

AGENDA
PANOCHÉ WATER DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING
March 01, 2023 – 9:00 a.m.

MEETING LOCATION
Panoche Water District Boardroom
52027 West Althea Ave.
Firebaugh, CA 93622

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 to the Agenda.
- 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. 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: Three

B. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Section 54956.9(d)(1):

Names of Cases:

- i. PCFFA v. Glaser, et. al.
US District Court, E.D. Cal, Case No. 2:11-cv-02980

7. REPORT FROM JOINT CLOSED SESSION (GOVERNMENT CODE SECTION 54957.1)

8. CLOSED SESSION

C. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant Exposure to Litigation pursuant to Section 54956.9(d), paragraph (2) or (3):

Number of Cases: Four

D. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Pursuant to Section 54956.9(d)(1):

Names of Cases:

- ii. Imani Percoats & Chris Bettencourt vs. Panoche Water District
Fresno County Superior Court Case No. 18CECG01651
- iii. 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

E. 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

F. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
Property: Irrigation Water
Agency Negotiator: Ara Azhderian, General Manager
Negotiating Parties: West Stanislaus Irrigation District; East Side Canal & Irrigation Company
Under Negotiation: Price and terms.

9. REPORT FROM CLOSED SESSION

ACTION ITEMS

10. The Board to review and consider adopting a Resolution amending the Panoche Water District’s By-Laws to provide for Officers’ compensation (Azhderian/Williams – Tab 2);
11. The Board to review and consider adopting a 2023-24 fiscal-year budget and Operations & Maintenance Rates (Azhderian – Tab 3);
12. **FUTURE MEETING DATES**
 - A. Board to Consider Action to Set Special Meeting Date(s): *None requested*
 - B. Board to Consider Action to Adjourn April 11 Regular Meeting to April 18, 2023.
 - C. Next Regular Meeting Date: March 14, 2023.

13. **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. B.II.3 833-23

A RESOLUTION AMENDING THE PANOCHÉ WATER DISTRICT BYLAWS TO PROVIDE FOR OFFICERS COMPENSATION

WHEREAS, Panoche Water District is governed by a Board of Directors consisting of five directors, who are elected officers of the District; and

WHEREAS, the District's Bylaws, Article II, Section 1, provides that the "executive officers of the District shall be a President, Vice President, Secretary, Treasurer, Tax Assessor, and Tax Collector" (the "Executive Officers"); and

WHEREAS, the District currently has three appointed Executive Officers, the President, the Vice-President, and the Secretary, each of whom is appointed from the Board; and

WHEREAS, California Water Code section 34740 provides that the District's "bylaws shall fix the compensation to be paid to all officers. The compensation received by directors shall not exceed that specified in [Water Code] Section 34741."; and

WHEREAS, California Water Code section 34741, including subdivision (a), provides in part that, "[u]ntil their compensation is fixed by the adoption of bylaws, ... the secretary, tax collector, treasurer, and [tax] assessor [shall receive] such sums as shall be fixed by the board."; and

WHEREAS, Article II, Section 1, of the District's Bylaws provides for the compensation of officers and states that "[n]either the President nor Vice President shall receive any compensation for their services as such; the compensation of the Secretary, the Treasurer, the Tax Assessor, and the Tax Collector of the District shall be such as the Board of Directors may from time to time by resolution fix and establish."; and

WHEREAS, California Water Code section 34741, subdivision (b), provides in part that "[e]ach director shall receive compensation in an amount not to exceed one hundred dollars (\$100) per day for each day's attendance at meetings of the board or for each day's service rendered as a director by request of the board, not exceeding a total of six days in any calendar month[.]"; and

WHEREAS, Article X, Section 1, of the District's Bylaws provides that the Bylaws "may ... be amended in any manner which is now provided by law, or which may hereafter be provided by law."; and

WHEREAS, California Water Code section 35305 provides that the District's Bylaws "may ... be amended by a four-fifths vote of the directors and approval of the board of supervisors of the principal county of the district."; and

WHEREAS, the District's officers provide a valuable service to the District and its landowners. The Board finds that the District's officers should be appropriately compensated for the time and energy they

spend on behalf of the District and its landowners, and finds that such compensation is in the best interest of the District.

