The chair of each standing committee.
- (d) The most immediate active past president.
- (e) The vice president of the ACWA/Joint Powers Insurance Authority.

Section 4.02. Term of Office. The term of office of all members of the Board of Directors shall commence on January 1 of the calendar year following election of the president and vice president, except for those persons who serve on the Board of Directors by nature of their position as chairs of standing committees, whose terms shall instead commence upon their ratification by the Board of Directors.

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Except as provided in Article 4, Section 11, the term of office for all members of the Board of Directors shall terminate on December 31 of the following odd-numbered year two years later, or until their successors take office.

Section 4.03. Attendance Requirement. Any member of the Board of Directors who misses two consecutive regular Board meetings without being excused by the Board will no longer be a member of the Board of Directors.

Section 4.04. Regular Meetings. Regular meetings of the Board of Directors shall be held bimonthly at such times and places as the Board may determine.

Section 4.05. Special Meetings. Special meetings may be called by the president upon the president's own volition or shall be called by the president when requested in writing by five directors. Prior to conducting such a special meeting, the president shall consult with the Executive Committee to ensure that adequate information is available to the Board of Directors for any necessary decisions; and where such meeting is called upon the president's own volition, the president shall also consult with the Executive Committee as to the necessity of the special meeting. Notice for special meetings shall be provided in the following manner: (1) upon 10 days' written notice sent by mail to each director and addressed to each at the address as shown upon the records of the Association; or (2) upon 48 hours' notice with notice provided by electronic means. When the meeting is called upon the president's own volition, the president shall choose the form of notice; when the meeting is called by a request of five directors, the five directors shall choose the form of notice and the president shall promptly call the meeting. No business except those items described in the notice shall be transacted at any special meeting, except by consent of three-fourths of the members of the Board of Directors present.

Section 4.06. ~~Meeting Requirements and Quorums. Meetings by Electronic Communication.~~ Any meeting, regular of the Board of Directors, region boards, or special, any committee may be held conducted, in person whole or in part, by telephone ~~conference, web video conference, or other,~~ electronic transmission, or by electronic video screen communication. A member of the Board of Directors, a region board, or electronic transmission, any committee shall be deemed present in person at the meeting if the following apply:

- (a) Each director, region board, or committee member participating in the meeting can communicate concurrently with all other directors, region board, or committee members.
- (b) Each director, region board or, committee member is provided the means of participating in all matters before the board, region board, or committee, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Association.

Section 4.07. Quorum. At any meeting of the Board of Directors, the attendance of 50 percent of the voting members of the Board of Directors, or their permitted alternates as specified in these bylaws, shall constitute a quorum for the transaction of any business. The Board may hold a closed session for discussion of personnel matters or enforcement of violations of the code of conduct.

BYLAWS OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES

Section 4.08. Alternates. Each region shall designate an alternate for each chair and vice chair, who shall meet the qualification requirements for chair and vice chair, to act at meetings of the Board of Directors when the chair or vice chair is unable to attend. The vice chair of each standing committee will be the alternate to act at meetings of the Board of Directors when the [standing committee](#) chair is unable to attend. An alternate may not act or vote on behalf of more than one member of the Board of Directors. A member of the Board of Directors may not act as an alternate for any other member.

Section 4.09. Vacancies for Standing Committee Chairs and Vice Chairs. Should a vacancy occur in the office of any standing committee chair or vice chair before the end of the term, the president shall appoint a new committee chair or vice chair to fulfill the unexpired term of such committee chair or vice chair subject to ratification by the Board of Directors. A vacancy in the office of any such standing committee chair or vice chair as described in the previous sentence shall be deemed to exist when the chair or vice chair: (1) resigns the office; (2) no longer is an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member; or (3) is otherwise removed by a member agency of the Association.

Section 4.10. Duties, Authorities, and Delegation. Subject to the provisions and limitations of California Nonprofit Corporation Law, other applicable laws, and the provisions of these bylaws, the Association's activities and affairs are to be exercised by or under the direction of the Association's Board of Directors. The Board of Directors is responsible for the overall supervision, control, and direction of the Association. The Board of Directors shall: (1) employ and release the executive director/secretary; (2) set performance expectations for the executive director/secretary; (3) receive, review, and consider approval of executive director/secretary recommended compensation, other terms and conditions of employment, and annual evaluations as prepared by the Executive Committee; (4) annually adopt a budget; and (5) set the level of dues for the Association. Except as to the duties listed in the previous sentence, and subject to Article 3, Section 2, the Board of Directors may delegate the supervision, control, and direction of the Association's affairs to any person or group, including a committee, provided the Association Board retains ultimate responsibility for the actions of such person or group. Where such powers are delegated, the delegation shall be documented in writing.

Section 4.11. Immediate Past President. The immediate past president automatically assumes this position after serving as the Association's elected president and is a voting member of the Board of Directors and Executive Committee. The term of office for the immediate past president shall commence on January 1 of the calendar year following election of the president and vice president and shall terminate on December 31 of the following odd-numbered year two years later. In the event the most immediate active past president is unavailable to serve, the most recent and available active past president in succession shall serve in this capacity.

Section 4.12. Code of Conduct of Board Members.

- (a) **Code of Conduct: Purpose and Adoption.** The Board of Directors shall establish, and update as appropriate, a code of conduct for its Directors that recognizes the

BYLAWS OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES

Association's commitment of integrity, respect, and fair representation to its members and the public they serve and establishes minimum ethical standards for the performance of the duties of office. The code shall be consistent with the procedural processes contained in this section. The code shall be distributed to all new Directors and shall be distributed annually to all members of the Association.

- (b) Violations and Enforcement Process.** A violation of the code of conduct may result in removal, public censure, or private reprimand of a Director, or such other action as contained in the code of conduct. However, removal and public censure shall be reserved only for serious violations. A Director may not be removed or publically censured absent an affirmative vote of two-thirds of the voting members of the Board of Directors. A Director may be privately reprimanded for a violation of the code of conduct upon the majority vote of the quorum. Complaints of violation of the code of conduct may be filed with the president, or the vice-president if the allegations are made against the president. The president may refer a complaint of violation to the executive director/secretary for investigation. The executive director/secretary may retain a special investigator or special counsel to conduct or assist the investigation. A Director accused of a violation shall be provided a copy of the complaint. A Director that takes any hostile or retaliatory action, directly or indirectly, against a complainant is subject to removal from the Board in conformance with the process identified above. Prior to scheduling a Board action on a complaint, the president shall consult with the Executive Committee and the chair of the Legal Affairs Committee. A Director accused of a violation of the code of conduct shall be provided at least 15 days' written notice of any meeting of the Board at which a determination of enforcement will be considered. A determination of enforcement may be made only at a regular meeting of the Board and shall be made in closed session. The determinations of the Board under this section shall not be admissible in any criminal or civil proceeding brought against the Director for conduct that violates any other law.

ARTICLE 5~~Article 5~~ – Regions

Section 5.01. Boundaries of Each Region.

- (a)** There shall be a maximum of 10 regions within the state. The Board of Directors shall determine the regional boundaries. Insofar as is practicable, the regions shall have a numerical balance in members of the Association; make geographic sense; and promote regional problem solving.
- (b)** A member of the Association may file a written petition to the Board of Directors requesting a change in regions. Such petition shall set forth the reasons for such requested change. The Board shall, within a reasonable time, act upon such petition and set forth the reasons for its action. Such action by the Board shall be based on factors in

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[Section 5.01](#)(a) above, as well as others deemed by the Board of Directors to be relevant to the decision.

Section 5.02. Officers.

- (a) The officers of each region shall be a chair and vice chair and three to five region board members who shall be elected by the region ~~by September 30, or the preceding Friday if September 30 falls on a weekend, of~~ in each odd-numbered ~~years~~year. A region may maintain a board of fewer than five but not less than three members as provided in the region's rules and regulations. The officers of the region board shall take office on January 1 of the calendar year following election and shall hold office for two years, or until their successors take office. Regions shall hold elections by electronic ballot. ACWA staff shall verify the legitimacy of the ballots.
- (b) The officers of each region shall: (1) exercise the powers and perform duties of the region during the interim between region meetings; and (2) make recommendations to the president regarding appointments to committees. The chair and vice chair shall be the region's representatives to the ACWA Board of Directors.
- (c) Each officer of a region shall be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the term of the office, the individual may not serve during the remaining term of that office unless that individual can again meet the criteria for the office and is appointed to complete the term. The region board may adopt more stringent criteria for board member qualifications as part of the region's rules and regulations.
- (d) Should a vacancy occur in any of the region board positions before the end of the term, the remaining members of the region board shall appoint a new member. A vacancy in the office of any region board position shall be deemed to exist when a region board member: (1) resigns the office; (2) no longer is an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member of the Association to represent that member; or (3) is otherwise removed by a member agency of the Association.

Section 5.03. Nominating Committees. There shall be a nominating committee for each region consisting of three or more designees, each representing a member of the Association located within the region, appointed by the chair of the region and approved by the region board. Nominating committees shall be formed by February 28 of each odd-numbered year. ~~The nominating committee shall announce its nominations for chair, vice chair, and region board members by August 1 of an election year. All regions must complete the election process by September 30 of the election year, or the preceding Friday if the September 30 falls on a weekend.~~

BYLAWS OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES

Section 5.04. Meetings. The meetings of each region shall be held at both the spring and fall conferences and at such other times and places as may be determined by the region chair. Representatives of five or more members of the Association from the region present at any region meeting shall constitute a quorum for purposes of conducting the business of the region. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission, [as set forth in Section 4.06](#).

Section 5.05. Workgroups. Workgroups may be appointed by the region chair as needed.

Section 5.06. Rules. Each region shall organize and adopt rules and regulations for the conduct of its meetings and affairs not inconsistent with the Articles of Incorporation or bylaws of the Association. Each region shall abide by the code of conduct adopted by the Board of Directors of the Association.

ARTICLE 6~~Article 6~~ – Executive Committee

Section 6.01. Membership. There shall be an Executive Committee consisting of the following: the president of the Association, who shall be the chair thereof; the vice president; the most immediate active past president; the chair of the Finance Committee; and three at-large representatives selected from and by the members of the Board of Directors. The election of the three at-large representatives to the Executive Committee shall occur at the first Board of Directors meeting held in each even-numbered year and the elected representatives shall serve immediately following their election and until such time as their successors take office. To the extent practical, the Executive Committee should be constituted so as to reflect the geographic extent of the Association and the functions of the members of the Association.

Section 6.02. Powers. The Executive Committee shall have the following authority:

- (a) **Personnel.** Subject to the budget adopted by the Board of Directors, the Executive Committee shall perform the following personnel actions: (1) recommend compensation for the executive director/secretary to the Board of Directors for approval; (2) perform annual reviews of the executive director/secretary and submit that review to the Board of Directors; (3) review and approve the classification and compensation plan and publicly posted salary schedule for Association employees submitted by the executive director/secretary, which shall be reviewable by the Board of Directors, in closed session, upon request of the Board of Directors; (4) establish personnel policies for the conduct and behavior of employees, which shall be reviewable by the Board of Directors; and (5) undertake such other personnel actions as may be requested by the executive director/secretary in support of his or her oversight of all other personnel matters, which shall be reviewable by the Board of Directors, in closed session, upon request of the Board of Directors.

