

**CHARLESTON DRAINAGE DISTRICT MEETING MINUTES  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
April 21, 2021**

A regular meeting of the Board of Directors was held on April 21, 2021, at 2:00 p.m. in accordance with Governor Newsom’s Executive Orders N-25-20 and N-29-20 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: Tom Teixeira, President  
Bob Teicheira, Director  
Jake Barcellos, Director
- Directors Absent: Dominic Mercurio, Vice-President
- District Staff Present: Ara Azhderian, General Manager & Secretary  
John Paul Otollo, Treasurer
- Others Present: Gabriel Delgado, General Counsel

**CALL TO ORDER**

President Teixeira called the meeting to order at 2:05 p.m.

**REVIEW OF AGENDA**

There were no changes made to the agenda.

**ROLL CALL**

A quorum of the Board 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 APPROVAL OF DRAFT MINUTES FROM THE OCTOBER 21, 2020, REGULAR MEETING AND THE NOVEMBER 11, 2020, SPECIAL MEETING OF THE BOARD OF DIRECTORS**

General Manager Azhderian presented the DRAFT minutes to the Board of Directors. After review, on the motion of Director Teicheira, seconded by Director Barcellos, the Board approved the draft minutes as presented.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER APPOINTMENT OF DISTRICT OFFICERS TO SERVE DURING THE FISCAL YEAR BEGINNING MARCH 1, 2021, AND ENDING FEBRUARY 28, 2022**

General Manager Azhderian requested the Board consider appointments of Officers to serve for the current fiscal-year. After discussion, the Board appointed Mr. Teixeira to serve as President, Mr. Barcellos to serve as Vice-President, Mr. Azhderian to serve as Secretary, and Mr. Otollo to serve as Treasure through February 28, 2022. On the motion of Director Teicheira, seconded by Director Teixeira, the Board approved the appointments.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER ACCEPTING THE TREASURER’S ANNUAL REVIEW OF THE DISTRICT’S INVESTMENT POLICY**

General Manager Azhderian presented the Board the District’s Investment Policy and explained that, in part, it required annual review and recommendation by the Treasurer. He explained that Treasurer Otollo had reviewed the policy and was not recommending any changes at this time. After review, on the motion of Director Barcellos, seconded by Director Teicheira, the Board approved the accepted the Treasurer’s recommendation.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER ACCEPTING THE TREASURER’S QUARTERLY REPORTS FOR THE PERIODS ENDING SEPTEMBER 30, 2020, AND DECEMBER 31, 2020, CONSISTENT WITH THE DISTRICT’S INVESTMENT POLICY**

Treasurer Otollo presented the Board with the Quarterly Reports. He reported that the majority of District funds were on deposit in the State of California’s Local Agency Investment Fund (LAIF), with the remaining balance deposited in Federal Deposit Insurance Corporation (FDIC) insured accounts at Mechanics Bank. Otollo stated the District’s financial portfolio was in compliance with its 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 drainage service fees. After discussion, on the

motion of Director Teicheira, seconded by Director Barcellos, the Board accepted the Treasurer's Quarterly Reports as presented.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER ACCEPTING THE MONTHLY FINANCIAL STATEMENTS FOR THE PERIOD ENDING MARCH 31, 2021**

Treasurer Otollo presented the Board the District's Financial Statements through March 31, 2021. He reviewed the statements with the Board and, after discussion, on the motion of Director Barcellos, seconded by Director Teicheira, the Board accepted the Financial Statements as presented.

The vote on the matter was as follows:

Ayes:	Teixeira, Teicheira, Barcellos
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, 2022**

General Manager Azhderian and Treasurer Otollo presented the Board a draft budget for the Board's review. Azhderian explained that given the current challenges being faced by growers in the District, including a very difficult water supply situation, staff endeavored to plan for minimal District activities; however, cost increases relating to the San Joaquin River Water Quality Improvement Project and Grassland Bypass Project resulted in total forecasted expenses increasing by approximately five percent. Otollo presented two rate setting options for the Board's consideration. One option would aim to end the fiscal-year with little change in the District's reserves, while the second drew from the District's reserves to lower the Drainage Service Fee for the current season. After discussion about the proposed activities and the desired level of reserve, the Board opted to set a Fee of \$68 per acre for tiled acres and \$14 per acre for non-tiled acres. On the motion of Director Teicheira, seconded by Director Barcellos, the Board adopted the 2021-22 fiscal-year budget as modified.

The vote on the matter was as follows:

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

**THE BOARD TO REVIEW AND CONSIDER AUTHORIZING EXECUTION OF A PROPOSED BRYANT L. JOLLEY ENGAGEMENT LETTER TO CONDUCT AN AUDIT OF THE DISTRICT'S 2020-2021 FISCAL-YEAR ENDING FEBRUARY 28, 2021**

General Manager Azhderian presented the Board a proposed engagement letter to continue services with Bryant L. Jolley Accountancy to perform the prior year's financial audit. He noted the auditor

was proposing an increase of \$500 for a total of \$8,500 to perform the audit. After discussion, the Board requested that staff explore shifting the District to a biennial audit frequency and then tabled the matter for further consideration.

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

Treasurer John Paul Otollo presented the Board a list of the District's accounts payable. After review, on the motion of Director Barcellos, seconded by Director Teicheira, the Board approved payment of the bills.

The vote on the matter was as follows:

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

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### **TREASURER'S REPORT**

Treasurer Otollo reviewed the year-to-date Expense Report with the Board, noting the majority of costs incurred to date related to SJRIP and SLDMWA projects participation costs.

### **DRAINAGE MANAGEMENT REPORT**

General Manager Azhderian presented the Grassland Bypass Project water quality monitoring report to the Board and reported on ongoing activities at the San Joaquin River Water Quality Improvement Project, noting the dry winter was easing the normal stormwater management effort throughout the region.

### **GENERAL MANAGER'S REPORT**

General Manager Azhderian updated the Board on ongoing activities funded by Panoche Drainage District's Proposition 84 grant, including installation of the regional tile sump SCADA system to automate storm time sump operations, survey work for the new stormwater regulating basins and drainage conveyance improvements, and land acquisition efforts.

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

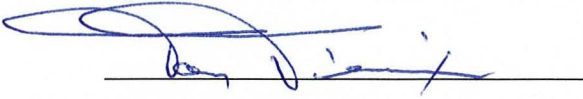
There was no report.

### **FUTURE MEETING DATES**

The next regular meeting date of the Board was scheduled for July 21, 2021.

**ADJOURNMENT**

With no further business on the agenda, President Teixeira adjourned the meeting at 3:11 p.m.



Tom Teixeira, President



Ara Azhderian, Secretary

