

**Sutter Mutual Water Company  
(SMWC)**

Meeting Held on January 15, 2024

**OPEN FORUM:**

**CARBON CAPTURE PROJECT-** Barbara McBride from Cal Pine and Andrew Gundershaug from Sutter Energy Center presented to the board the Sutter Decarbonization Project Overview. They both went over the plans to build a new carbon capture system, which will be located at the Sutter Energy Center. They just submitted permits in May 2023. They went over the process of capturing the Carbon Dioxide. Barbara McBride went over the community and labor engagement that is taking place.

Julie Coleman and Tiffany McGuire from 1.5 presented a power point about various things regarding this project. They talked about sequestration well depth, and monitoring wells. The safety of trapping the carbon dioxide was explained, along with the seismic evaluations that have been done and continue to be done. 1.5 has had zero carbon dioxide safety incidents. For the next 100 years this project will have to monitor pressure and temperature. Julie went over the steps of the project, but no exact dates were given. Barbara, Andrew, Julie, and Tiffany answered questions from everyone attending the open forum.

**BOARD MEETING:**

A regular meeting of the Board of Directors for January 15, 2024, was called to order in the Company office at Kirkville, Robbins, California at 10:16 a.m. by Director Bill Henle.

Directors Present: Bill Henle, Steve Butler, John Penning, Dave Richter, Neil Dougherty, Jon Munger

Directors Absent: Mark Hoffart

Others Present: Roger Cornwell, General Manager, Jon Scott, Operations Manager, Heather Munoz, Operations Assistant, Melissa Patterson, Finance Operations Manager, Dominique Vaughn, Accounting Office Manager, Venus Tenell, Executive Assistant, Andrew Gundershaug (Sutter Energy Center), Barbara McBride (Cal Pine), Julie Coleman (1.5), Tiffany McGuire (1.5), Gage Houser (Hutchinson Capital), Andrea Clark (Legal Counsel), Frank Howald (landowner), Brad Howald (landowner), Bill Driver (landowner), Charlie Hoppin (landowner), John Warren (Cal Pine), Barbara LeVake (Community Outreach), Chris Fritz (Consultant)

A copy of the written notice of the meeting was provided to each Director on January 12, 2024, and is incorporated in these minutes by reference hereto and so filed.

**On MOTION of Director Butler and seconded by Director Penning, and unanimously carried the agenda of the January 15, 2024, meeting, was approved.**

November 20, 2023, Board Meeting Minutes were previously mailed to the directors and were presented for review and approved.

**On MOTION of Director Dougherty and seconded by Director Richter and unanimously carried the minutes of the November 20th meeting were approved.**

**GENERAL MANAGER'S REPORT- ROGER CORNWELL**

GM Cornwell let the board know the new board packet booklets will be on going for the new year. They will be easier to take with you, have space to write notes and easy to follow along with the tabs.

**HUTCHINSON CAPITAL- GAGE HOUSER-** Gage went over the SMWC investment quarterly report. He reminded the board how the investment is set up, along with the investment returns the company has received since opening the accounts in June of 2023. Gage also went over the current interest rates and what is projected to happen with the interest rates in the coming months.

Landowner Brad Howald asked the board why the water rates and maintenance assessments keep going up if we have such a large amount in our account. GM Cornwell explained to him how and where the funds came from. Most of the funds came from the 18% cut year to offset the funds lost. It was also discussed that the district is looking at using much of the funds for capital improvements to the district infrastructure.

**CURRENT WATER UPDATE-** GM Cornwell went over the current water conditions. GM Cornwell shared with the board the current reservoir conditions. All the reservoirs are doing well. Trinity is the only one lagging, but it is catching up. Lake Shasta storage levels are average for this time of year. GM Cornwell showed the Shasta inflow numbers which are not that high currently. The Tisdale graph is going down, we thought it was going to run over but it does not look like it will now. We are not seeing the weather we wanted to see this winter.