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- (b) **Delegation.** The Executive Committee may act pursuant to any authority specifically delegated to it by the Board of Directors. The delegation shall indicate whether the authority is still subject to the ultimate authority of the Board.
- (c) **Authority to Act Between Meetings.** The Executive Committee may act for the Board of Directors between Board meetings when calling a special meeting of the Board of Directors is impracticable, provided that no such action of the Executive Committee shall be binding on the Board of Directors until authorized or approved by the Board. The Executive Committee has the authority to authorize actions recommended by the Legal Affairs Committee (such as the filing of letter briefs and amicus curiae briefs) by electronic means without the need for an in-person or telephonic meeting, but such actions shall be ratified by the Board of Directors at its next meeting.

Section 6.03. Reporting. The president, or any person designated by the president, shall report to the Board of Directors, at each regular Board meeting, any action taken by the Executive Committee since the last preceding regular Board meeting. The minutes of Executive Committee meetings, which at that time may still be in draft form, shall be mailed (using the U.S. Postal Service, express delivery, electronic means, or otherwise) to each member of the Board of Directors at least five days prior to Board meetings, except in cases in which the Executive Committee meets during or immediately prior to a conference of the Association or immediately prior to a Board meeting, in which case the minutes, which may still be in draft form, shall be mailed to each director promptly thereafter.

Section 6.04. Meetings. The Executive Committee shall hold regularly scheduled meetings as set by the president. Special meetings of the Executive Committee may be called by the president upon notice to the members of that committee or upon written request of three Executive Committee members. Notice for special Executive Committee meetings shall be provided to the entire Board: (1) upon five days' written notice sent by mail, or (2) upon 24 hours' notice with notice provided by electronic means; and all such meetings shall be open to the Board of Directors. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission, as set forth in Section 4.06. All members of the Board of Directors may attend any meeting of the Executive Committee. Meetings of the Executive Committee may be closed to others at the discretion of the president or committee. Only members of the Executive Committee are allowed to vote on matters at a meeting of the committee.

Section 6.05. Minutes. The minutes of the Executive Committee meetings shall be kept by the executive director/secretary at the Association's principal office. Actions of the Executive Committee shall be reported to the Board of Directors as provided in Section 3 of this Article and shall be available to any member of the Board of Directors upon request to the executive director/secretary.

ARTICLE 7~~Article 7~~ – Standing Committees

Section 7.01. Qualification. In order to serve on any ACWA standing committee, an individual must be an officer, employee, or member of the governing body of a member agency of the Association, or other

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representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the term of the appointment, the individual may not serve during the remaining term of that appointment unless that individual can again meet the criteria for appointment and is appointed to complete the term.

Section 7.02. Term of Office. The term of office of standing committee members shall be two years commencing on January 1 of each even-numbered year. The term of office of standing committee chairs and vice chairs shall be approximately two years and shall commence as soon after January 1 of the even-numbered year as they may be appointed by the president and ratified by the then-seated Board of Directors, and shall terminate on December 31 of the odd-numbered year approximately two years later or until their successors are appointed and ratified.

Section 7.03. Meetings. Meetings of standing committees may be called at such times and places designated by the respective chair thereof except where provided otherwise by these bylaws. [Any meetings of standing committees may be conducted, in whole or in part, by electronic transmission or by electronic video screen communication, as set forth in Section 4.06.](#) Subject to the provisions of these bylaws and any actions that may be taken by the Board of Directors, the chairs of each standing committee may establish their own rules for the efficient operation of the committee they each chair. The chairs of each standing committee are authorized to create subcommittees and workgroups in order to complete the work of the committee.

Section 7.04. Committee Composition. Each limited standing committee shall have a membership composition that is comprised of members in the quantity and with qualifications as defined by the provisions of these bylaws. The committee chair position shall not be included in the maximum count for determining the committee composition total of any given limited committee. The committee chair shall, however, be a voting member of their respective committees subject to the rules and procedures of each committee. [If the chair is absent, the vice chair shall fill the role of the chair during such absence.](#)

Section 7.05. Agriculture Committee. There shall be an Agriculture Committee whose duty it shall be to recommend Association policy, positions and programs to the Board of Directors, State Legislative Committee, Federal Affairs Committee or other committees, as appropriate, regarding agricultural issues affecting the interests of ACWA and its members. The committee shall consist of at least one member from each region.

Section 7.06. Business Development Committee. There shall be a Business Development Committee whose duty it is to develop and recommend to the Board of Directors programs and activities to be provided or administered by the Association that generate non-dues revenue and provide a service or benefit to member agencies. The committee shall consist of at least one member from each region and may include members from any of the other standing committees.

Section 7.07. Communications Committee. There shall be a Communications Committee whose duty it shall be to develop and make recommendations to the Board of Directors regarding a comprehensive internal and external communications program for the Association and to promote development of sound

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public information and education programs and practices among member agencies. The committee shall consist of no more than 40 members. The committee shall consist of at least one member from each region.

Section 7.08. Energy Committee. There shall be an Energy Committee whose duty it shall be to recommend policies and programs to the Board of Directors and to the State Legislative Committee and/or Federal Affairs Committee as appropriate. The committee shall consist of at least one member from each region.

Section 7.09. Federal Affairs Committee. There shall be a Federal Affairs Committee whose duty it shall be to review all federal legislative proposals and regulatory proposals affecting member agencies, after consulting with other appropriate committees, and to develop Association positions consistent with existing policy, where it has been established; recommend sponsorship of bills that will resolve problems or improve conditions for member agencies; and assist in the establishment of the Association's federal legislative program. The committee shall consist of at least one, but no more than five members from each region.

Section 7.10. Finance Committee. There shall be a Finance Committee whose duty it shall be to make recommendations to the Board of Directors regarding annual budgets, dues formula and schedules and other revenue-producing income, annual audit and selection of an auditor, and investment strategies. The committee shall consist of the president and vice president of the Association as *ex officio* members, either the chair or vice chair from each of the Association's 10 region boards, and one additional member from each region with experience in financial matters.

Section 7.11. Groundwater Committee. There shall be a Groundwater Committee whose duty it shall be to recommend policies and programs to the Board of Directors and to the State Legislative Committee and/or Federal Affairs Committee as appropriate. The committee shall consist of at least one member from each region.

Section 7.12. Legal Affairs Committee. There shall be a Legal Affairs Committee whose duty it shall be to support the mission of the Association, and more particularly to deal with requests for assistance involving legal matters of significance to member agencies, including but not limited to state and federal court litigation, water rights matters, selected regulatory and resources agency matters, proposed bylaw revisions, review of legislation as requested by the State Legislative Committee, etc. The committee shall consider matters and issues submitted to it in order to determine which ones are of major significance to the member agencies and, assuming a finding of major significance, recommend to the Board of Directors the position(s) which the committee believes the Association should take with respect thereto. The committee shall be composed of between 34 and 44 attorneys, each of whom shall be a member of the California Bar and shall be, or act as, counsel for a member agency, representing diverse interests within the Association, including but not limited to, different geographical areas throughout the state, large and small agencies, agricultural and urban agencies, agencies created under the various enabling statutes, etc. The committee shall consist of at least one member from each region.

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Section 7.13. Local Government Committee. There shall be a Local Government Committee whose duty it shall be to recommend policies to the State Legislative Committee, as appropriate, and Board of Directors on matters affecting water agencies as a segment of local government in California. The committee shall consist of at least one, but no more than three members from each region.

Section 7.14. Membership Committee. There shall be a Membership Committee whose duty it shall be to assist staff in developing membership recruitment and retention programs, make recommendations to the Board of Directors regarding membership policies, eligibility, and applications for membership and review and make recommendations to the Finance Committee regarding an equitable dues structure. The committee shall consist of at least one member from each region.

Section 7.15. State Legislative Committee. There shall be a State Legislative Committee whose duty it shall be to review all state legislative proposals affecting member agencies and to establish Association positions, consistent with existing policy, where it has been established; sponsor bills that will resolve problems or improve conditions for member agencies; and assist in the establishment of the Association's legislative program. The committee shall consist of members representing a variety of types of member agencies and at least one, but no more than four members from each region.

Section 7.16. Water Management Committee. There shall be a Water Management Committee whose duty it shall be to recommend policy and programs to the Board of Directors on any area of concern in water management. The committee shall consist of at least one, but no more than four members from each region.

Section 7.17. Water Quality Committee. There shall be a Water Quality Committee whose duty it shall be to develop and recommend Association policy, positions, and programs to the Board of Directors, to promote cost-effective state and federal water quality regulations that protect the public health, to enable interested member agencies to join together to develop and coordinate with other organizations, and to present unified comments regarding agricultural and domestic water quality regulations. The committee shall consist of at least one member from each region.

ARTICLE 8 ~~Article 8~~ – Special Councils, Committees, and Task Forces

Section 8.01. Council of Past Presidents. There shall be a Council of Past Presidents composed of all past presidents of the Association who serve on the council until each is no longer able to or wishes to serve. The council shall provide a mechanism for past presidents to continue to make valuable contributions to the Association. With approval of the Board of Directors, the president and/or executive director/secretary may assign specific responsibilities to the council from time to time. Members of the Council of Past Presidents are invited to attend and participate in the Association's Board meetings.

Section 8.02. ~~Nominating Election~~ Committee. There shall be ~~a Nominating an Election~~ Committee consisting of ~~five or more persons appointed by the president prior to the Association's fall conference~~ eleven representatives established by February 28 of ~~in~~ each odd-numbered year, whose

BYLAWS OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES

purpose shall be to ~~nominate~~present qualified individuals for the offices of president and vice president of the Association. The ~~Nominating~~Election Committee shall ~~publish its nominations for the offices of yet all candidates to determine if the eligibility criteria have been met. The Election Committee will endorse a preferred candidate for~~ president and vice president ~~of the Association not less than 10 or more than 90 days before the membership meeting is held at fall conference. Additional nominations may be made by any member of the Association presenting an open ballot with all qualifying candidates to the members for candidates for the office of president a vote in the manner set forth in Section 9.10 and vice president. Additional nominations~~Section 9.11.

(a) Selection. The Election Committee shall be ~~made~~ selected in the following manner:

(1) Each of the 10 currently seated Region Boards in the odd-numbered year shall appoint a representative from ~~the floor~~ their respective regions to serve on the Election Committee.

(2) One representative appointed by the president in the odd-numbered year shall also serve on the Election Committee. Neither the president nor the vice president qualifies to be appointed to this position.

(b) Qualification. In order to serve on the Election Committee, an individual must be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the election of president and vice president at the membership meeting scheduled for said purposes cycle, the individual may not continue to serve. When the disqualified member represented a Region Board, the affected Region Board shall select a replacement representative. When the disqualified member represented the President, the President shall select an alternate representative.

Section 8.03. Other Committees and Task Forces. Other committees and task forces may be appointed by the president from time to time as needed, consistent with and supportive of the mission of the Association.

