

**Sutter Mutual Water Company
(SMWC)**

Meeting Held on June 19, 2023

OPEN FORUM:

INTRODUCTION TO LONG TERM CENTRAL VALLEY PROJECT PLANNED OPERATIONS- GM Cornwell gave a light overview, the biological option is being rewritten. We want something longer term such as 10 years, not just a few years. It's being written now; the bureau is having meetings with water users now. Our future could look different.

SUTTER MUTUAL WATER COMPANY DIVERSIONS 2023- GM Cornwell went over where our diversions are at. GM Cornwell shared the SRSC Portal Graph. We are using about 80% of our contract water. It's very unusual because we have the most rice this year. We are guessing that the wet soil and cool temperatures are what's getting us by. We are having to pump two shifts at Karnak, the water is too high to go on gravity. GM Cornwell shared David's Engineering graphs showing how often turnouts are checked, a graph showing field application chart or af/ac. With these graphs it shows how accurate the remote tracker is. We don't have to wait to get this graph, we can check anytime how often a field has been checked so it doesn't get out of hand at any point.

NCWA LEGISLATIVE UPDATE- Ivy Brittain from NCWA gave an update on the water rights bills trying to be passed right now. There are currently 4 bills. The Assembly has about 1/3 new members, and these new members usually vote according to what the chair recommends. GM Cornwell thanked Ivy for all your work on the bills. Of all 4 bills SB389 and AB1317 are the most likely to be passed. Ivy answered questions from the board.

BOARD MEETING:

A regular meeting of the Board of Directors for June 2023 was called to order in the Company office at Kirkville, Robbins, California at 9:29 a.m. by Director Bill Henle.

Directors Present: Bill Henle, Jon Munger, Dave Richter, Neil Dougherty (zoom), John Penning (zoom), Mark Hoffart (zoom)

Directors Absent: Steve Butler

Others Present: Roger Cornwell, General Manager, Jon Scott, Operations Manager, Heather Munoz, Operations Assistant, Melissa Patterson, Finance Operations Manager, Dominique Vaughn, Accounting Office Manager, Meredith Nikkel, Counsel, Gage Houser, Hutchinson Capital Management, Ivy Brittain, NCWA, Chris Fritz, R&R Engineering

A copy of the written notice of the meeting was provided to each Director on June 16th, 2023, and are incorporated in these minutes by reference hereto and so filed.

On MOTION of Director Munger, seconded by Director Richter, and unanimously carried the agenda of the June 19, 2023, meeting, was approved, with the addition of adding Gage Houser from Hutchinson Capital Management to give an update.

May 15, 2023, Board Meeting Minutes were previously mailed to the directors and were presented for review and approved.

On MOTION of Director Richter and seconded by Director Munger and unanimously carried the minutes of the May 15th meeting were approved.

GENERAL MANAGER'S REPORT- ROGER CORNWELL

GAGE HOUSER- HUTCHINSON CAPITAL MANAGEMENT- GM Cornwell wanted to invite Gage Houser to give an update to the board on interest rates and his suggestions on investing our company funds. He answered board member questions.

BOARD APPROVAL TO MANAGE WILKINS SLOUGH PUMP LOWERING PROGRAM- We have all heard about the pump lowering program that the bureau is pushing for. GM Cornwell is asking the board for formal approval to manage the Wilkins Slough pump lowering program. It's a fully reimbursable program. GM Cornwell would hold meetings to bring water users from up and down the Sacramento River together. We are looking at getting State Ranch Pumping Plant into the program and talking to Oji Family to get their pump into the program. GM Cornwell managing the program would not affect our enrollment in the program. The board had a discussion.

On MOTION of Director Munger and seconded by Director Richter and unanimously carried the board support of GM Cornwell managing the Wilkins Slough Pump Lowering Program was approved.

