BOARD OF DIRECTORS, GROWERS & LANDOWNERS
ANNUAL MEETING

MINUTES March 31, 2022

I. CALL TO ORDER & WELCOMING REMARKS

The 2022 Annual Meeting of the Board of Directors, Growers and Landowners of JAMES IRRIGATION DISTRICT was held Thursday, March 31, 2022, at the offices of the District at 8749 9th Street, San Joaquin, California 93660. (Attendance Roster: Att.1) The meeting was called to order at 1:00 p.m., by General Manager, Manny Amorelli.

II. OTHER BUSINESS / PUBLIC COMMENTS

- Mr. Amorelli introduced himself, noting he assumed the General Manager position 17 months earlier after joining the District in 2016 as Office Manager.
- Superintendent, Kenneth Mancini, District crew and Board members were complimented and thanked for their efforts in set-up and preparation of an excellent meal.

III. EMPLOYEE RECOGNITION

In recognition of their support, the following employees were introduced and applauded for their service to the District.

Agustin C. Verduzco,	Ditchtender	28 years; Retired 12/31/2021
Jean Nichols	Office Clerk	191/2 years; Retired 03/31/2022
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Juan Juarez	Ditchtender	20 years
Catarino Sauceda	Pumptender	20 years
Donna Hanneman	Executive Assistant	30 years
Kenneth Mancini	Superintendent	38 years
Ricardo Covarrubia	Assistant Superintendent	43 years

IV. GENERAL MANAGER'S REPORT

WATER SUPPLY

<u>Central Valley Project (CVP)</u> - With snowpack at 39% of normal, 2022 becomes the third year of continuing drought. Accordingly, CVP allocations to South-of-Delta agricultural contractors is zero percent for the 2022 water year.

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- ▶ <u>State Water Project</u> allocations for 2022 have been reduced to 5%. Riparian allocations have been reduced to critical year levels.
- Kings River Pine Flat Storage stands at approximately 4,400 acre-feet.

PROJECTS

- <u>Wells</u> The District typically budgets for two wells per year. This year, Arthur & Orum and Myers Bros. are on track to drill replacement wells.
- Main Canal Feasibility Study Provost & Pritchard Consulting Group is conducting a study of the aging Main Canal infrastructure. The booster structures are in need of repair and maintenance. They will also analyze the potential to increase capacity.
- Water Hyacinth The District has been working with Tranquillity Irrigation District and the Mendota Wildlife Refuge to control the proliferation of water hyacinth that has been impeding flows within the James Bypass from Hwy. 180 south to James Road.
- K Basin Solar Array Project A power purchase agreement was signed late last year with Crystal Farms Local Solar. Whitepine Renewables will be constructing one 4 MW and one 1 MW solar array field within the K Basin Recharge facility on approximately 35 acres. These facilities were designed to provide approximately 85% of the District's power usage. Other opportunities are continually investigated to reduce rapidly escalating power costs. The K Basin Project was originally projected to become operational this month; however, supply chain issues and labor shortages delayed the project which is now slated to become operational November, 2022.
- <u>Maintenance</u> The dry winter has extended the maintenance season. Canals continue to be dredged as well as basins.

JAMES GROUNDWATER SUSTAINABILITY AGENCY (GSA)

- ► Groundwater Sustainability Plan (GSP) The James GSA submitted their GSP to the California Department of Water Resources (DWR) in concert with 7 other GSAs comprising the Kings Groundwater Subbasin Groundwater Sustainability Agency. The DWR found the Basin's GSP to be deficient in that pumping mitigation and subsidence issues were not adequately addressed. All seven GSAs are working in harmony to correct the GSP and will be meeting with the DWR seeking guidance.
- Grant Funding The James GSA is slated to receive \$1 million in grant funding.

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<u>Well Permits</u> - The Governor recently signed an Executive Order restricting well permits and mandating that GSAs must review/approve all new well permits within their jurisdiction.

FINANCIAL

Proposition 218 Majority Protest Increasing the District Water Rates

Escalating power costs have greatly impacted District finances. At present, a \$1.1 million deficit is forecast (unaudited), which has been a continuing trend for the last 3-4 years. Spreadsheets illustrating these circumstances as well as a Five-Year Forecast for 2023-2027 were provided for review (Att's.2,3)

The last rate increase was approved by landowners under a Proposition 218 vote in 2011. At that time, the rate increase included an escalator clause to peak at \$140 per acre-foot which has since maximized. At present, there are no other options available to increase revenue sufficient to cover expenses. The Board will be discussing the process required to place the matter before Landowners for vote at the Regular Meeting in April. Landowners and growers were invited to participate.

V. PRESIDENT'S REPORT

- President, Riley Chaney, thanked employees for their service to the District's landowners and growers.
- Mr. Chaney complimented Manny Amorelli on his work since assuming the position of General Manager and encouraged growers/landowners to talk with Mr. Amorelli or Superintendent, Kenneth Mancini, if/when questions or concerns arise.
- Costs are rapidly escalating due to inflationary pressures and world events. Mr. Chaney commended landowners on passing Proposition 218 assessment increase last year which was a long-needed change. Water rates are in need of attention as the Board wants to be proactive in maintaining the financial stability of the District. He noted expenses looming to update aging infrastructure, but expressed hope that the K Basin Solar Project should realize a significant relief in power savings. He stated, "I hope we're all on the same page."
- ► Mr. Chaney again thanked all those attending/participating in today's event.

VI. QUESTION & ANSWER SESSION

▶ Jerry Gragnani inquired how current downstream temperature control efforts will affect the District's future water supply. Mr. Amorelli noted more stringent river flow measures are being used to aid fish populations; low flows and warmer waters mean less chance of receiving any water supply.

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VII. CLOSING REMARKS & ADJOURN

In closing, Mr. Amorelli stressed his door is always open and urged growers/landowners to call or visit him with any questions/concerns.

There being no further business to conduct, the meeting was ADJOURNED at 1:21 p.m.

RECORDED BY:	APPROVED BY:	
Donna Y. Hanneman, Executive Assistant	Riley Chaney, President Board of Directors	
	Manny Amorelli	
	General Manager	

ATTACHMENTS:

- 1. Attendance Roster: March 31, 2022
- James Irrigation District: Past & Current Budget, 2019-2023
- 3. James Irrigation District: Five-Year Forecast, 2023-2027