ARTICLE 9~~Article 9~~ – Meetings of Members

Section 9.01. Meetings. Meetings of the members of the Association shall be held at the Association's conferences ~~at such times as may be determined by to provide a report to the Board of Directors to~~

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~~conduct necessary business and to elect members on~~ the Association's activities during the past year, provide an overview of the Association's finances, announce the newly elected president and vice president, ~~which occurs at of the fall conference~~ Association in each odd-numbered year, ~~and to transact such other proper business as may come before the meeting.~~

Section 9.02. Special Meetings. Special meetings of the members of the Association may be called by the Board of Directors, the president of the Board of Directors, or by 5 percent or more of the members of the Association. Except when called by the Board, a request for a special meeting must be in writing and must be delivered in person or mailed by first-class mail addressed to the president of the Board at the principal office of the Association, with a copy to the executive director/secretary. The request must state the general nature of the business proposed to be transacted at the meeting.

A special meeting that has been called by written request of 5 percent of the member agencies of the Association to the Board of Directors shall be set by the Board of Directors on a date that is not less than 35 or more than 90 days after receipt of the request.

Section 9.03. Meetings by Remote Communication. ~~Any meeting of the members may be conducted, in whole or in part, by electronic transmission by and to the Association or by electronic video screen communication. The member shall be deemed present in person at the meeting if the following apply:~~

- ~~(a) The Association implements reasonable measures to provide the member a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings.~~
- ~~(b) If any member votes or takes other action at the meeting by means of electronic transmission to the Association or electronic video screen communication, a record of that vote or action is maintained by the Association.~~
- ~~(c) The Association verifies that each person participating remotely is an authorized representative of a voting member.~~

~~Section 9.03.~~ **Section 9.04. Notice Requirements for Membership Meetings.** Written notice of any membership meeting shall be given to each voting member of the Association. The notice shall state the date, time, and place of the meeting; the means by which members may participate; and the general nature of the business to be transacted. ~~The notice of any meeting at which Board officers are to be formally nominated and elected shall include the names of the recommended slate of candidates for the offices of president and vice president in addition to the election procedures.~~ The member notification information shall also be posted on the Association's website.

Except as otherwise provided in these bylaws or California law, a written notice of regular membership meetings shall be given not less than 10 or more than 90 days before the date of the meeting to each member who, on the record date for notice of the meeting, is entitled to vote; provided, however, that if

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notice is given by mail, and the notice is not mailed by first-class, registered, or certified mail, that notice shall be given not less than 20 days before the meeting.

~~Section 9.04.~~**Section 9.05.** **Notice Requirements for Special Meetings.** The executive director/secretary shall cause notice to be given to all members of the Association of the date, time, and place of the meeting and the general nature of the business to be transacted at the meeting. No business except that specified in the request and notice may be transacted at said special meeting. If notice of the requested special meeting is not given within 20 days after receipt of the request, the person or persons requesting the meeting may give the notice.

~~Section 9.05.~~**Section 9.06.** **Voting.** Each member of the Association in good standing at the time of the annual or special meeting shall be entitled to one vote that shall be cast by its authorized representative. Each member must designate its authorized representative prior to the annual or special meeting. It is the member's responsibility to designate or update its authorized representative as needed. The Association may confirm with any member the identify of that member's authorized representative for the purpose of casting ballots in any election of president and vice president. All questions, except amendments or revisions of these bylaws, shall be determined by a majority of the members present and voting. A roll call may be requested by any authorized representative.

~~Section 9.06.~~**Section 9.07.** **Amendment of Bylaws.** These bylaws may be amended or revised by two-thirds of the member agencies of the Association present and voting at any meeting.

~~Section 9.07.~~**Section 9.08.** **Quorums.** The presence of the authorized representative of 50 members of the Association at any meeting of the members shall constitute a quorum for transacting business. Written ballots timely received from the authorized representative of 50 members shall constitute a quorum for elections of president and vice president.

~~Section 9.08.~~**Section 9.09.** **Amendments, Revisions, and Resolutions.** Before any amendments or revisions to the bylaws, or resolutions, may be considered at any meeting of the Association, any such amendment, revision, or resolution shall be submitted to the executive director/secretary at least 90 days prior to the first day of such meeting. The executive director/secretary shall promptly distribute any proposed amendments or revisions to the Legal Affairs Committee for the Legal Affairs Committee to develop an unbiased analysis of the amendments or revisions. Following development of an analysis for the proposed amendments or revisions, the executive director/secretary shall distribute copies of any resolutions, amendments or revisions, including any applicable analyses, to all members of the Association not less than 10 days or more than 90 days prior to presentation at such meeting. The written notice of the membership meeting shall be given to each voting member of the Association consistent with the provisions defined in Section 39.04. The 90-day rule may be suspended at any meeting of the Association by consent of three-fourths of the members present. Voting on resolutions, amendments, or revisions shall proceed as provided by Sections 59.06 and 6 of this Article 9.07.

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~~Section 9.09~~Section 9.10. Nomination of President and Vice President.

- (a) **Qualification.** At the time of their election, the president and vice president of the Association shall each be an elected or appointed member of the governing body or commission (as appropriate) of a member agency of the Association.
- (b) **Nominating ~~Committee Process~~Resolutions.** All nominations for the positions of president and vice president shall be accompanied by an official resolution from the Association member agency on whose board the nominee serves. Said resolution shall be signed by an authorized signatory of the member agency's Board of Directors.

~~Section 9.09 (a) Nominations from the Floor.~~ Additional nominations may be made by any member of the Association for the office of president and vice president. Said nominations and seconds shall be made from the floor during the election of the offices of president and vice president at the membership meeting scheduled for said purposes (as provided for in the penultimate sentence of Article 8, Section 2). Such nominations and seconds shall be made by a member of the Association and must be supported by a resolution of the governing body of the member making and seconding such nomination. The member agency on whose board the nominee serves shall submit a resolution of support if they are not the agency making the floor nomination or second.

Section 9.11. Election of President and Vice President. Each member of the Association in good standing at the time a vote is cast is entitled to one vote for election of the president and vice president that shall be cast by its authorized representative by written ballot. The ballot and any related material may be sent by first class, registered, or certified mail or electronic transmission by the Corporation that meets the requirements of Corporations Code section 20, and responses may be returned to the Corporation by mail or electronic transmission. On any written ballot for the election of president or vice president, an authorized representative acting on behalf of the member may write in a qualified candidate for election.

Section 9.12. Write-In Candidates. If a write-in candidate prevails in any election for president or vice president, such individual shall not be officially elected into such position until the Election Committee confirms that the individual meets the eligibility criteria and qualifications requirements.

Section 9.13. Run-off Election for President and Vice President. In the event a nominee does not receive a majority of the votes for president or vice president, a run-off election shall be held for the office or offices for which a majority of the votes have not been received. The run-off election shall only involve the nominees who received the two highest amounts of votes. The run-off election shall be conducted in the same manner as the initial election.

~~Section 9.10~~Section 9.14. Additional Procedures for Election of ~~Officers~~President and Vice President. The Board shall have the authority to develop additional procedures~~adopt policies~~ for elections

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(“Election Policy”) of president and vice president setting forth the details for the election of such positions when not otherwise contrary to or covered by these bylaws.

ARTICLE 10~~Article 10~~ – Indemnification of Directors, Officers, and Other Agents

Section 10.01. Right of Indemnity. To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any “proceeding,” as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. “Expenses,” as used in this bylaw, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

Section 10.02. Approval of Indemnity. On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board shall promptly determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Board shall authorize indemnification.

Section 10.03. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

Section 10.04. Insurance. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer’s, director’s, employee’s or agent’s status as such.

ARTICLE 11~~Article 11~~ – Miscellaneous

Section 11.01. Conduct of Meetings. All meetings of the Association shall be conducted in accord with the code of conduct and in substantial accordance with the latest edition of Robert’s Rules of Order Newly Revised unless the Board adopts alternate rules of conduct for itself and/or its committees, region boards, and region workgroups.

Section 11.02. Funds. The funds of the Association shall be used to further the aims and purposes of this Association. They shall be kept by the controller/treasurer and paid out by checks or other electronic means, which shall only be valid with two authorized signatures. The Board of Directors shall designate

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by resolution which persons, other than the controller/treasurer, may sign for expenditures. The Finance Committee shall implement procedures to ensure necessary internal controls over the receipt and expenditures of Association funds and arrange for an external audit. Audit reports shall be presented to the Board of Directors.

Section 11.03. Disposition of Assets upon Dissolution. The Association's properties and assets are irrevocably dedicated to the fulfillment of the Association's purposes as described in Article 2 of the Articles of Incorporation. No part of the Association's net earnings, properties and assets, on dissolution or otherwise, may inure to the benefit of any private person. Upon the dissolution of the Association, all debts thereof shall be paid and its affairs settled, and all remaining assets shall be distributed to the Association's member political subdivisions for a public purpose, consistent with the provisions of the California Nonprofit Corporation Law relating to public-mutual benefit corporations then in effect and with the Articles of Incorporation.

Section 11.04. Definitions. As used in these bylaws, the term "notice provided by electronic means" shall refer to notice given by fax or e-mail.

Amended comprehensively December 1, 2010

Amended May 9, 2012

Amended May 7, 2014

Amended December 2, 2015

Amended November 29, 2017

Amended & Restated _____, 2022



PANOCHÉ WATER DISTRICT

52027 West Althea Ave., Firebaugh, CA 93622 – (209) 364-6136 – panochewd.specialdistrict.org

November 4, 2022

Board of Directors
Panoche Water District
52027 West Althea Ave.
Firebaugh, CA 93622

Dear Board of Directors:

In accordance with the District's recently adopted Claims Policy and the Government Claims Act, I do hereby submit for your consideration a claim for monetary damages I sustained while attending a meeting to conduct Panoche Water District business.

On September 3, 2021, I attended a lunch meeting at Espana's Restaurant with Directors Bennett and Linneman and Water Resources Manager Cadena. During the meeting, at least three vehicles parked in the Espana's parking lot were burglarized, including the District's 2018 Jeep Grand Cherokee assigned to me. Because of the nature of my work and travel, in the vehicle were both work and personal items. Stolen from the vehicle was my leather Bosca bag and my canvass travel bag. In the bags were my work issued Surface Laptop, work and personal documents, including \$2,500 in cash, and clothing. A police report was filed immediately after discovering the burglary and is attached. The police recovered and returned the Bosca and travel bags and clothing. Unrecovered was the District laptop and the work and personal documents, including the \$2,500 in cash. The District has replaced the laptop and I am requesting it reimburse me for the monetary loss I suffered while performing a work function.

