

# PANOCHÉ WATER DISTRICT

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February 23, 2021

Subject: SAVE THE DATE – Proposition 218 Workshop – 9:00 a.m., March 9, 2021

Dear Growers,

I am writing to invite your participation in a workshop scheduled for 9:00 a.m. on March 9, 2021, to review and discuss draft proposals to implement a land-based assessment to recover certain District's costs to serve you. The District is currently going through the Proposition 218 process to identify the benefits lands within the District enjoy and to assess the proportional value of those benefits. The revenues the District is considering to collect through an assessment would fund, at a minimum, the payment of District obligations to the U.S. Bureau of Reclamation stemming from execution of a repayment contract, as provided for under the Water Infrastructure Improvements for the Nation Act (WIIN Act), and other agreements for water service from the Central Valley Project (CVP). The assessment may also fund future infrastructure improvements designed to improve operational efficiency and reduce costs to water users. In addition to an assessment, the District is also considering changes in land-based and water delivery rates to recover expenses for District operations and maintenance.

The workshop will be held via GoToMeeting and teleconference. In attendance will be the District's Board of Directors, Proposition 218 consulting engineers, bond counsel, municipal financial advisor, and consulting accountants. The workshop will cover the Proposition 218 process, proposed future rate structure and potential costs, key milestones, and a comment period to capture your input. Workshop materials and meeting access information will be posted on the District web site on March 5, 2021, under Governance/Board meetings and is available via email. If you would like to receive notice of the District's meetings by email, or have any other questions or comments, please do not hesitate to contact me directly.

The direction set by the Board of Directors in December to execute our CVP repayment contract, and the decisions to be made in the months ahead about how to fund the future services of the District, are rare watershed moments. Effective July 1, 2021, the District will no longer be burdened by the cost and uncertainty of interim renewal contracts, and beginning March 1, 2022 growers may be relieved of some of the burdens of managing the requirements of the Reclamation Reform Act if the District is able to fully repay its CVP capital obligation prior to August 31, 2021. As we consider ways to fund these opportunities, we too have a chance to explore an alternative rate structure aimed at providing greater stability and predictability to the recovery of the District's operating expenses. Your voice in this process can only improve the outcome. We look forward to hearing from you along the way.

Sincerely,

Ara Azhderian  
General Manager