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. Declaration of Board. 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. Compensation of Executive Officers. The Executive Officers of the District, duly appointed by the Board and who serve as Directors, shall each be compensated for the time and energy they spend on District business in their respective capacities at five hundred dollars (\$500.00) per month. Such monthly compensation shall apply as of March 1, 2023, and shall be provided to an Executive Officer so long as said Executive Officer serves at least one day of the respective month in their respective office. Such compensation does not include expenses incurred in the performance of the Executive Officer's duties required or authorized by the Board.

3. Compensation of Directors. The Directors of the District, duly elected or appointed as may be the case and provided for by law, shall each be compensated for the time and energy they spend on District business in their respective capacities at one hundred dollars (\$100.00) per day for each day's attendance at meetings of the Board or for each day's service rendered as a Director by request of the Board. Such monthly compensation shall apply as of March 1, 2023. bSuch compensation does not include expenses incurred in the performance of the Director's duties required or authorized by the Board.

4. No Double Compensation; Election of Compensation. No officer of the District shall receive compensation as both an Executive Officer and a Director, but shall instead indicate to the Board and the General Manager for which office the officer elects to be compensated. Such election shall be indicated in time for the District's annual budget and shall remain in place through the District's fiscal year in which the election is operative.

5. Amendment to the Bylaws. Article II, Section 3, of the District's Bylaws shall be amended to provide in whole:

Section 3. Compensation of Officers.

(a) Compensation of Executive Officers. The Executive Officers of the District, duly appointed by the Board and who serve as Directors, shall each be compensated for the time and energy they spend on District business in their respective capacities at five hundred dollars (\$500.00) per month. Such monthly compensation shall apply as of March 1, 2023, and shall be provided to an Executive Officer so long as said Executive Officer serves at least one day of the respective month in their respective office. Such compensation does not include expenses incurred in the performance of the Executive Officer's duties required or authorized by the Board.

(b) Compensation of Directors. The Directors of the District, duly elected or appointed as may be the case and provided for by law, shall each be compensated for the time and energy they spend on District business in their respective capacities at one hundred dollars (\$100.00) per day for each day's attendance at meetings of the Board

or for each day’s service rendered as a Director by request of the Board. Such monthly compensation shall apply as of March 1, 2023. Such compensation does not include expenses incurred in the performance of the Director’s duties required or authorized by the Board.

- (c) No Double Compensation; Election of Compensation. No officer of the District shall receive compensation as both an Executive Officer and a Director, but shall instead indicate to the Board and the General Manager for which office the officer elects to be compensated. Such election shall be indicated in time for the District’s annual budget and shall remain in place through the District’s fiscal year in which the election is operative.

(Amended by PWD Resolution **No. 833-23**, dated March 01, 2023.)

6. Further Action. The General Manager, or any staff member of the District authorized by the General Manager, is hereby authorized and directed to do any and all things and to execute and deliver any and all documents, which he may deem necessary or advisable in order to give effect to and comply with the terms and intent of this Resolution.

PASSED AND ADOPTED this 1st day of March 2023, in a duly noticed and open meeting of the Board of Directors by the following vote, to wit:

- Ayes:
- Nays:
- Abstain:
- Absent:

DRAFT

Aaron Barcellos, 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 **1st day of March 2023**; 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 **March** 2023.