For purposes of any mailing, including any mailing for notices related to this Claim, please use my District work address:

Ara Azhderian
General Manager
Panoche Water District
52027 West Althea Ave.
Firebaugh, CA 93622

Yours truly,

Ara Azhderian
General Manager



LOS BANOS POLICE DEPARTMENT

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945 5TH ST

LOS BANOS, CA 93635

209-827-7070

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Case 202107149

FELONY REPORT

OFFENSES	F/M Offenses F 459 PC Burglary - Vehicle				Date Occurred 09/03/2021		Time Occurred 1307 - 1307		Incident # 2109030116		
	CONTROLLED DOCUMENT Duplication or Reissuance Controlled by Law Released to <u>Danchoe Walter District</u> By <u>ASIS</u> Date <u>10/10/21</u> Los Banos Police Department Los Banos, California				Date Reported 09/03/2021		Time Reported 1307				
					Related Cases						
					Date Printed 10/06/2021		Time Printed 11:00:17		Printed By PD156		
	Latitude 37.057910		Longitude -120.832440								
	Location Espanas Southwest Bar And Grill, 1460 E Pacheco Blvd, Los Banos, CA 93635				Beat B2	Area 2	Disposition			Dispo Date	
Location Type Parking Lot		Location of Entry		Method of Entry Broke Glass		Point of Entry		Alarm System		Means of Attack (Robbery)	
Victim Amabile, Teresa				Drivers License [REDACTED]		Cell Phone		Email			
Residence Address 1120 Nevada, Los Banos, CA 93635-				Notified of Victim Rights No		Residence Phone [REDACTED]		DOB [REDACTED]	Age 45	Sex F	Race H
Business Name and Address				Business Phone		Height 5'2"	Wt 170	Hair BRO	Eyes BRO		
Assistance Rendered/Victim Disposition Property Crime Does Not Apply				Transporting Agency		Means of Attack (Assaults) Simple, Not Aggravated Assault					
Description of Injuries None				Other Information							
Name				Drivers License		Cell Phone		Email			
Residence Address				Residence Phone		DOB	Age	Sex	Race		
Business Name and Address				Business Phone		Height	Wt	Hair	Eyes		
Suspect Name				Action Taken		Charges					
Residence Address				Residence Phone		DOB	Age	Sex	Race		
Business Name and Address				Business Phone		Height	Wt	Hair	Eyes		
Identifying Features				Cell Phone		Drivers License		Arrest Number			
Aliases				CII							
VEHICLES	Status Damaged Damaged Damaged		Vehicle Make and Model 2018 White Jeep Gch 2021 White Chev Malibu 2016 Green Hond Pilot			License/State 1407903 CA 8TYT313 CA 7NQU082 CA		VIN 1C4RJFBT4JC208171 1G1ZD5STXMF048360 5FN9YF5H59GB011251			
	Prepared By PD59 - Monay, Ricardo		Date 09/03/2021		Assisted By		Approved By PD40 - Wiens, Robert			Date 10/04/2021	
OFFICERS	Routed To		Date		Routed To		Date		Notes		

FOR LAW ENFORCEMENT PURPOSES ONLY-DO NOT DUPLICATE

**LOS BANOS POLICE DEPARTMENT**

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Case

202107149

FELONY REPORT

Victim Azhderian, Ara	Drivers License [REDACTED]	Cell Phone [REDACTED]	Email			
Residence Address PO Box 223096, Carmel, CA 223096	Notified of Victim Rights No	Residence Phone [REDACTED]	DOB [REDACTED]	Age 56	Sex M	Race O
Business Name and Address		Business Phone	Height	Wt	Hair	Eyes
Assistance Rendered/Victim Disposition Property Crime Does Not Apply		Transporting Agency	Means of Attack (Assaults) Simple, Not Aggravated Assault			
Description of Injuries None		Other Information				

Victim Caputo, Alberto Poveda	Drivers License	Cell Phone	Email			
Residence Address Out Of Country	Notified of Victim Rights No	Residence Phone [REDACTED]	DOB [REDACTED]	Age 34	Sex M	Race H
Business Name and Address		Business Phone	Height 5' 11"	Wt 180	Hair	Eyes
Assistance Rendered/Victim Disposition Property Crime Does Not Apply		Transporting Agency	Means of Attack (Assaults) Simple, Not Aggravated Assault			
Description of Injuries None		Other Information				

Victim Ean Holdings Lic	Drivers License	Cell Phone	Email			
Residence Address 14002 E 21ST St, Tulsa, OK 74134	Notified of Victim Rights No	Residence Phone	DOB	Age	Sex	Race
Business Name and Address		Business Phone	Height	Wt	Hair	Eyes
Assistance Rendered/Victim Disposition Property Crime Does Not Apply		Transporting Agency	Means of Attack (Assaults) Simple, Not Aggravated Assault			
Description of Injuries Property Crime Does Not Apply		Other Information				

Victim Panoche Water District	Drivers License	Cell Phone	Email			
Residence Address 52027 W Althea Ave, Firebaugh, CA 93622	Notified of Victim Rights No	Residence Phone 209-364-6136	DOB	Age	Sex	Race
Business Name and Address		Business Phone	Height	Wt	Hair	Eyes
Assistance Rendered/Victim Disposition Property Crime Does Not Apply		Transporting Agency	Means of Attack (Assaults) Simple, Not Aggravated Assault			
Description of Injuries None		Other Information				

LOS BANOS P.D.
CONFIDENTIAL INFORMATION
FOR USE BY LAW ENFORCEMENT
PERSONNEL ONLY

FOR LAW ENFORCEMENT PURPOSES ONLY-DO NOT DUPLICATE

**LOS BANOS POLICE DEPARTMENT**

Nov 08 2022 - PWD Regular Board Meeting - BASKET

945 5TH ST - LOS BANOS, CA 93635 209-827-7070

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Page 3

202107149

FELONY REPORT - PROPERTY

ID No.	Status/Disposition	Property Description	Value	Val Recovered	Val Damaged
1	Stolen and Recovered	RM-1 - 1 Item(s) Tribord Backpack - ELECTRICAL WIRES/BATTERY/TRI-POD	\$200.00	\$200.00	
2	Stolen and Recovered/Returned To Owner	RM-2 - 1 Item(s) Camo Bag - CLOTHING	\$200.00	\$200.00	
3	Stolen and Returned	RM-3 - 1 Item(s) Trq Laptop Case - TURQUOISE WITH KEYCHAIN	\$1.00	\$1.00	
4	Stolen	RM-4 - 1 Item(s) Hp Laptop - LAPTOP	\$1,200.00		
5	Stolen	RM-5 - 1 Item(s) Apple Ipad - IPAD	\$800.00		
6	Stolen and Recovered/Returned To Owner	RM-6 - 1 Item(s) Bosca Leather Bag - BROWN	\$1,000.00	\$1,000.00	
7	Stolen	RM-7 - 1 Item(s) Microsoft Surface Pro Laptop - LAPTOP	\$1,000.00		
8	Stolen	RM-8 - 1 Not reported Us Currency - CASH	\$2,500.00		
9	Evidence	RM-9 - 3 Item(s) Latents - 3-PRINT CARDS			
			\$6,901.00	\$1,401.00	

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945 5TH ST LOS BANOS, CA 93635 209-827-7070
NARRATIVE**NARRATIVE:**

Friday, September 3, 2021, I was working uniformed patrol in a marked patrol vehicle. On this day I was part of a double-man unit with FTO D. Cole. At approximately 1324 hours I was dispatched to Espanas Southwest Bar and Grill (1460 E Pacheco Boulevard) regarding multiple vehicle burglaries. I arrived on scene at approximately 1334 hours, I contacted Ara Patrick Azhderian and obtained his statement.

STATEMENT:

He arrived to Espanas around 1200 hours to eat. Around 1300 he was about to leave the restaurant when he realized the left rear passenger's window to his Jeep was shattered. A brown leather Bosca bag and his personal camo bag was missing. His cellphone was next to the driver's seat and it was not taken.

The Bosca bag contained \$2,500 in cash, a surface pro laptop, personal work documents, correspondence in his name. He did not know if he could track his laptop. The Bosca bag is worth \$1,000. His personal bag had a San Luis Delta Mendota Water Authority logo on it. His personal bag with clothing was worth around \$200.

INVESTIGATION:

I processed Ara's Jeep Grand Cherokee (CA #1407903) for latent prints. I recovered one latent print near the left rear passenger's door handle.

I canvassed the area and was waved down by Alberto Poveda Caputo.

Alberto Poveda Caputo's statement:

He arrived at Espanas restaurant around noontime and later realized his rental vehicle had been broken into. He said, a black backpack was in the back seat of the Chevrolet. The black bag contained a tripod, charging cables and battery bank. He estimated the value of the bag and its contents to be anywhere from \$100-\$200. **End of statement.**

INVESTIGATION CONTINUED:

I processed Alberto's Chevrolet Malibu (CA #8TYT313) for latent prints. I recovered one latent print from the left rear passenger's door.

I observed a green Honda Pilot (CA #7NQU082) with a shattered left rear passenger door window. Teresa Marie Amabile was standing next to the Honda.

Teresa Marie Amabile's statement:

She left Espanas and realized her left rear passenger side window was shattered. She inspected her Honda and

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Prepared By: PD59 MONAY, RICARDO X BODY CAMERA RECORDED	Date: 09/05/2021	Approved By: PD40 WIENS, ROBERT	Date: 10/04/2021
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discovered her HP laptop was taken and her work iPad was also missing. The laptop was worth around \$1,200 and the iPad around \$800. Her work keys and house keys were inside one of the bags containing the electronics. She would contact her employer to see if the iPad could be tracked. **End of statement.**

I processed Teresa's Honda for latent prints. I recovered one latent print from the left rear passenger's door handle.

I contacted Margaret Villanueva, the manager at Espanas.

Margaret told me, they located a leather bag at the north-west portion of the parking lot. Margaret contacted the owner of the leather bag and discovered it had been stolen from Fresno within the past few hours. The owner of the bag made arrangements with Margaret to retrieve their property. I photographed the leather bag and a business card associated to the owner of the bag.

I conducted an area check in search of further evidence and burglarized vehicles, I was met with negative results.

I contacted Jack Herron, the manager at Les Schwab Tires. Jack reviewed surveillance footage outside of his building. Due to the distance from Les Schwab Tires to Espanas, the surveillance cameras did not capture the incident.

I canvassed the area for other surveillance cameras, I was met with negative results.

Photographs taken during this investigation were uploaded to the department server. Latent prints were later booked into evidence at the Los Banos Police Department.

PROPERTY:

Item #3: Status: Stolen and recovered - 1 Item, Turquoise With Keychain
 Item #4: Status: Stolen (\$1,200.00) - 1 Item, Hp Laptop
 Item #5: Status: Stolen (\$800.00) - Item, Apple Ipad
 Item #6: Status: Stolen and recovered - (\$1,000.00) - 1 Item, Bosca Leather Bag. BROWN
 Item #7: Status: Stolen (\$1,000.00) - 1 Item, Microsoft Surface Pro Laptop
 Item #8: Status: Stolen (\$2,500.00) - 1 Not reported
 Item #9: Status: Evidence, 3 - latent prints

CASE STATUS:

Open / active.
 Cc Investigations.

