



CHARLESTON DRAINAGE DISTRICT

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April 29, 2022

Subject: 2022-23 Fiscal-Year Drainage Service Fee

Dear landowners,

As difficult conditions persist into the 2022 growing season, the District's Board of Directors has again directed staff to maintain minimal efforts within the District to minimize drainage service costs to the greatest extent practicable. The reality is that the majority of costs incurred by the District stem from the activities of other agencies responsible for various aspects of drainage management that are related to, but separate from, the in-District work over which we have direct control. Despite soaring inflation, the combination of District cost control measures and reduced drainage management fees charged by affiliated agencies have held the cost increase to only about 4% over last year.

The increase also reflects additional administrative work necessary this year to perform the District's biennial financial audit and to fill vacancies on the Board of Directors following the resignation of Director Dominic Mercurio. The Board expresses its appreciation for Dominic's service and is beginning the process to recruit individuals to fill the two Board vacancies. The District will be posting the Notice of Vacancy on May 2nd and any landowner wishing to serve or nominate a representative for the Board should contact Lorena Chagoya at lchagoya@panochewd.org.

Your drainage service essentially occurs at three different stages. The first is in-District work. This is the operation and maintenance of the District's infrastructure and its administration. The second is the management of drainage, both agricultural and stormwater, at the San Joaquin River Improvement Project (SJRIIP). On January 1, 2020, new restrictions were imposed on the District by the Regional Water Quality Control Board that eliminated the ability to discharge agricultural drainage into the San Joaquin River (River). Going forward, only stormwater is permitted to be discharged; all agriculturally induced drainage must be managed intra-regionally, primarily at the SJRIIP. In 2019, we facilitated the establishment of a new joint-powers authority – the Grassland Basin Authority – to operate and maintain the SJRIIP. The third and final stage is stormwater management. During storm events, when intra-regional drainage management capacity is exceeded, stormwater is allowed to be discharged to the River through the San Luis Drain and Mud Slough – the Grassland Bypass Project – under the region's Long-Term Storm Water Management Plan. This stage is administered by the San Luis & Delta-Mendota Water Authority.

This collection of interconnected and interdependent projects provides a cost-effective, regional solution to meet the state and federal regulatory requirements under the Porter-Cologne Water Quality Control Act and Clean Water Act, thereby alleviating landowners of the burden, cost, and risk of litigation that could otherwise result from the alternative of securing the mandated permits individually. To support this essential work, the Board of Directors has established a budget of approximately \$270,000 for the 2022-23 fiscal-year. The budget is based upon the actual cost of providing drainage service to all lands within the District through the ongoing operation and maintenance of the District's facilities, while

also providing for its proportionate contributions to fund the SJRIP and Grassland Bypass Project. The drainage management costs generally breakdown as follows:

• Irrigated Lands Program	\$ 19,377	7%
• District Operations & Maintenance	\$ 32,700	12%
• District Administration	\$ 39,300	15%
• Grassland Bypass Project	\$ 61,939	23%
• San Joaquin River Improvement Project	\$ 116,478	43%

The budget translates into a Drainage Service Fee of \$70.50 per acre for tiled ground and \$14.50 per acre for non-tiled ground. The fees are proportional, as nearly as possible, to the services rendered. The District's Board of Directors is authorized under California Water Code Appendix 8-125 to set fees for drainage services and to collect the same from all persons receiving the benefit of the services. The District will bill the Drainage Service Fee in two increments, with the first installment included with this letter and the second in November. Each installment billing is due and payable within thirty-days of its date.

With all of the current challenges we face, rest assured we remain focused on controlling costs to minimize the Drainage Service Fee. If you should have any questions regarding your Drainage Service Fee billing, please contact Josh Marquez at (209) 364-6136 or billings@panochewd.org. If you should have any other questions, please feel free to contact me directly at the same number or by email at aazhderian@panochewd.org.

Respectfully,



Ara Azhderian
General Manager