

BOARD OF DIRECTORS MEETING | Agenda

THURSDAY, SEPTEMBER 23, 2021

CLOSED SESSION – 8:30 A.M. /OPEN SESSION – 10:30 A.M.

**VISALIA CONVENTION CENTER, 303 E. ACEQUIA AVE, VISALIA, CA 93291
SEQUOIA ROOM, 2ND FLOOR**

At the discretion of the Board of Directors, all items appearing on this agenda, whether or not expressly listed for action, may be subject to action by the Board. The order of agenda items is subject to change.

CALL TO ORDER/ROLL CALL – (LOEFFLER)

APPROVAL OF THE AGENDA – (LOEFFLER)

PUBLIC COMMENT ON CLOSED SESSION ITEMS – (DAVIS)

ADJOURN TO CLOSED SESSION

1. CLOSED SESSION

A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code section 54956.9(d)(1))

1. *California Natural Resources Agency v. Raimondo*, United States District Court for the Eastern District of California, Case No. 1:20-CV-00426-DAD-EPG
2. *Tehama Colusa Canal Authority v. California Dept. of Water Resources*, Sacramento County Superior Court, Case No. 34-2021-80003665-CU-WM-GDS

B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code section 54956.9(d)(2)) Significant Exposure to Litigation: Four potential matters.

C. CONFERENCE WITH LEGAL COUNSEL-INITIATION OF LITIGATION (Government Code section 54956.9(d)(4)) Initiation of Litigation: Three potential cases.

D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code section 54956.8) Property: Friant-Kern Canal facilities and right-of-way Agency negotiator: CEO, CFO, General Counsel Negotiating parties: United States (Bureau of Reclamation) Under negotiation: Middle Reach Capacity Correction Project Cost Share Agreement (price and terms of payment)

- E. **LIABILITY CLAIMS**
(Government Code section 54956.95)
Claimants: Martin Chavez et al.

RECONVENE INTO OPEN SESSION (10:30 AM) (Announce any reportable closed session action.)

PUBLIC COMMENT / PUBLIC PRESENTATIONS – (LOEFFLER)

Public comment is welcome at this time on any matter within the jurisdiction of the Board that is not on the agenda. Under the State's open meeting law - the Brown Act - no action may be taken on any item not on the agenda. Public comment on items on the agenda will be allowed at the time the Board considers the item.

2. CONSENT CALENDAR – (5 MINUTES)

The following routine matters will be acted upon by one vote, unless a Board Member requests separate consideration of the item.

- A. Approval of the Minutes – Board of Directors Meeting of August 26, 2021. (Loeffler)
- B. Accept Cash Activity Reports for August 2021 and pay the bills for September 2021. (Loeffler)

3. ACTION ITEMS (40 MINUTES)

- A. FY 2022 OM&R Budget - Final approval of the proposed FY 2022 OM&R Budget. (Orvis/DeFlitch/Hickernell)
- B. Review and acceptance of the Financial Statements and Independent Audit Report for Fiscal Year ending September 30, 2019. (Orvis/Hudson, Henderson, & Co.)
- C. Proposed Employee Cost-of-Living Adjustment for Fiscal Year 2022. (DeFlitch/Garcia)
- D. Facilities Relocation Agreement between Southern California Edison Company, Friant Water Authority and the Bureau of Reclamation for the Middle Reach Capacity Correction Project – Request approval of the agreement and authorization for the COO to execute subject to final approval as to form by General Counsel. (Davis)
- E. Board Strategic Planning Session Update. (Phillips)

4. GENERAL UPDATES & REPORTS (65 MINUTES)

- A. FKC Middle Reach Capacity Correction Project Activities and Schedule Update. (DeFlitch/Davis/Phillips) (10 minutes)
- B. Water Operations Update. (Buck-Macleod) (10 minutes)
- C. External Affairs Activities. (Biering/Amaral) (10 minutes)

- D. San Joaquin Valley Blueprint Update. (Ewell) (10 minutes)
- E. O&M Report. (DeFlitch) (5 minutes)
- F. San Luis Delta-Mendota Water Authority Update. (Phillips/Orvis) (10 minutes)
- G. CEO Report. (Phillips) (10 minutes)

Public Participation Information

Agenda reports and other disclosable public records related to each Open Session agenda item are available on FWA's website under "Calendar" at Friantwater.org and at FWA's main office, 854 N. Harvard Ave., Lindsay, CA 93247, during regular business hours. Under the Americans with Disabilities Act, if you require a disability-related modification or accommodation to participate in this meeting, including auxiliary aids or services, please contact Toni Marie at 559-562-6305 at least 48 hours prior to the meeting.