Steve Fausone, Secretary

DRAFT

PANOCHÉ WATER DISTRICT						
BUDGET (March 1, 2023 - February 28, 2024)						
FOR DISCUSSION	Proposed Budget 2023-2024	Budget 2022-2023	2022-2023 Actual - Jan 31	Proposed Change	Δ	
Operating Revenues						
1	Supplemental Water	\$ 9,278,694	\$ 10,362,366	\$ 9,338,121	\$ (1,083,672)	-10%
2	Operation & Maintenance	\$ 5,930,864	\$ 5,861,058	\$ 4,326,461	\$ 69,806	1%
3	Fresno/Merced Counties - 2021 CVP Bond	\$ 1,303,892	\$ 1,509,263	\$ 1,371,976	\$ (205,371)	-14%
4	Labor Reimbursements	\$ 350,079	\$ 583,740	\$ 182,485	\$ (233,661)	-40%
5	Other Revenue	\$ 125,416	\$ 250,000	\$ 514,901	\$ (124,584)	-50%
6	Reimbursed Expenses	\$ 340,000	\$ 200,000	\$ 349,476	\$ 140,000	70%
7	Domestic Water Treatment Plant	\$ 174,000	\$ 140,000	\$ 129,184	\$ 34,000	24%
8	Sustainable Groundwater Management ¹	\$ 4,852	\$ 46,497	\$ 46,726	\$ (41,645)	-90%
9	CVP AG Water Contract (35%)	\$ 4,479,900	\$ -	\$ 159,600	\$ 4,479,900	
Total Revenue		\$ 21,987,697	\$ 18,952,924	\$ 16,418,930	\$ 3,034,772	16%
Operating Expenses						
Water Costs						
10	Supplemental Water	\$ 9,278,694	\$ 10,362,366	\$ 8,672,172	\$ (1,083,672)	-10%
11	Planning & Engineering	\$ 57,000	\$ 52,000	\$ 74,423	\$ 5,000	10%
12	Los Vaqueros Expansion	\$ 224,500	\$ 98,000	\$ 97,640	\$ 126,500	129%
13	BF Sisk Expansion	\$ 366,500	\$ -	\$ 51,998	\$ 366,500	
14	Central Delta-Mendota Region SGMA ¹	\$ 4,852	\$ 46,497	\$ 14,893	\$ (41,645)	-90%
15	CVP AG Water Contract (35%)	\$ 4,479,900	\$ -	\$ 76,918	\$ 4,479,900	
		\$ 14,411,446	\$ 10,558,863	\$ 8,988,044	\$ 3,852,583	36%
Administration						
16	2021 CVP Bond Payment	\$ 929,978	\$ 928,866	\$ 930,566	\$ 1,112	0%
17	Legal Costs	\$ 396,500	\$ 600,000	\$ 189,425	\$ (203,500)	-34%
18	2021 CVP Bond Assessment Refund	\$ -	\$ 580,397	\$ -	\$ (580,397)	
19	Salaries and Wages	\$ 686,975	\$ 569,425	\$ 491,866	\$ 117,550	21%
20	Employees' Benefits	\$ 198,151	\$ 202,961	\$ 173,325	\$ (4,810)	-2%
21	SLDMWA Activity Agreements	\$ 106,863	\$ 186,146	\$ 178,220	\$ (79,283)	-43%
22	SLDMWA DHCCP Bond Payment	\$ 148,592	\$ 148,592	\$ 44,876	\$ -	0%
23	Directors' Benefits	\$ 36,000	\$ 138,352	\$ 74,519	\$ (102,352)	-74%
24	Insurance Costs	\$ 95,000	\$ 127,750	\$ 90,889	\$ (32,750)	-26%
25	SWRCB Water Rights Fee	\$ 125,000	\$ 125,000	\$ 124,262	\$ -	0%
26	Other Supplies & Services	\$ 106,500	\$ 105,000	\$ 111,034	\$ 1,500	1%
27	Payroll Burden	\$ 85,268	\$ 68,642	\$ 79,353	\$ 16,626	24%
28	Professional Services	\$ 78,000	\$ 60,000	\$ 79,613	\$ 18,000	30%
29	Annual Audits	\$ 40,000	\$ 50,000	\$ 47,650	\$ (10,000)	-20%
30	Communications, IT, and Software	\$ 45,000	\$ 45,000	\$ 42,751	\$ -	0%
31	Conferences and Training Costs	\$ 45,000	\$ 45,000	\$ 31,967	\$ -	0%
32	Utilities	\$ 45,000	\$ 30,000	\$ 39,137	\$ 15,000	50%
		\$ 3,167,828	\$ 4,011,132	\$ 2,729,453	\$ (843,304)	-21%

