

**CHARLESTON DRAINAGE DISTRICT MEETING MINUTES  
ADJOURNED REGULAR MEETING OF THE BOARD OF DIRECTORS  
April 20, 2022**

An adjourned regular meeting of the Board of Directors was held pursuant to Assembly Bill 361 authorizing remote teleconference participation in meetings of the Board, pursuant to Brown Act provisions. Those present at the meeting were:

Directors Present: Tom Teixeira, President  
Jake Barcellos, Vice-President  
Bob Teicheira, Director

Directors Absent: Dominic Mercurio, Director

District Staff Present: Ara Azhderian, General Manager & Secretary

Others Present: Gabriel Delgado, General Counsel  
Palmer McCoy, Grassland Basin Authority

**CALL TO ORDER**

President Teixeira called the meeting to order at 3:33 p.m.

**DETERMINATION:** General Manager Azhderian explained that with a quorum of the Board present at the meeting, no action was necessary to provide for remote participation via teleconference.

**REVIEW OF AGENDA**

General Manager Azhderian reported that Agenda Item 13 needed to be corrected to state the “fiscal-year ending February 28, 2023.”; rather than 2022.

**ROLL CALL**

A quorum of Directors and the presence of the District’s Officers were confirmed.

**POTENTIAL CONFLICTS OF INTEREST**

There were no conflicts of interest disclosed.

**PUBLIC COMMENT**

There was no public comment.

**THE BOARD TO REVIEW AND CONSIDER APPOINTMENT OF DISTRICT OFFICERS TO SERVE DURING THE FISCAL YEAR BEGINNING MARCH 1, 2022, AND ENDING FEBRUARY 28, 2023**

General Manager Azhderian presented the Board with the current slate of District officers. He recommended that Accounting Supervisor Marlene Brazil be named Treasurer to replace JP Otollo, who left the District earlier in the year. After discussion, on a motion by Director Teixeira, seconded by Director Teicheira, the Board elected Director Barcellos to serve as President, Director Teixeira to serve as Vice-

President, General Manager Azhderian to serve as Secretary, and Accounting Supervisor Brazil to serve as Treasurer.

The vote on the matter was as follows:

Ayes:	Teixeira, Barcellos, Teicheira
Nays:	None
Absent:	Mercurio
Abstain:	None

**THE BOARD TO REVIEW AND CONSIDER APPROVING THE DRAFT MINUTES FROM THE OCTOBER 21, 2021, REGULAR MEETING AND THE DRAFT MINUTES FROM THE NOVEMBER 11, 2020 SPECIAL MEETING OF THE BOARD**

General Manager Azhderian presented the Board with the draft minutes. After review, on a motion by Director Barcellos, seconded by Director Teicheira, the Board approved the minutes as presented.

The vote on the matter was as follows:

Ayes:	Barcellos, Teixeira, Teicheira
Nays:	None
Absent:	Mercurio
Abstain:	None

**THE BOARD TO REVIEW AND CONSIDER AUTHORIZING EXECUTION OF A REVISED SERVICE AGREEMENT BETWEEN THE CHARLESTON DRAINAGE DISTRICT AND THE PANOCHE WATER DISTRICT**

General Counsel Delgado presented the Board with proposed revisions to the Services Agreement. In particular, he explained, Charleston was proposing Panoche establish a fixed rate for management services. General Manager Azhderian said such a rate could be calculated and that it would have to take into consideration fluctuations in the level of effort necessary in any given year due to periodic activities such as the biennial financial audit and election cycles. He said he would work with District counsel and Panoche staff to further the proposal for future Board consideration. No further action was taken on the item.

**THE BOARD TO REVIEW AND CONSIDER ACCEPTING THE GENERAL MANAGER’S RECOMMENDATION ON THE ANNUAL REVIEW OF THE DISTRICT’S INVESTMENT POLICY**

General Manager Azhderian presented the Board with a memorandum recommending the Board maintain the District’s Investment Policy as is. He explained that the Policy requires an annual review by the Treasurer and, in the absence of one following JP Otollo’s departure, he meet with accounting staff to review the Policy and found no change was warranted. After consideration, on a motion by Director Barcellos, seconded by Director Teicheira, the Board approved maintaining the Investment Policy.

The vote on the matter was as follows:

Ayes:	Barcellos, Teixeira, Teicheira
Nays:	None
Absent:	Mercurio

Abstain: None

**THE BOARD TO REVIEW AND CONSIDER ACCEPTING THE TREASURER’S QUARTERLY REPORTS FOR THE PERIODS ENDING DECEMBER 31, 2021, AND MARCH 31, 2022**

General Manager Azhderian presented the Board the Treasurer’s Quarterly Reports. He explained the District’s funds were held in the Local Agency Investment Fund and Mechanics Bank, in compliance with the District’s Statement of Investment Policy, and that he expected the District would be able to meet its expenditure requirements for the next six months based on projected revenue from drainage service fees. After consideration, on a motion by Director Barcellos, seconded by Director Teicheira, the Board accepted the Treasurer’s Quarterly Reports as presented.