**MID PACIFIC WATER USERS MEETING JANUARY 23<sup>RD</sup>-26<sup>TH</sup>** – This meeting is next week in Reno for 3 days. This is usually when the water forecast is presented but the bureau reserved their rights to present the water forecast. GM Cornwell has meetings set up to discuss BIOPS and DCP.

**BIOPS UPDATE-** We are working through the Biological Opinion. We have the draft contract written, and a copy was sent to the Bureau. We are trying to get comments back from the Bureau. It would be giving 25% of the water back on the second dry year. This would bring us down to 50% of water. We would receive funds to go towards projects to help us conserve water. We will be looking at recycling projects, and using funds to reduce water rates in bin 3 years were water allocations will be restricted to 50%.

**DELTA CONVEYANCE PROJECT DCP OVERVIEW-** We are asking the State Water board for assurance. The project went away and now it is back. The assurance we are asking for is no

depletion of stored water and no harm to CVP water users. Andrea Clark from Downy Brand let the board know about the options SMWC has. GM Cornwell is recommending that we join to support the tolling agreement and if we cannot get that done then file litigation.

**On MOTION of Director Munger and seconded by Director Butler, and unanimously carried giving GM Cornwell permission to join other to support the tolling agreement, was approved.**

**On MOTION of Director Dougherty and seconded by Director Penning and unanimously carried, if an agreement cannot be reached, we would move to litigation, was approved.**

### **OPERATIONS MANAGER- JON SCOTT**

**WINTER WATER UPDATE-** We are at 418 intakes. At Tisdale, the 4 meters inside the pump house have been installed. We are anxiously waiting to drain the canal and get the last 2 installed on the exterior. Winter water and the fish food program is going well. Last week we shut off booster pumps. The booster pumps were averaging 120 cfs. We cannot run the booster pumps when we are dumping for fish food program. We got a new ditch tender for District 2, who had experience. We are sending the 6 ditch tenders to Chico State for the ITRC flow measurement class at the end of the month. Kevin Kibby from the Bureau was able to apply for a grant and got us a new meter for Henry Richter pumping plant. We will need to cover the cost of installation, which will be a little tricky due to the existing meter being under the pump house. Kevin also has another meter we can get from him; this way Henry Richter pumping plant will have two new meters.

**2024 CROP PLANNING-** We have been reviewing data and water usage from the last irrigation season. This way we will be ready to answer any questions and get a strategy going into this irrigation season. If was asked due to a sunflower company shutting down, would we be able to manage 5000 more acres of rice. GM Cornwell let the board know that we would go into more detail at the next meeting about the data we have reviewed and the water usage. He believes it would be very tight and it really depends on when the crops are planted.

### **FINANCE MANAGER'S REPORT- MELISSA PATTERSON**

**FINANCIAL REVIEW-** Manager Patterson went over the financial review with the board. She went over decreases and increases on the balance sheet. Manager Patterson has a few slides to show the board the budget vs. actual for summer water sales, stand by charge, and winter water sales. She also presented a new addition to the review, the budget vs. actual for the Bohannon Dam project and the Water Efficiency Grant. The Check register for November 2023 and December 2023 were ratified by the board. Manager Patterson informed the board that Nelson and Associates will be here next week to work on the 2023 audit. She answered board member questions.

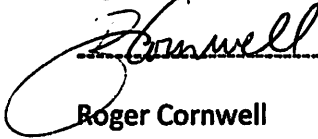
**REPORT ON SRSC AND NCWA ACTIVITIES-**

**NCWA STRATEGIC PLANNING JANUARY 19<sup>TH</sup>-** The strategic planning session for NCWA is this Friday at Lundburg Family Farms. GM Cornwell will be attending this event.

**MISCELLANEOUS OTHER MATTERS-** Director Henle thanked GM Cornwell for the new board packets and for having Cal Pine and 1.5 come and give a presentation.

**ADJOURN-**

There being no further business to come before the Board of Directors, the meeting was adjourned at 11:25 AM.

  
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Roger Cornwell