LOS BANOS P.D.
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BACK

Prepared By: PD59 MONAY, RICARDO X BODY CAMERA RECORDED	Date: 09/05/2021	Approved By: PD40 WIENS, ROBERT	Date: 10/04/2021
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PANOCHÉ WATER DISTRICT

2022 Quarterly Investment Report
 For Quarter Ending September 30, 2022

DATE: November 8, 2022

TO: Board of Directors

FROM: Marlene Brazil

In accordance with Government Code Section 53646 and the Panoche Water District Investment Policy, the following shall constitute the quarterly report of investment on behalf of the Panoche Water District:

	MECHANICS BANK (3 ACCTS)	LAIF	TOTAL
INVESTMENT BALANCES September 30, 2022	*\$ 676,230.08	\$ 7,041,292.61	\$ 7,717,522.69

1. As of the date of the report, the majority of District funds are invested in the State of California Local Agency Investment Fund (LAIF) in accordance with Section 16429.1 of the Government Code. Attached is the most recent statement(s) received by the District.
2. As of the date of the report, the remaining District funds are deposited in Federal Deposit Insurance Corporation (FDIC) insured accounts Mechanics Bank. Therefore, as provided by Government Code Section 53646 (e), attached are the most recent statements received by the District.
3. The portfolio of the District is in compliance with the District's Statement of Investment Policy.
4. 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 and reimbursements from other agencies.

General Ledger Detail Report

Nov 08 2022 PWD Regular Board Meeting - PACKET
 Summary Report for Period of Time Ending 9/30/2022

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PANOCHÉ WATER DISTRICT (PWD)

Account Number/Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
13112-000					
MECHANIC CKNG #*****8566	142,411.21	20623374.54	20502751.68	120,622.86	263,034.07
13412-000					
MECHANIC PR#*****7895	28,911.18	1,082,255.45	1,019,323.31	62,932.14	91,843.32
13465-000					
2021 REVENUE BONDS - LAIF	1,167,888.30	7,093.05	0.00	7,093.05	1,174,981.35
13470-000					
CONTRACTUAL OBLIGATION FUND #9745	346,609.19	622,526.85	647,783.35	25,256.50	321,352.69
13520-000					
LOCAL AGENCY INVESTMENT FD	3,973,256.98	6,793,054.28	4,900,000.00	1,893,054.28	5,866,311.26
Report Total:	5,659,076.86	29128304.17	27069858.34	2,058,445.83	7,717,522.69

PANOCHÉ WATER DISTRICT QUARTERLY FINANCIAL STATUS	
CASH BOOK ACCOUNTS AS OF 9/30/2022	
PANOCHÉ WATER DISTRICT	
Balance as per bank statement	\$450,123
<u>Reconciling Items</u>	
Add: Outstanding deposits	-
Deduct: Outstanding checks	\$187,089
Balance as reported in the general ledger account	\$263,034
PANOCHÉ WATER DISTRICT PAYROLL	
Balance as per bank statement	\$94,548
<u>Reconciling Items</u>	
Add: Outstanding deposits	-
Deduct: Outstanding checks	\$2,704
Balance as reported in the general ledger account	\$91,843
PANOCHÉ WATER DISTRICT 2021 BOND ACQUISITION FUND	
Balance as per bank statement	\$321,353
<u>Reconciling Items</u>	
Add: Outstanding deposits	-
Deduct: Outstanding checks	-
Balance as reported in the general ledger account	\$321,353
PANOCHÉ WATER DISTRICT LAIF ACCOUNT	
LAIF Account balance as of 9/30/2022	\$5,866,311
PANOCHÉ WATER DISTRICT 2021 LAIF REVENUE BONDS	
LAIF Account balance as of 9/30/2022	\$1,174,981
TOTAL OF GENERAL LEDGER ACCOUNT BALANCES AND LAIF	\$7,717,523



BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name

PANOCHE WATER DISTRICT

Account Number

90-10-005

As of 10/14/2022, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 09/30/2022.

Earnings Ratio		.00003699565555327
Interest Rate		1.35%
Dollar Day Total	\$	705,959,111.18
Quarter End Principal Balance	\$	5,840,193.84
Quarterly Interest Earned	\$	26,117.42



2021 REVENUE BONDS - LAIF

BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND REMITTANCE ADVICE

Agency Name

PANOCHE WATER DISTRICT

Account Number

11-10-004

As of 10/14/2022, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 09/30/2022.

Earnings Ratio		.00003699565555327
Interest Rate		1.35%
Dollar Day Total	\$	107,701,077.46
Quarter End Principal Balance	\$	1,170,996.88
Quarterly Interest Earned	\$	3,984.47

Mechanics Bank

Box 6010
Santa Maria, CA 93456-6010
800.797.6324
www.mechanicsbank.com

RETURN SERVICE REQUESTED

PANOCHÉ WATER DISTRICT
O & M ACCOUNT
52027 W ALTHEA AVE
FIREBAUGH CA 93622-9401

Statement Ending 09/30/2022

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All loans and credit products subject to program eligibility, collateral, underwriting approval and credit approval. Offer is for new lines of credit and does not apply to renewing lines of credit. Subject to change or cancellation without notice. Offer is effective as of 3/17/2022 and subject to change or cancellation without notice. Prime Rate is defined as "the Prime Rate as published daily in the Money Rates section of the Wall Street Journal." For the current Prime Rate, talk to a banker or visit <https://www.wsj.com/market-data/bonds/moneyrates>.

WATCH OUT FOR TECH SUPPORT SCAMS

Scammers pose as technology support representatives and offer to fix non-existent computer or technology issues. Learn how to spot this scam at www.MechanicsBank.com/Security.

Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC CHECKING	XXXXXXXX8566	\$450,122.96





Mechanics Bank

P.O. Box 6010
Santa Maria, CA 93456-6010
800.797.6324
www.mechanicsbank.com

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PANOCHE WATER DISTRICT
PAYROLL ACCOUNT
52027 W ALTHEA AVE
FIREBAUGH CA 93622-9407

Statement Ending 09/30/2022

Page 1 of 6

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BUSINESS LINE OF CREDIT
UP TO \$100,000

Prime + 0%
APR

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Scammers pose as technology support representatives and offer to fix non-existent computer or technology issues. Learn how to spot this scam at www.MechanicsBank.com/Security.

Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC CHECKING	XXXXXXXX7895	\$94,547.64





Mechanics Bank

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PANOCHÉ WATER DISTRICT
CONTRACTUAL OBLIGATION FUND
52027 W ALTHEA AVE
FIREBAUGH CA 93622-9401

Statement Ending 09/30/2022

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The "Per Check Charge" defined on your statement represents a \$15 charge for each check that exceeds the six check limitation on your account. Refer to Mechanics Bank's Account Agreement for additional information.

Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC MONEY MARKET	XXXXXXXX9745	\$321,352.69

✓

BACK



PANOCHE WATER DISTRICT				
ACCOUNTS PAYABLE LIST				
PAYMENTS RUN FROM 10/12/2022 Thru 11/8/2022				
		MECHANICS O & M CHECKING # 8566		
DATE	CHECK NUMBER	NAME	CHECK AMOUNT	MEMO
10/12/2022	40652	GILTON SOLID WASTE INC.	\$ 405.22	SEPTEMBER 2022 WASTE SERVICE
10/12/2022	40653	MCGUIRE BOTTLED WATER	\$ 254.80	SEPTEMBER 2022 DRINKING SERVICE
10/12/2022	40654	RENT-A-TOILET	\$ 380.00	PORTABLE TOILET FOR OFFICE - NO WATER SERVICE
10/25/2022	40655	ACWA	\$ 26,644.19	3RD QTR 2022 WORKERS COMPENSATION
10/25/2022	40656	ACWA	\$ 775.00	FALL CONFERENCE - BEAU CORREIA
10/25/2022	40657	AMAZON/SYNCH	\$ 952.14	DISTRICT, OFFICE & ETHICS & COMPLIANCE SUPPLIES
10/25/2022	40658	APPL, INC.	\$ 90.00	GBP WATER SAMPLES
10/25/2022	40659	A PLUS PLUMBING. LLC	\$ 348.50	REPAIRS TO DISTRICT HOUSE #2
10/25/2022	40660	AUDIO TELECOMMUNICATIONS TECHNOLOGY II	\$ 71.32	SEPTEMBER 2022 CONFERENCE LINE
10/25/2022	40661	BAKER SUPPLIES	\$ 132.77	REPAIR # 42
10/25/2022	40662	JUSTIN'S TIRE AND AUTO	\$ 283.25	REPAIR # 34A, # 01AA & # 44
10/25/2022	40663	BRENNTAG PACIFIC, INC.	\$ 1,355.66	CHLORINE FOR THE DOMESTIC PLANT
10/25/2022	40664	CHICAGO TITLE	\$ 750.00	EASEMENT RESEARCH - KODA - SOLAR PROJECT
10/25/2022	40665	CRAMER FISH SCIENCES	\$ 1,590.35	SELENIUM STUDIES & PREPARE SAMPLES FOR SE ANALYSIS
10/25/2022	40666	LIGHTHOUSE DOCUMENT TECHNOLOGIES, INC.	\$ 855.00	MAY & AUGUST 2022 LEGAL CONSULTANT
10/25/2022	40667	EMPLOYERS CHOICE	\$ 5,794.53	CLEAN LATERAL # 3 & INSTALL MAINLINE FOR WELL # 13
10/25/2022	40668	FENTON & KELLER	\$ 10,900.32	AUGUST & SEPTEMBER 2022 LEGAL SERVICES
10/25/2022	40669	CORELOGIC INFORMATION SOLUTION	\$ 200.00	SEPTEMBER 2022 APN RESEARCH
10/25/2022	40670	FRASIER IRRIGATION INC.	\$ 6,175.41	DMC WELLS MAIN LINE RENTAL
10/25/2022	40671	HCL MACHINE WORKS INC.	\$ 54.85	SHOP SUPPLIES
10/25/2022	40672	HOFFMAN SECURITY	\$ 341.40	SHOP & OFFICE SECURITY
10/25/2022	40673	KCOE ISOM, LLP	\$ 3,650.00	AUGUST & SEPTEMBER 2022 FINANCIAL ANALYSIS RELATED TO SJRIP ACTIVITY
10/25/2022	40674	LAW OFFICES OF WILLIAM C. HAHEY	\$ 525.00	AUGUST & SEPTEMBER 2022 LEGAL SERVICES
10/25/2022	40675	FERRELLGAS	\$ 65.00	PROPANE FOR DISTRICT HOUSE # 4
10/25/2022	40676	MARFAB	\$ 124.55	PARTS FOR # 65A & SUPPLIES FOR THE MAIN LINE
10/25/2022	40677	MC REGIONAL WASTE MANAGEMENT AUTHORITY	\$ 319.50	WASTE REMOVAL - SLD
10/25/2022	40678	MOORE TWINING	\$ 86.00	WATER SAMPLES - DOMESTIC PLANT
10/25/2022	40679	NAPA AUTO PARTS	\$ 485.19	PARTS FOR # 28, #75A, # 75D & # SJ15A
10/25/2022	40680	PANOCHE DRAINAGE DISTRICT	\$ 827.61	2022-23 DRAINAGE SERVICE FEE 2ND INSTALL
10/25/2022	40681	PEGBORD	\$ 367.27	ENVELOPES FOR 2022 ELECTION
10/25/2022	40682	PRICE PAIGE & COMPANY	\$ 19,156.00	WORK IN PROGRESS AUDIT FYE 2022
10/25/2022	40683	SAVEMART SUPERMARKET	\$ 847.09	OFFICE SNACKS
10/25/2022	40684	SORENSEN'S TRUE VALUE	\$ 181.93	METER SHOP SUPPLIES
10/25/2022	40685	SUMMERS ENGINEERING INC.	\$ 4,115.92	SEPTEMBER 2022 CONTOUR CANAL LINING PROJECT
10/25/2022	40686	TEE-DEE-US AUTO	\$ 561.38	SERVICE # 11A
10/25/2022	40687	TORO PETROLEUM	\$ 5,395.18	500 GALLONS PUMP OIL
10/25/2022	40688	US BANK CORPORATE TRUST SER.	\$ 2,500.00	REVENUE BOND ADMINISTRATION FEE
10/25/2022	40689	WESTSIDE WATER	\$ 8,715.07	CARBON FILTER FOR DISTRICT HOUSE # 6, REPAIRS TO RAW LINE, PRIMED SYSTEM, BACTERIA TEST, REPAIR & TEST BACKFLOW & WEEKLY SERVICE CALLS - DOMESTIC PLANT
10/25/2022	40690	WINDECKER INC.	\$ 8,023.32	1,400 GALLONS UNLEADED @ \$ 5.73
10/25/2022	40691	LIEBERT CASSIDY WHITMORE	\$ 2,465.00	AUGUST 2022 LEGAL SERVICES
11/8/2022	40692	ACWA	\$ 23,705.00	2023 ANNUAL DUES
11/8/2022	40693	APPL, INC.	\$ 305.00	IRRIGATION WATER SUPPLIES - PWD