FOR DISCUSSION		Proposed Budget 2023-2024	Budget 2022-2023	2022-2023 Actual - Dec 31	Proposed Change	Δ
Operations & Maintenance						
33	Energy Costs	\$ 1,795,500	\$ 1,440,000	\$ 1,378,543	\$ 355,500	25%
34	Salaries and Wages	\$ 915,001	\$ 1,258,610	\$ 737,799	\$ (343,609)	-27%
35	Employees' Benefits	\$ 325,888	\$ 431,839	\$ 259,988	\$ (105,951)	-25%
36	Pumps & Structures Repairs	\$ 241,000	\$ 250,000	\$ 266,427	\$ (9,000)	-4%
37	Payroll Burden	\$ 153,734	\$ 197,481	\$ 119,030	\$ (43,747)	-22%
38	Reimbursable Expenses	\$ 340,000	\$ 200,000	\$ 148,507	\$ 140,000	70%
39	Weed Control	\$ 111,000	\$ 170,000	\$ 104,914	\$ (59,000)	-35%
40	Domestic Water Treatment Plant	\$ 174,000	\$ 140,000	\$ 154,494	\$ 34,000	24%
41	Fuel & Oil costs	\$ 145,000	\$ 90,000	\$ 205,683	\$ 55,000	61%
42	Capital Cost - Depreciation	\$ -	\$ 75,000	\$ -	\$ (75,000)	-100%
43	Equipment Repair & Maintenance	\$ 100,000	\$ 50,000	\$ 64,763	\$ 50,000	100%
44	Vehicle repairs & Maintenance	\$ 40,000	\$ 45,000	\$ 33,503	\$ (5,000)	-11%
45	Buildings Repairs & Maintenance	\$ 50,000	\$ 20,000	\$ 34,597	\$ 30,000	150%
46	Laboratory - Water Testing	\$ 17,300	\$ 15,000	\$ 16,471	\$ 2,300	15%
		\$ 4,408,423	\$ 4,382,929	\$ 3,524,719	\$ 25,493	1%
Total Expenses		\$ 21,987,697	\$ 18,952,924	\$ 15,242,216	\$ 3,034,772	16%
Net Revenue/(Deficit)		0		(0)		
Operations & Maintenance Rate ²		\$ 164.75	\$ 182.30			
<p>¹ SGMA Costs historically billed on an pro-rata acreage basis; costs include SLDMWA and CDMGSA JPA</p> <p>² FYE 2023 assumes 32,150 acre-feet of deliveries, FYE 2024 assume 36,000</p>						

