

# JAMES IRRIGATION DISTRICT

## BOARD OF DIRECTORS - SPECIAL MEETING

### MINUTES August 16, 2021

#### ATTENDANCE

##### DIRECTORS PRESENT

Riley Chaney, President  
Jeremy Hughes, Vice-President  
Robert Motte, Secretary-Treasurer  
Robert Barcellos, Assessor  
Micah Combs

##### EXCUSED

None

##### ABSENT

None

##### STAFF PRESENT

Manny Amorelli, General Manager  
Walter Flores, Office Manager  
Donna Hanneman, Executive Assistant

##### LANDOWNERS / GROWERS

Thomas Coleman (Zoom)  
Riley Chaney iPad (Zoom)  
Sign-in Sheet (Att.1)

##### PUBLIC / CONSULTANTS

K.Fisher, Brown Family Trust et al (Zoom)  
Wanda (Zoom)  
Jessica's iPhone (Zoom)  
Ben Jertberg (Zoom)  
Sarah W. (Zoom)  
Craig's iPad (Zoom)

##### • PROVOST & PRITCHARD CONSULTING GROUP

Eric Abrahamsen, P.E.

##### • WATER WISE

Sarah Woolf (Zoom)

##### LEGAL COUNSEL

##### • YOUNG WOOLDRIDGE, LLP

Alan F. Doud, Esq. (Zoom)

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#### I. CALL TO ORDER

A Special Meeting of the Board of Directors of JAMES IRRIGATION DISTRICT was held Monday, August 16, 2021, in the District office located at 8749 Ninth Street, San Joaquin, California. The meeting was called to order at 10:00 a.m., by President, Riley Chaney. A quorum was at all times present and acting.

This meeting was conducted in accordance with the Governor's Executive Order N-29-20 and the declared State of Emergency as a result of the threat of COVID-19 virus pandemic. Members of the public were encouraged to access the meeting via internet/Zoom or use the call-in number to allow them to fully participate in the meeting without having to be present.

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## II. OTHER BUSINESS / PUBLIC COMMENTS

### A. PUBLIC COMMENTS

General Manager, Manny Amorelli, introduced himself and members of the Board of Directors. He thanked everyone for participating in this effort.

### B. ADDITIONS / CORRECTIONS TO THE AGENDA

There were no corrections/additions to the Agenda.

### C. POTENTIAL CONFLICTS OF INTEREST [FPPC §87105]

Directors were given an opportunity to identify potential conflicts-of-interest with items appearing on the Agenda; none were reported.

## III. ACTION ITEMS

### A. ENGINEER'S REPORT AND PROPOSITION 218 ASSESSMENT BALLOT PROCEEDINGS MATTERS (12/13/2016)

#### 1. Preliminary Budget from Engineer's Report

Eric Abrahamsen, Provost & Pritchard Consulting Group, reviewed a PowerPoint presentation, "James Irrigation District, Proposition 218 Engineer's Report-2021 Special Benefit Assessment Increase". (Att.2) Primary points of interest were noted as follows:

- Assessments are not proportionate to the benefits received by District properties
- Balance revenue stream such that District revenue becomes more balanced between assessments and water tolls
- Assessment increases have been recommended by the District's financial advisors.
- Assessment increases would allow for a reduction in water rates.
- Increases would collect sufficient revenue to supplement costs of:
  - Operations expenses (General & Administrative, Operations & Maintenance)
  - Sustainable Groundwater Management Act (SGMA) compliance
  - Capital Outlay (Wells, Boosters, SGMA projects) and Loan Repayment Expenses (CVP Repayment)

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2. General discussion of need to levy assessment to meet budget requirements and of Proposition 218 process to authorize levy and collection of assessment

- President Riley Chaney noted the Board has recommended an increase in District assessments in concurrence with the Engineer's Report. He also noted the following issues/concerns:
  - Assessment rates were capped by voter-approved statutes (Resolution 2009-13, 09/15/2009) and have reached their limits. The Board cannot increase assessments without voter approval.
  - Water rates were capped by voter-approved statutes (Resolution 2011-02, 02/15/2011) and have maxed-out. The Board is unable to increase water rates without voter approval.
  - Water supplies are uncertain. This year, CVP allocations to agriculture were zero. Riparian rights were reduced to 75%. Next year is unpredictable.
  - Increasing costs of power, operations, weed control, administrative, loan financing.
  - Sustainable Groundwater Management Act financial impacts are increasing and will continue to do so as SGMA projects are developed.
  - Assessment increases are needed to insure costs are supported to keep the District sound.
  - Fallowing and/or planting of new permanent crops, especially pistachios, has caused water sales to decline until trees reach maturity.
  - Should landowners approve an increase in assessments, there may be a potential to lower the water rate.