	CHECK		CHECK	
DATE	NUMBER	NAME	AMOUNT	MEMO
11/8/2022	40694	BAKER SUPPLIES	\$ 36.00	SHARPEN CHAINSAW
11/8/2022	40695	BLACKLINE SAFETY CORP.	\$ 6,478.34	CONFINED SPACE METERS
11/8/2022	40696	JUSTIN'S TIRE & AUTO	\$ 438.84	REPAIR # 10B & # 30
11/8/2022	40697	CENTRAL CALIFORNIA IRRIGATION DISTRICT	\$ 223,765.20	CCID 18% OF THE 3,000 AF TRANSFER - 540 AF @ \$ 414.38
11/8/2022	40698	CLARK PEST CONTROL	\$ 607.00	DISTRICT & SHOP PEST CONTROL
11/8/2022	40699	DATCO SERVICE CORPORATION	\$ 76.50	3RD QTR 2022 RANDOM DOT DRUG TEST PROGRAM
11/8/2022	40700	EMPLOYERS CHOICE	\$ 7,397.50	CLEAN PUMP STATIONS ON MAIN CANAL & INSTALL MAINLINE FOR WELL # 12
11/8/2022	40701	FEDERAL EXPRESS	\$ 480.12	SHIPPING FEES - GBP & PWD
11/8/2022	40702	FRESNO COUNTY TAX COLLECTOR	\$ 174.17	PROPERTY TAX- NEES AVE.
11/8/2022	40703	FRESNO INTERPRETING & TRANSLATING	\$ 385.58	INTERPRETING SERVICES FOR NEW EMPLOYEE
11/8/2022	40704	FRONTIER COMMUNICATION	\$ 625.01	OCTOBER 2022 TELEPHONE SERVICE
11/8/2022	40705	GILTON SOLID WASTE INC.	\$ 405.22	OCTOBER 2022 WASTE SERVICE
11/8/2022	40706	MIGUEL GONZALEZ	\$ 7.98	REISSUE FOR LOST CHECK - ICE FOR WATER SAMPLES
11/8/2022	40707	GRASSLAND BASIN AUTHORITY	\$ 6,894.38	AUGUST & SEPTEMBER 2022 DYED DIESEL 349.1 GALS @ \$ 4.39 & 1288.9 GALS @ \$ 4.16
11/8/2022	40708	HALLMARK GROUP	\$ 1,081.25	SEPTEMBER 2022 WATER SMART GRANT
11/8/2022	40709	HOLT OF CALIFORNIA	\$ 10,982.50	PARTS FOR # 28, # 75D & SERVICE # 25
11/8/2022	40710	HOME DEPOT CREDIT SERVICES	\$ 291.29	OFFICE, DISTRICT & SLD SUPPLIES
11/8/2022	40711	MARFAB	\$ 276.30	PURCHASE ACETYLENE BOTTLE & FILL
11/8/2022	40712	DIANA MOSES	\$ 23.44	MILEAGE REIMBURSEMENT
11/8/2022	40713	ADAM NOTCH MOBILE REPAIR	\$ 1,910.00	REPLACE LOST CHECK
11/8/2022	40714	OFFICE CITY	\$ 353.88	COPY PAPER
11/8/2022	40715	JORGE L. ORTIZ	\$ 5.16	REFUND CHECK FOR OVERPAYMENT
11/8/2022	40716	PACIFIC GAS & ELECTRIC	\$ 90,140.41	OCTOBER 2022 ELECTRICAL POWER
11/8/2022	40717	PIPKIN DETECTIVE AGENCY, INC.	\$ 330.00	NEW EMPLOYEE BACKGROUND CHECK
11/8/2022	40718	STANISLAUS FARM SUPPLY	\$ 2,460.11	GATES - SLD
11/8/2022	40719	VALLEY IRON INC.	\$ 7,234.38	MATERIAL FOR GATES - SLD
11/8/2022	40720	WATER RECLAMATION	\$ 384.14	SOUND DEEP WELL # 20 & REPLACE FANS # T4
11/8/2022	40721	WELTY WEAVER & CURRIE	\$ 10,768.75	SEPTEMBER 2022 LEGAL SERVICES
11/8/2022	40722	XEROX FINANCIAL SERVICES	\$ 593.87	COPIER LEASE
10/12/2022	W000000811	US BUREAU OF RECLAMATION	\$ 76,000.95	SEPTEMBER 2022 SLC USBR WATER COSTS \$ 56,381.25, DMC USBR WATER COSTS \$ 8,824.43, RESTORATION WATER COST FOR SLC \$ 8,098.96 & RESTORATION WATER COST FOR DMC \$ 2,696.31
10/12/2022	W000000812	SLDM WATER AUTHORITY	\$ 62,704.19	SEPTEMBER 2022 SLC SLD MWA CONVEYANCE COSTS \$ 57,633.03, DMC SLD MWA CONVEYANCE COSTS \$ 5,071.16
10/18/2022	W000000813	PAI SERVICES, LLC	\$ 118.82	SEPTEMBER 2022 SAGE TIME
10/18/2022	JE-189	TRANSFER FUNDS FOR PAYROLL	\$ 60,000.00	PAYROLL 10/20/2022
10/28/2022	W000000814	WESTAMERICA VISA	\$ 1,001.20	VINEGAR FOR WEED CONTROL, DETAIL # 2, ICE FOR SAMPLES - GBP, JOB ADVERTISEMENT - MAINTENANCE WORKERS, LUNCHES, REPAIR # 18A, PARTS FOR OFFICE REPAIR, ACWA TOUR & DISTRICT EMAILS
			\$ 715,208.20	

		MECHANICS PAYROLL CHECKING # 7895		
DATE	CHECK NUMBER	NAME	CHECK AMOUNT	MEMO
10/6/2022	JE-183	JOHN HANCOCK	\$ 18.00	401K RETIREMENT
10/19/2022	3168	PRINCIPAL LIFE INSURANCE COMPANY	\$ 381.34	EMPLOYEE PAID LIFE INSURANCE
10/19/2022	PR-1458	NET PAYROLL	\$ 37,053.86	PAYROLL DATED 10/20/2022
10/20/2022	JE-190	EMPLOYMENT DEVELOPMENT DEPARTMENT	\$ 2,470.70	STATE PAYROLL TAX DEPOSIT
10/20/2022	JE-191	INTERNAL REVENUE SERVICE	\$ 13,488.45	FEDERAL PAYROLL TAX DEPOSIT
10/20/2022	JE-192	JOHN HANCOCK	\$ 8,734.63	401K RETIREMENT
		TOTAL	\$ 62,146.98	

BACK

PANOCHE WATER DISTRICT					
FYE 2023 BUDGET (March 1, 2022 - February 28, 2023) - Adopted Feb 22, 2022					
March thru October 67%		Budget	Actual	REMAINING BALANCE	
Operating Revenues					
1	Supplemental Water	\$ 10,362,366	\$ 9,151,846	\$ 1,210,520	88%
2	Operations & Maintenance	\$ 5,861,058	\$ 4,041,654	\$ 1,819,404	69%
3	Fresno/Merced Counties - 2021 CVP Bond	\$ 1,509,263	\$ 651,946	\$ 857,317	43%
4	Labor Reimbursements	\$ 583,740	\$ 145,692	\$ 438,048	25%
5	Other Revenues	\$ 250,000	\$ 121,252	\$ 128,748	49%
6	Reimbursed Expenses	\$ 200,000	\$ 243,728	\$ (43,728)	122%
7	Domestic Water Treatment Plant	\$ 140,000	\$ 89,440	\$ 50,560	64%
8	Sustainable Groundwater Management ¹	\$ 46,497	\$ 46,726	\$ (229)	100%
9	CVP AG Water Contract	\$ -	\$ 299,315	\$ (299,315)	0%
Total Revenue		\$ 18,952,924	\$ 14,791,599	\$ 4,161,325	78%
Operating Expenses		Budget	Actual	REMAINING BALANCE	
Water					
10	Supplemental Water	\$ 10,362,366	\$ 8,185,417	\$ 2,176,949	79%
11	Planning & Engineering	\$ 150,000	\$ 149,638	\$ 362	100%
12	CVP Water Contract	\$ -	\$ 61,778	\$ (61,778)	
		\$ 10,512,366	\$ 8,396,833	\$ 2,115,534	80%
Administration					
13	2021 CVP Bond	\$ 928,866	\$ 647,783	\$ 281,083	70%
14	Legal	\$ 600,000	\$ 141,972	\$ 458,028	24%
15	2021 CVP Bond Assessment Refund	\$ 580,397	\$ -	\$ 580,397	0%
16	Salaries and Wages	\$ 569,425	\$ 400,705	\$ 168,720	70%
17	Employees' Benefits	\$ 202,961	\$ 155,811	\$ 47,150	77%
18	SLDMWA Activity Agreements	\$ 186,146	\$ 178,220	\$ 7,926	96%
19	SLDMWA DHCCP Bond Payment	\$ 148,592	\$ 22,438	\$ 126,154	15%
20	Directors' Benefits	\$ 138,352	\$ 60,601	\$ 77,751	44%
21	Insurance	\$ 127,750	\$ 60,700	\$ 67,050	48%
22	SWRCB Water Rights Fee	\$ 125,000	\$ -	\$ 125,000	0%
23	Other Supplies & Services	\$ 105,000	\$ 74,696	\$ 30,304	71%
24	Payroll Burden	\$ 68,642	\$ 57,292	\$ 11,350	83%
25	Professional Services	\$ 60,000	\$ 73,275	\$ (13,275)	122%
26	Annual Audits	\$ 50,000	\$ 31,121	\$ 18,879	62%
27	Central Delta-Mendota Region SGMA ¹	\$ 46,497	\$ 14,893	\$ 31,604	32%
28	Communications	\$ 45,000	\$ 26,543	\$ 18,457	59%
29	Conferences and Trainings	\$ 45,000	\$ 23,190	\$ 21,810	52%
30	Utilities	\$ 30,000	\$ 30,164	\$ (164)	101%
		\$ 4,057,629	\$ 1,999,405	\$ 2,058,224	49%