PANOCHÉ WATER DISTRICT				
POTENTIAL RATE MODIFICATION SCENARIOS				
<u>FOR DISCUSSION</u>	Proposed Budget 2023-2024	Water Rate Scenario	Acreage Rate Scenario	Service Rate Scenario
Operating Revenues				
1	Supplemental Water	\$ 9,278,694	\$ 9,278,694	
2	Operation & Maintenance	\$ 5,930,864	\$ 5,377,818	\$ 1,028,541
3	Fresno/Merced Counties - 2021 CVP Bond	\$ 1,303,892		\$ 1,303,892
4	Labor Reimbursements	\$ 350,079		\$ 350,079
5	Other Revenue	\$ 125,416		\$ 125,416
6	Reimbursed Expenses	\$ 340,000		\$ 340,000
7	Domestic Water Treatment Plant	\$ 174,000		\$ 174,000
8	Sustainable Groundwater Management ¹	\$ 4,852		\$ 4,852
9	CVP AG Water Contract	\$ 4,479,900	\$ 4,479,900	
Total Revenue		\$ 21,987,697	\$ 19,136,412	\$ 2,337,285
Operating Expenses				
Water Costs				
10	Supplemental Water	\$ 9,278,694	\$ 9,278,694	
11	Planning & Engineering	\$ 57,000	\$ 57,000	
12	Los Vaqueros Expansion	\$ 224,500		\$ 224,500
13	BF Sisk Expansion	\$ 366,500		\$ 366,500
14	Central Delta-Mendota Region SGMA ¹	\$ 4,852		\$ 4,852
15	CVP AG Water Contract	\$ 4,479,900	\$ 4,479,900	
		\$ 14,411,446	\$ 13,815,594	\$ 595,852
Administration				
16	2021 CVP Bond Payment	\$ 929,978		\$ 929,978
17	Legal Costs	\$ 396,500	\$ 396,500	
18	2021 CVP Bond Assessment Refund	\$ -		
19	Salaries and Wages	\$ 686,975	\$ 686,975	\$ 137,395
20	Employees' Benefits	\$ 198,151	\$ 198,151	\$ 39,630
21	SLDMWA Activity Agreements	\$ 106,863		\$ 106,863
22	SLDMWA DHCCP Bond Payment	\$ 148,592		\$ 148,592
23	Directors' Benefits	\$ 36,000	\$ 36,000	
24	Insurance Costs	\$ 95,000	\$ 95,000	
25	SWRCB Water Rights Fee	\$ 125,000		\$ 125,000
26	Other Supplies & Services	\$ 106,500	\$ 106,500	
27	Payroll Burden	\$ 85,268	\$ 85,268	\$ 17,054
28	Professional Services	\$ 78,000	\$ 78,000	
29	Annual Audits	\$ 40,000	\$ 40,000	
30	Communication Costs	\$ 45,000	\$ 45,000	
31	Conferences and Training Costs	\$ 45,000	\$ 45,000	
32	Utilities	\$ 45,000	\$ 45,000	
		\$ 3,167,828	\$ 1,857,395	\$ 1,310,433
				\$ 194,079

FOR DISCUSSION		Proposed Budget 2023-2024	Water Rate Scenario	Acreage Rate Scenario	Service Rate Scenario
Operations & Maintenance					
33	Energy Costs	\$ 1,795,500	\$ 1,795,500		
34	Salaries and Wages	\$ 915,001	\$ 915,001		
35	Employees' Benefits	\$ 325,888	\$ 325,888		
36	Pumps & Structures Repairs	\$ 241,000		\$ 241,000	
37	Payroll Burden	\$ 153,734	\$ 153,734		
38	Reimbursable Expenses	\$ 340,000			\$ 340,000
39	Chemical Application	\$ 111,000	\$ 111,000		
40	Domestic Water Treatment Plant	\$ 174,000			\$ 174,000
41	Fuel & Oil costs	\$ 145,000	\$ 145,000		
42	Capital Cost - Depreciation	\$ -		\$ -	
43	Equipment repairs	\$ 100,000		\$ 100,000	
44	Vehicle repairs & Maintenance	\$ 40,000		\$ 40,000	
45	Buildings Repairs & Maintenance	\$ 50,000		\$ 50,000	
46	Laboratory - Water Testing	\$ 17,300	\$ 17,300		
		\$ 4,408,423	\$ 3,463,423	\$ 431,000	\$ 514,000
Total Expenses		\$ 21,987,697	\$ 19,136,412	\$ 2,337,285	\$ 708,079
Net Revenue/(Deficit)		0	0	0	\$ 281,416
		Current O&M²	Water Rate³	Acreage Rate⁴	
		\$ 164.75	\$ 149.38	\$ 26.84	\$ -
			\$ (15.36)		
¹ SGMA costs historically billed on an acreage basis ² FYE 2023-24 proposed O&M Rate assumes 36,000 acre-feet of deliveries ³ Potential Water Rate assumes 36,000 acre-feet of deliveries ⁴ Potential Acreage Rate assumes 38,317 acres					

BACK