3. Consider motion to adopt Final Engineer's Report for the District

M/S/C (M.COMBS / J.HUGHES), to ADOPT THE FINAL ENGINEER'S REPORT FOR THE DISTRICT (Att.3)  
follows:

**AYES:** 5 (M.Combs, J.Hughes, R.Barcellos, R.Motte, R.Chaney)

**NAYS:** None

**ABSTAIN:** None

**EXCUSED:** None

**ABSENT:** None

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4. Consider Resolution to Initiate Proceedings to Approve Assessment entitled "Resolution 2021-03 Proposition 218 Assessment Ballot Procedures and Calling for an Assessment Ballot Proceeding on a Proposed Assessment".

M/S/C (M.COMBS / J.HUGHES), to APPROVE RESOLUTION 2021-03 (Att.4as follows:

AYES: 5 (M.Combs, J.Hughes, R.Barcellos, R.Motte, R.Chaney)  
NAYS: None  
ABSTAIN: None  
EXCUSED: None  
ABSENT: None

5. Schedule Proposition 218 Hearing

Mr. Amorelli noted the Board will be holding two additional outreach sessions. Landowners and growers are encouraged to participate.

Public Outreach Meeting - Wednesday, September 15, 2021, 10:00 a.m. - 12:00 p.m.

Public Outreach Meeting - Wednesday, September 22, 2021, 3:00 p.m. - 5:00 p.m.

An active period of general inquiry/discussion followed. Major points summarized as follows:

- **If assessment rates increase, will the water rate increase as well?**  
Water rates could change in the future; but for now, only assessment increases are being proposed.
- **How soon can you do another Proposition 218 election?**  
The proposed assessment would increase from \$21.00 to \$50.00 with an escalation clause permitting \$10.00 per year increases over the next 5 years until assessments cap at \$100.00. Spreading the financial responsibility evenly over all District parcels is hoped to relieve some pressure on water rates.
- **Sustainable Groundwater Management Act (SGMA) costs are anticipated to increase significantly.**  
The James Groundwater Sustainability Agency (James GSA) is a member of the Kings Groundwater Subbasin. The James GSA Groundwater Sustainability Plan (GSP) was submitted as a part of the Kings GSA GSP. They are expecting the California State Department of Water Resources to render their decision on the Kings GSP in January/February, 2022.
- **Main Canal Boosters need replacing** as they are very old and are rapidly deteriorating.

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- **What is the likelihood of keeping property wet?**

Mr. Amorelli assured that, "We are doing all we can unless the State/Federal governments get involved." It was noted that allocations to Pre-1914 riparian rights holders could be in jeopardy next year.

- **Allocations are under consideration.**

If implemented, allocations will be based on flow (cfs) not quantity (acft). The District has the ability to produce a maximum of 200 cfs and flows will be allocated based on proportional demand. The District's Ditchtenders were complimented on their continual efforts to coordinate/expedite deliveries.

- **Groundwater recharge efforts are imperative.** We must work together.

Before moving to adjourn the meeting, President Riley Chaney expressed sincere appreciation for the excellent participation at today's meeting.

## IV. ADJOURN

There being no further business to come before the Board, M/S/C (M.COMBS / J.HUGHES), to ADJOURN the meeting at 11:10 a.m., until the next Regular Meeting scheduled for Tuesday, September 14, 2021, by the following vote:

**AYES:** 5 (M.Combs, J.Hughes, R.Barcellos, R.Motte, R.Chaney)

**RECORDED BY:**

**APPROVED BY:**

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Donna Y. Hanneman, Executive Assistant

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Riley Chaney, President

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Manny Amorelli, General Manager

## **ATTACHMENTS:**

1. Meeting Sign-in Sheet: August 16, 2021
2. PowerPoint Presentation: James Irrigation District Proposition 218 Engineer's Report--2021 Special Benefit Assessment Increase, August 16, 2021
3. Engineer's Report for James Irrigation District, Proposition 218 Procedures for Benefit Assessments, August 16, 2021
4. Resolution 2021-03 Proposition 218 Assessment Ballot Procedures and Calling for an Assessment Ballot Proceeding on a Proposed Assessment, approved August 16, 2021