March thru October 67%		Budget	Actual	REMAINING BALANCE	
Operations & Maintenance					
31	Energy	\$ 1,440,000	\$ 1,036,325	\$ 403,675	72%
32	Salaries and Wages	\$ 1,258,610	\$ 576,624	\$ 681,986	46%
33	Employees' Benefits	\$ 431,839	\$ 224,216	\$ 207,623	52%
34	Pumps & Structures Repairs	\$ 250,000	\$ 184,008	\$ 65,992	74%
35	Payroll Burden	\$ 197,481	\$ 82,445	\$ 115,036	42%
36	Reimbursable Expenses	\$ 200,000	\$ 118,916	\$ 81,084	59%
37	Chemical Application	\$ 170,000	\$ 99,067	\$ 70,933	58%
38	Domestic Water Treatment Plant	\$ 140,000	\$ 93,717	\$ 46,283	67%
39	Fuel & Oil	\$ 90,000	\$ 153,590	\$ (63,590)	171%
40	Capital Cost - Depreciation	\$ 75,000	\$ -	\$ 75,000	0%
41	Equipment Repairs	\$ 50,000	\$ 44,766	\$ 5,234	90%
42	Vehicle Repairs & Maintenance	\$ 45,000	\$ 20,282	\$ 24,718	45%
43	Buildings Repairs & Maintenance	\$ 20,000	\$ 28,837	\$ (8,837)	144%
44	Laboratory - Water Testing	\$ 15,000	\$ 12,474	\$ 2,526	83%
		\$ 4,382,929	\$ 2,675,267	\$ 1,707,662	61%
Total Expenses		\$ 18,952,924	\$ 13,071,505	\$ 5,881,420	69%
Net Revenue/(Deficit)					
			\$ 1,720,095		
1 SGMA Costs historically billed on an pro-rata acreage basis					

BACK

Water Supply																		
District Water March, 2022 - Feb, 2023	Annual AF	2022 March	2022 Apr	2022 May	2022 June	2022 July	2022 Aug	2022 Sept	2022 Oct	2022 Nov	2022 Dec	2023 Jan	2023 Feb	YTD Usage	Transfers Out	Not Pumped	Stored	Remaining Balance
Transfer 2 - DC	2,065			116	949	500	500							2,065				0
Transfer 6 - DC	100			12	88									100				0
Transfer 7 - DC	1,383					509	569	305						1,383				0
Grower Transfer Ins	2,834			377	487	660	700	370	240					2,834				0
PWD Grower Wells f/Crdt	7,437	386	733	1,052	1,015	1,288	891	1,082	990					7,437				0
Gains or Losses	1,616	130	556	728	782	83	(253)	(240)	(170)					1,616				0
District Water Total	15,435	516	1,289	2,285	3,321	3,040	2,407	1,517	1,060	0	0	0	0	15,435				0
Bureau Water March, 2022 - Feb, 2023	Annual AF	2022 March	2022 Apr	2022 May	2022 June	2022 July	2022 Aug	2022 Sept	2022 Oct	2022 Nov	2022 Dec	2023 Jan	2023 Feb	YTD Usage	Transfers Out	Loss	Stored	Remaining Balance
Public Health & Safety	121													0				121
2022-2023 0% USBR	0													0				0
CVP 3F Wtr -20-21 Resch	4,251	173	818	41	17	614	1,198	920	254					4,035		(216)		0
CVP 3F Wtr -21-22 Resch	1,334	84							366					450		(85)		799
Transfer 1 Rescheduled	6,913	209												209		(455)		6,249
Transfer 3 Rescheduled	293													0				293
Grower Transfer Ins	2,137		196	460	595	382	183	308	13					2,137				0
Transfer 2	935			684	251									935				0
Transfer 4	579													0	(140)	(34)	405	405
Transfer 5	2,116													0		(529)		1,587
Transfer 7	3,617			369	1,250	1,576	377	45						3,617				0
Transfer 8	64													0		(16)		48
Transfer 9	350													0			62	350
Burea Water Total	22,710	466	1,014	1,554	2,113	2,572	1,758	1,273	633	0	0	0	0	11,383	(140)	(1,335)	467	9,852
Total Water Supply	38,145	982	2,303	3,839	5,434	5,612	4,165	2,790	1,693	0	0	0	0	26,818	(140)	(1,335)		9,852
Usage																		
Growers		982	2,303	3,839	5,434	5,612	4,165	2,790	1,693					26,818				
Transfers Out/Sales		0	0	0	0	0	0	0	0					0				
Total Usage/Transfers		982	2,303	3,839	5,434	5,612	4,165	2,790	1,693	0	0	0	0	26,818				
Diff/Losses: % of Supply	%	13%	24%	19%	15%	2%	-7%	-8%	-11%					7%				
Budget to Actual - AF	32,150	849	1,946	3,341	4,439	5,068	4,076	2,167	1,189					23,075				9,075

** Estimate

* Water Supply Numbers are estimates of known Transfers at this time - Deliveries are Actual * /**WA Water total changed to reflect PWD's portion only.*/



Westlands Water District

MEMORANDUM

TO: SLDMWA BOARD OF DIRECTORS
FROM: TOM BOARDMAN, WATER RESOURCES ENGINEER
SUBJECT: NOVEMBER OPERATIONS UPDATE
DATE: NOVEMBER 4, 2022

Project Operations

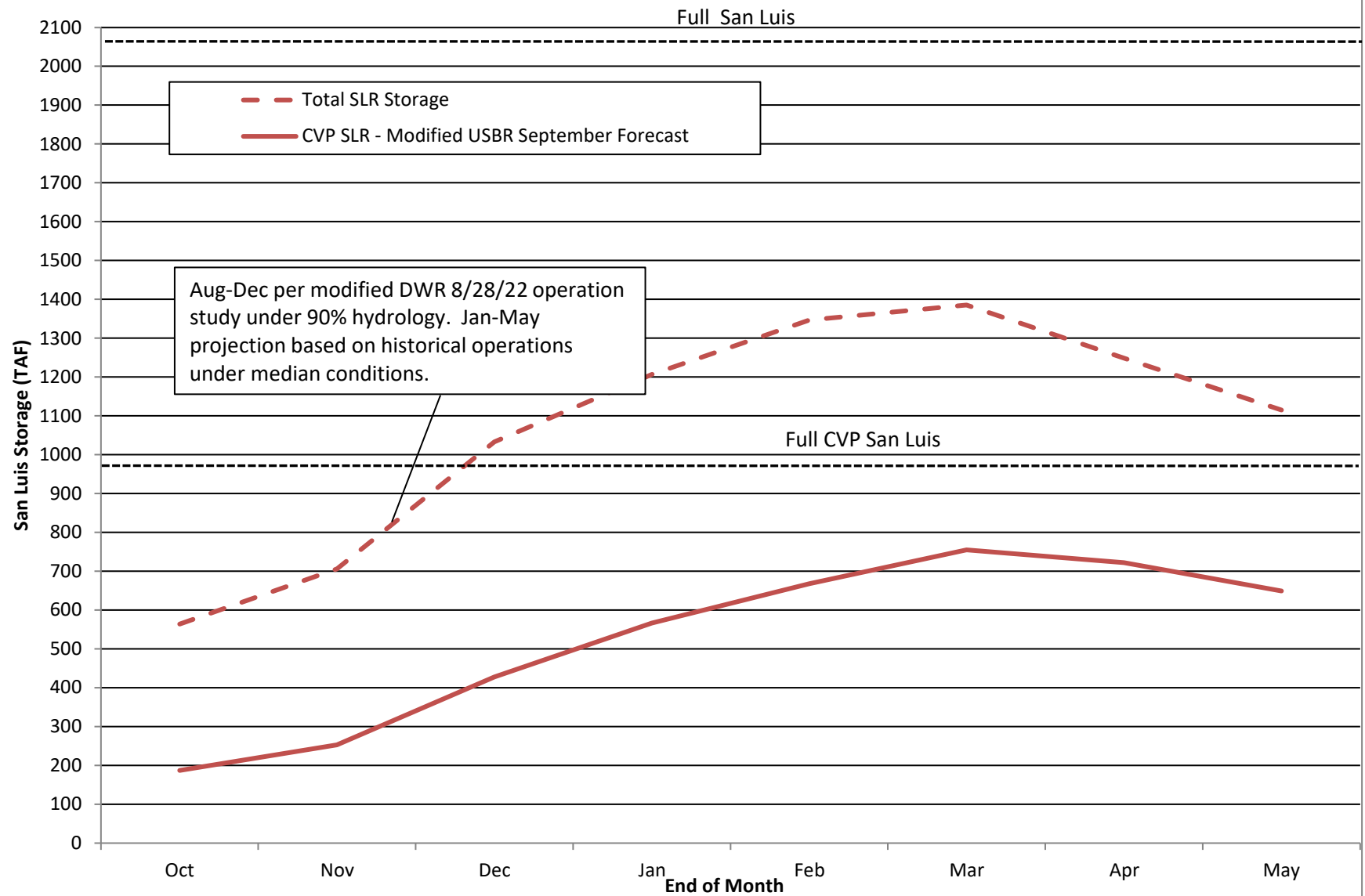
- Jones has been pumping at about 900 cfs during most of October due deteriorating Delta quality and occasionally low Sacramento River flows. As upstream reservoir releases decline to their seasonal minimum rates, Jones pumping is not expected to increase without sufficient storm-related Delta inflow.
- Reclamation's latest forecast shows the accounting balance under the Coordinated Operations Agreement (COA) at about 30 TAF in favor of the CVP. The current balance excludes 59 TAF released from New Melones last year to meet part of the SWP's share of Delta requirements. DWR is planning to payback the New Melones water, but not until low Oroville storage recovers to a manageable level. Current Oroville storage is at 31% of capacity.
- Shasta storage is more than 400 TAF higher than this time last year at 1,409 TAF - 66% of average. The current release of 3,900 cfs is 650 cfs higher than Reclamation's scheduled release to protect emerging winter run salmon fry in the upper Sacramento River. With reservoir storage at its 7th lowest level on record, Reclamation is struggling to reduce releases to the minimum rate of 3,250 cfs to begin building storage for next year. The watershed received no rain in October and only a small amount this week. However, a wetter trend is expected over the next seven days.
- Folsom storage is 284 TAF, 75% of average. Releases are near the minimum rate required by the Flow Management Standard at 1,400 cfs. With the reservoir losing 55 TAF during the past month, storage is trending about 30 TAF below Reclamation's latest operations forecast.
- Accumulated precipitation in the Sacramento Valley during October was zero compared to the long-term average of 2.8 inches.
- CVP demands for October were about 80% of the 15-year average. Demands during last month were closer to the seasonal average compared to prior months because of increased fall diversions by refuges.