The vote on the matter was as follows:

Ayes: Barcellos, Teixeira, Teicheira  
Nays: None  
Absent: Mercurio  
Abstain: None

**THE BOARD TO REVIEW AND CONSIDER ACCEPTING THE MONTHLY FINANCIAL STATEMENTS FOR THE PERIOD ENDING MARCH 31, 2022**

General Manager Azhderian presented the Board the Monthly Financial Statements. After review, on a motion by Director Barcellos, seconded by Director Teicheira, the Board accepted the Monthly Financial Statements as presented.

The vote on the matter was as follows:

Ayes: Barcellos, Teixeira, Teicheira  
Nays: None  
Absent: Mercurio  
Abstain: None

**THE BOARD TO REVIEW AND CONSIDER ADOPTING A BUDGET AND DRAINAGE SERVICE FEES FOR THE DISTRICT’S FISCAL-YEAR ENDING FEBRUARY 28, 2023**

General Manager Azhderian presented the Board with a proposed budget and Drainage Service Fee. He said the proposed Fee was a 4% increase over the prior year’s and that the two main drivers of the increase were the increase in Professional Fees to fund the District’s biennial financial audit and an increase to address deferred repairs and maintenance. Azhderian explained the latter was scalable depending upon direction from the Board and he reviewed a number of proposed projects for consideration. After discussion, on a motion by Director Teicheira, seconded by Director Barcellos, the Board adopted the budget and Drainage Service Fees as presented, contingent upon final field review by staff and Director Barcellos of the projects selected from the presentation.

The vote on the matter was as follows:

Ayes: Barcellos, Teixeira, Teicheira  
Nays: None  
Absent: Mercurio  
Abstain: None

**THE BOARD TO REVIEW AND CONSIDER AUTHORIZING ISSUANCE OF A REQUEST FOR PROPOSALS FOR FINANCIAL AUDITING SERVICES**

General Manager Azhderian presented the Board with the draft Request for Proposals. He explained that staff proposed to solicit proposals from approximately a dozen accounting firms to perform three financial audits over the next four years through the fiscal-year ending February 28, 2026. After consideration, on a motion by Director Barcellos, seconded by Director Teicheira, the Board authorized issuance of the Request for Proposals as presented.

The vote on the matter was as follows:

Ayes:	Barcellos, Teixeira, Teicheira
Nays:	None
Absent:	Mercurio
Abstain:	None

**THE BOARD TO REVIEW AND CONSIDER ADOPTING RESOLUTION REVISING PERSON(S) AUTHORIZED TO ADMINISTER THE DISTRICT'S RABOBANK ACCOUNTS**

General Manager Azhderian presented the Board with the draft Resolution. He explained it was needed to update the signature cards at Mechanics Bank to remove Director Mercurio and former Treasurer JP Otollo and to add current Treasurer Marlene Brazil. After consideration, on a motion by Director Barcellos, seconded by Director Teicheira, the Board adopted the Resolution as presented.

The vote on the matter was as follows:

Ayes:	Barcellos, Teixeira, Teicheira
Nays:	None
Absent:	Mercurio
Abstain:	None

**THE BOARD TO REVIEW AND CONSIDER: A) DECLARING VACANCY ON THE BOARD OF DIRECTORS, B) AUTHORIZING THE GENERAL MANAGER TO POST NOTICE OF VACANCY WITHIN THE DISTRICT FOR 15 DAYS AND NOTIFY THE MERCED COUNTY ELECTIONS OFFICE OF THE VACANCY, AND C) SET A SPECIAL MEETING DATE WITHIN 60 DAYS TO CONSIDER APPOINTMENT OF NEW DIRECTOR TO RECOMMEND FOR APPROVAL BY THE MERCED COUNTY BOARD OF SUPERVISORS**

General Manager Azhderian reported that on March 25<sup>th</sup>, he had received an email from Director Mercurio announcing his resignation from the Board. Azhderian and General Counsel Delgado explained the next steps leading up to a request from the Board to the Merced County Board of Supervisors to appoint a successor. After discussion, on a motion by Director Barcellos, seconded by Director Teicheira, the Board declared a vacancy and authorized staff to post notice of such within the District and to notify the Merced County Elections Office.

The vote on the matter was as follows:

Ayes:	Barcellos, Teixeira, Teicheira
Nays:	None
Absent:	None
Abstain:	None

**THE BOARD TO REVIEW AND CONSIDER APPROVING PAYMENT OF THE BILLS**

General Manager Azhderian presented the Board the District’s list of accounts payable. After review, on a motion by Director Teixeira, seconded by Director Barcellos, the Board approved payment of the bills.

The vote on the matter was as follows:

Ayes:           Teixeira, Barcellos, Teixeira  
Nays:           None  
Absent:         Mercurio  
Abstain:        None

**TREASURER’S REPORT**

General Manager Azhderian presented the Board the year-to-date expenditures report.

**DRAINAGE MANAGEMENT REPORT**

General Manager Azhderian reported on various, ongoing activities at the San Joaquin River Water Quality Improvement Project and Grassland Bypass Project.

**GENERAL MANAGER’S REPORT**

General Manager Azhderian updated the Board on Proposition 84 grant activities to implement the Westside Regional Drainage Management Plan.

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


No report was given.

**FUTURE MEETING DATES**


The next regular meeting date of the Board was scheduled for January 19, 2022.

**ADJOURNMENT**

With no further business on the agenda, Vice-President Teixeira adjourned the meeting at 4:51 p.m.



Tom Teixeira, Vice-President



Ara Azhderian, Secretary