BOARD APPROVAL TO CHANGE BANKING RELATIONSHIP- A Umpqua Bank branch in the Bay Area went rogue with an embezzlement problem. That branch is now being sued. We received 4 proposals for a new banking relationship from River City, 5 Star, River Valley, F&M. Out of the 4 banks, River Valley and River City stand out. SMWC management team is recommending River City. They offer a few better options than River Valley. GM Cornwell went over the proposals with the board. The board member discussed the banks.

On MOTION of Director Richter and seconded by Director Dougherty and abstained by Director Munger, was carried the approval to move funds to River City bank upon approval from the other boards, was approved.

UPDATE OF RULES & REGULATIONS GOVERNING THE DISTRIBUTION, DELIVERY AND MANAGEMENT OF IRRIGATION WATER IN THE SERVICE AREA- GM Cornwell isn't sure if there is a misunderstanding or maybe growers forgetting about our rules and regulations. GM Cornwell and OM Scott let the board know they will be looking over the rules

and regulations and doing some updating. Some updates being talked about are meters on all pumps pumping out of the drain or canals. We would really like to limit the use of pumps and use the measurable boxes. We understand emergencies happen. If a pump needs to be used, they can't block a roadway. Growers expect us to provide good service, but we can't if a pump is blocking where we need to deliver water. We would also like to have a formal water application that is turned in, not just the crop map. Director Penning let staff know in the past we had a water application that the growers filled out. GM Cornwell and OM Scott will work on updates and get it reviewed by counsel and bring it back to the board for approval. They would like to start handing it out by the end of the year. GM Cornwell filled the board in on an issue with a pump that in a ditch without a meter next to the highway. The board discussed what we should charge for growers not using a meter. The Board Chair stated it is incumbent on all of us that we are viable to our constituents. Meaning we need to set the example. The board approved his statement being included in the minutes.

OPERATIONS MANAGER- JON SCOTT

WATER DEMAND UPDATE- OM Scott wants to compliment the growers on how well they have been able to swing water around. The communication between growers and ditchtenders has been great. We have been getting great feedback on the measurement system.

TISDALE UPDATE- The river has been too high to put the pump back in, but it is lowering. We can start work on Monday the 26th. Unico will be on site to put the pump back into the pump house. They will pour concrete and weld the base there.

FINANCE MANAGER'S REPORT- MELISSA PATTERSON

FINANCIAL REVIEW- Manager Patterson wants to circle back to the talk about how much money to invest with Hutchinson Capital Management. She handed out spreadsheets that show total funds in the bank now, and another that shows cash activity and projected cash activity. The board discussed how much to invest.

On MOTION of Director Henle and seconded by Director Munger and unanimously carried investing up to 8 million dollars to Schwab account at the discretion of management, was approved.

Manager Patterson gave a financial update. She will be giving a broader overview and really focusing on how the company is doing overall. The board ratified the May 2023 check register.

FINANCIAL AUDIT UPDATE- We are officially done with the audit. Nelson & Associates will be at the next board meeting in July to present to the board. Everything went well.

REPORT ON SRSC AND NCWA ACTIVITIES-

SMWC HOTSED NCWA'S MANAGERS MEETING- The end of May we hosted the managers meeting for NCWA. Everything went well, we had about 24 managers from around the valley.

They were impressed with the facilities. During the meeting they talked about VA and how it was going.

SRSC CORPORATION SALMON TRAPPING- SRSC corporation set up a trap at ACID below their Dam for thiamine treatment. It took 3 weeks longer than expected to get the net and everything set up. SRSC was only able to treat a few fish, but they did learn a lot. There is a lot of spawning below the ACID Dam. They were able to use a camera to see what the salmon were doing. SRSC was only able to trap for about a month and were told to stop due to agencies thinking the salmon were being bothered more than helping them.

MISCELLANEOUS OTHER MATTERS- None

CLOSED SESSION-

The Board convened into a closed session at 11:19 am.
The Board reconvened into an open session at 11:33 am.
There are no actions reported.

ADJOURN-

There being no further business to come before the Board of directors, the meeting was adjourned at 11:35 AM.



Roger Cornwell, Secretary