BOARD OF DIRECTORS MEETING | Minutes

AUGUST 26, 2021

Visalia Convention Center – Sequoia Room

303 E. Acequia Ave, Visalia, CA 93291

CLOSED SESSION - 8:30 A.M. /OPEN SESSION – 10:30 A.M.

CALL TO ORDER/ROLL CALL

Chairman Cliff Loeffler called to order the noticed meeting of the Board of Directors of the Friant Water Authority at 8:30 a.m.

ROLL CALL

Chief Executive Officer, Jason R. Phillips noted that a quorum of the Board of Directors was present.

ATTENDANCE:

Directors Present:

Edwin Camp	Arvin-Edison W.S.D. (AEWSD)
Brock Buche	City of Fresno (CofF)
George Porter	Fresno I.D. (FID)
Chris Tantau	Kaweah Delta W.C.D. (KDWCD)
Kent Stephens	Kern-Tulare W.D. (KTWD)
Michael Brownfield	Lindmore I.D. (LID)
Cliff Loeffler	Lindsay-Strathmore I.D. (LSID)
Josh Pitigliano	Lower-Tule River I.D. (LTRID)
Jim Erickson	Madera I.D. (MID)
Eric Borba	Porterville I.D. (PID)
Steven G. Kisling	Saucelito I.D. (SID)
Matthew Leider	Teapot Dome W.D. (TPWD)
Edwin Wheaton	Terra Bella I.D. (TBID)
Rick Borges	Tulare I.D. (TID)

Non-FWA Directors Present:

None

Directors Absent:

Kole Upton	Chowchilla W.D. (CWD)
Loren Booth	Hills Valley I.D. (HVID)
David Brown	Orange Cove I.D. (OCID)

APPROVAL OF THE AGENDA

The Board approved the agenda as presented.

M/S/C – Motion by Director Leider, seconded by Director Pitigliano, to approve the agenda as presented. The motion carried. (Roll Call Vote: Ayes – AESWD, Coff, FID, KDWCD, KTWD, LID, LSID, MID, PID, SID, TPWD, TBID, TID; Nays – 0; Absent – CWD, HVID, OCID)

PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no closed session public comment.

ADJOURN TO CLOSED SESSION

1. CLOSED SSESSION ITEMS

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Government Code section 54956.9(d)(1))
 - 1. California Natural Resources Agency v. Raimondo, United States District Court for the Eastern District of California, Case No. 1:20-CV-00426-DAD-EPG
 - 2. Tehama Colusa Canal Authority v. California Dept. of Water Resources, Sacramento County Superior Court, Case No. 34-2021-80003665-CU-WM-GDS
- B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION (Government Code section 54956.9(d)(2)) Significant Exposure to Litigation: Five potential matters.
- C. CONFERENCE WITH LEGAL COUNSEL-INITIATION OF LITIGATION (Government Code section 54956.9(d)(4)) Initiation of Litigation: Three potential cases.
- D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS Property: Friant-Kern Canal facilities and right-of-way Agency negotiator: CEO, CFO, General Counsel Negotiating parties: United States (Bureau of Reclamation) Under negotiation: Middle Reach Capacity Correction Project Cost Share Agreement (price and terms of payment)

RECONVENE INTO OPEN SESSION

There was no action taken in closed session.

PUBLIC COMMENT / PUBLIC PRESENTATIONS

There was no closed session public comment.