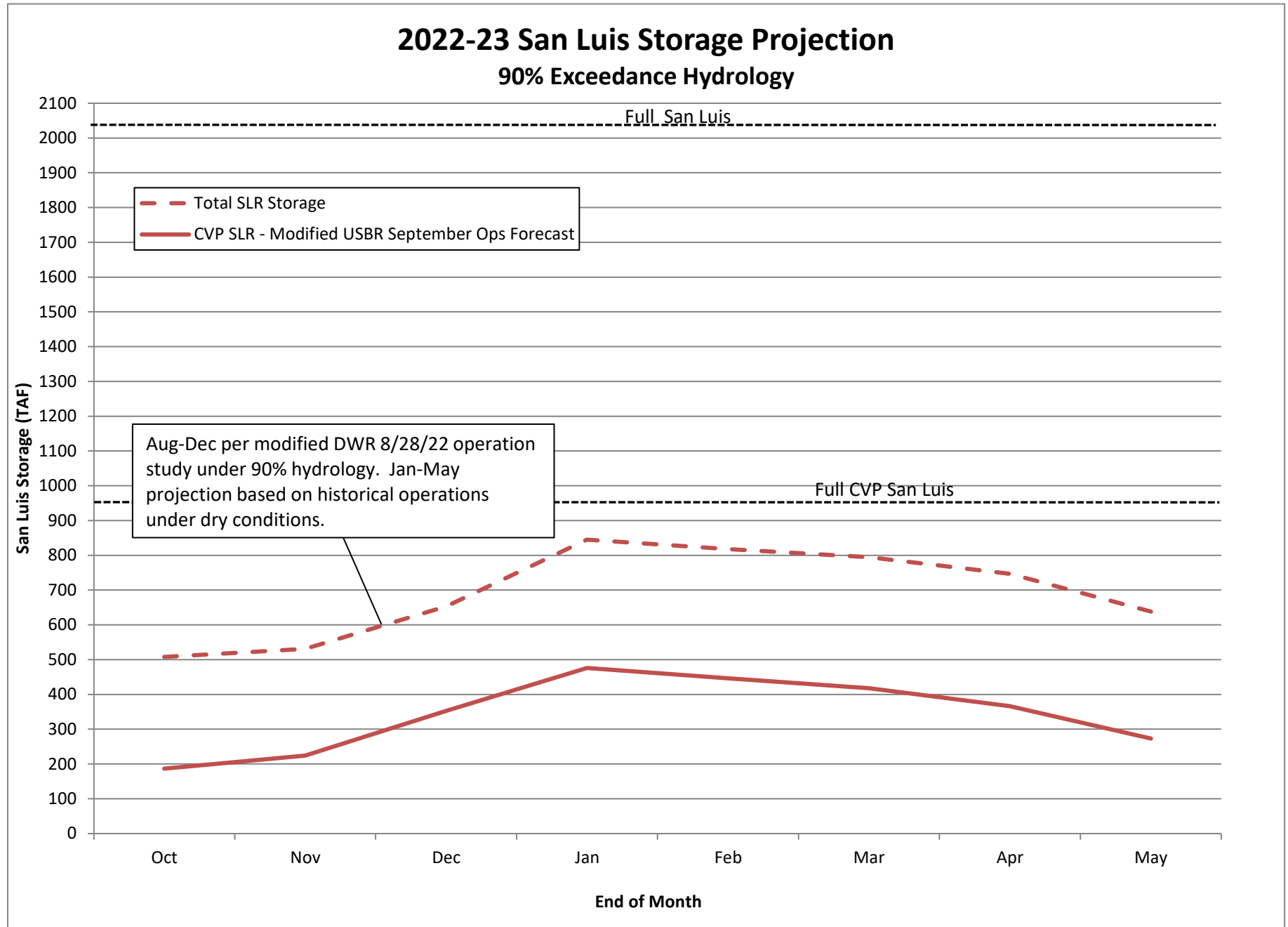
2022-23 San Luis Reservoir Operations

The current CVP share of the San Luis Reservoir (SLR) is at 184 TAF which reflects a loss of 60 TAF during October. Based on the latest estimate of remaining rescheduled and transfer water, Project water in the CVP share of storage has declined to about 80 TAF – down from an estimated 110-130 TAF last month. Persistent low export rates during October have reduced refill projections such that CVP SLR is now expected to refill to 475 TAF and 750 TAF by April under dry and median conditions, respectively.

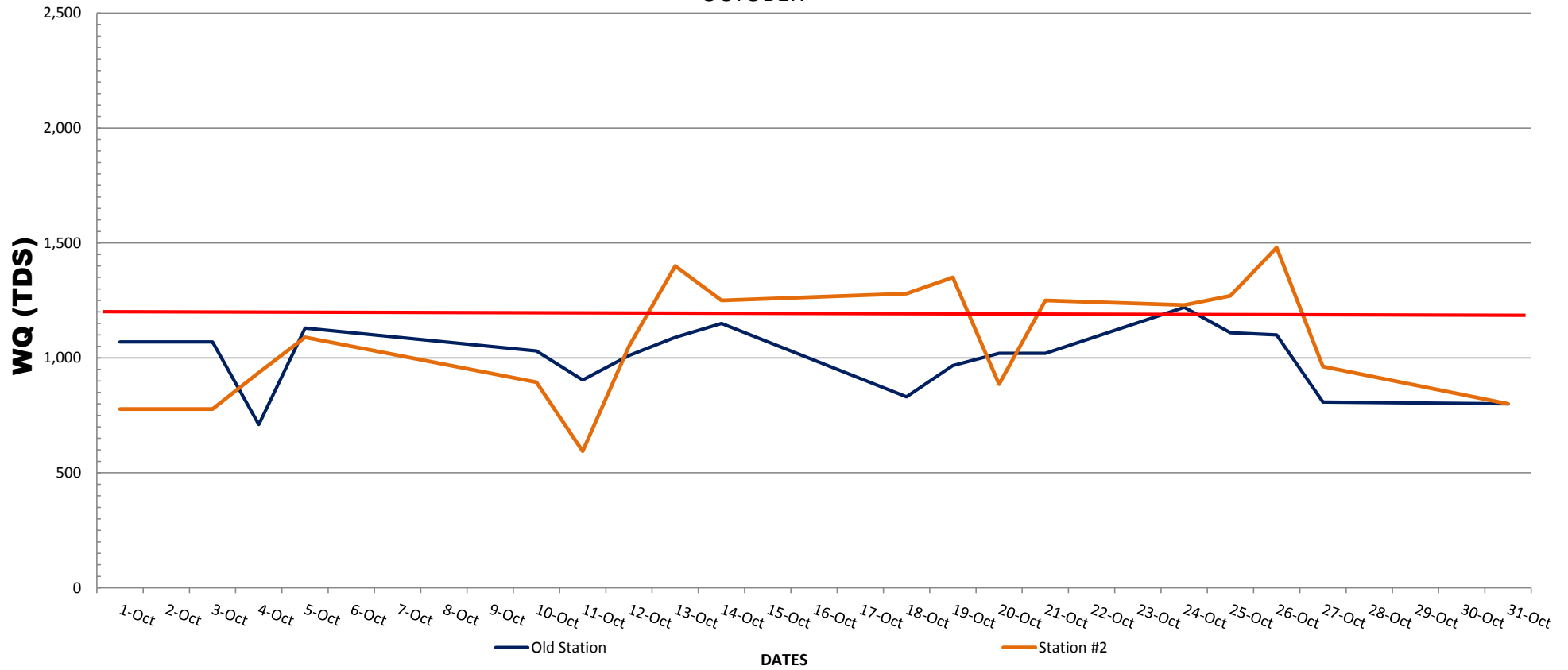
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2022-23 San Luis Storage Projection 50% Exceedance Hydrology

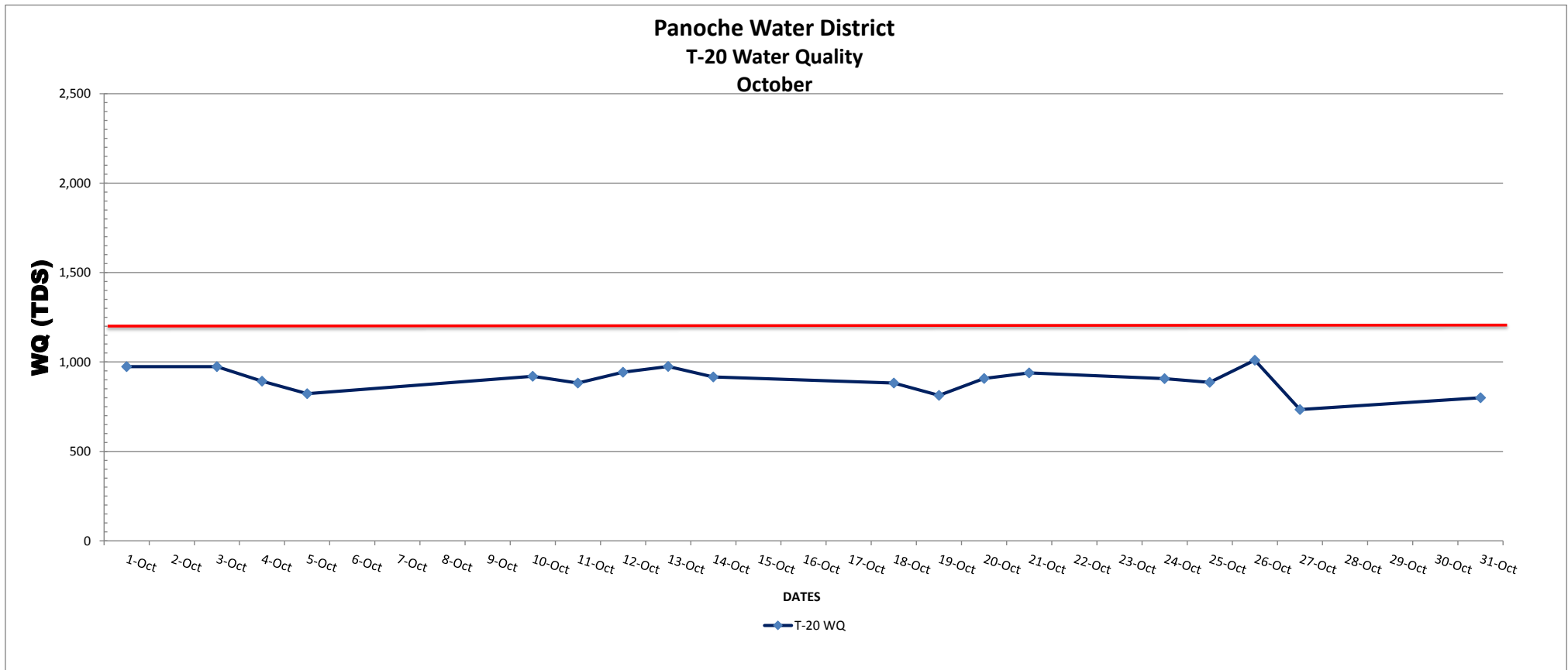




Panoche Water District
Main Station Water Quality
OCTOBER



* UNSTEADY FLOWS *



BACK