2. CONSENT CALENDAR

- A. Accept Cash Activity Reports for June 2021 and pay the bills for July 2021. (Loeffler)

M/S/C – Motion by Director Borges, seconded by Director Erickson, to approve the consent calendar as presented. The motion carried. (Roll Call Vote: Ayes – AESWD, CofF, FID, KDWCD, KTWD, LID, LSID, LTRID, MID, PID, SID, TPWD, TBID, TID; Nays – 0; Abstain – 0; Absent – CWD, HVID, OCID)

3. ACTION ITEMS

- A. FKC Reverse Flow Pump-Back Project – Approval for COO to request deobligation of existing Reclamation Financial Assistance Agreement to request a new Financial Assistance Agreement with Reclamation.

M/S/C – Motion by Director Porter, seconded by Director Borba, to approve the request of deobligation of the existing Reclamation Financial Assistance Agreement and to request a new Financial Assistance Agreement with Reclamation. (Roll Call Vote: Ayes – AESWD, CofF, FID, KDWCD, KTWD, LID, LSID, LTRID, MID, PID, SID, TPWD, TBID, TID; Nays – 0; Abstain – 0; Absent – CWD, HVID, OCID)

- B. FY 2022 General Membership Budget – Approval of Proposed 2022 General Membership Budget and the FY 2022 First Quarter Call for Funds.

M/S/C – Motion by Director Kisling, seconded by Director Borba, to approve the Proposed 2022 General Membership Budget and the FY 2022 First Quarter Call for Funds. The motion carried. (Roll Call Vote: Ayes – AESWD, FID, KDWCD, KTWD, LID, LSID, LTRID, MID, PID, SID, TPWD, TBID, TID; Nays – 0; Abstain – CofF; Absent – CWD, HVID, OCID)

4. GENERAL UPDATES & REPORTS

- A. FKC Middle Reach Capacity Correction Project Activities and Schedule Update – COO DeFlicht and Janet Atkinson, Stantec, provided a project update as outlined in the agenda report.
- B. Water Operations Update – WRM Buck-Macleod provided a Water Operations update as outlined in the agenda report. CVP allocations have been unchanged from May 26th, and the CVP allocation for Friant remains at 20% for Class 1. Updated CVP operations projections were made available at the end of July, which continued to indicate CVP supplies from the Delta would not be sufficient to meet Exchange Contract demands later this summer. At this time, Friant Division water supplies (50 TAF of unallocated CVP water) are being used to meet Exchange Contractor demands via an exchange between Reclamation, DWR, FWA, AEWS, and the State Water Contractors (SWC). Upstream reservoirs have been aggressively reducing releases over the last few weeks as system demands are decreasing.

- C. External Affairs Activities – CEA Amaral and GAC Biering provided an External Affairs activities update as outlined in the agenda report. SB 559 (Hurtado) will be heard in the Assembly Appropriations Committee sometime today. The committee hearing is on what is referred to as "Suspense Calendar" day, which means that bills are simply listed in numerical order, their disposition is announced, and the outcome is not debated, as a general rule. However, Senator Hurtado is going to present the bill, and the support coalition will have witnesses in support.
- D. San Joaquin Valley Blueprint Update – Austin Ewell gave an update on the current activities of the San Joaquin Valley Blueprint as outlined in the agenda report. The SJV Water Collaborative Action Program (SJVWCAP) Planning Group has formed five working groups to draft an inter-caucus Problem statement and Solutions Sets. He also reported that a funding application has been prepared with participants FWA, FSU, Self Help, Sustainable Conservation and Leadership Council to study a five-county area within the Millerton Place of Use boundary related to surface water supply, recharge and drinking water supplies. In addition, the Water Blueprint was not selected by Reclamation for the 2021 WaterSmart Water Management Options Pilot (WMOP) Program. A debrief with BOR took place and BOR indicated a new program for Basin Studies is being unveiled and that the Blueprint would be a good candidate. Reclamation's Sacramento Office has committed to participating in the Blueprint.
- E. O&M Report – COO DeFlicht gave an update on O&M activities, as included in the packet.
- F. San Luis Delta-Mendota Water Authority Update – CFO Orvis gave an update on the current activities of the SLDMWA.
- G. Board Strategic Planning Session Review – CEO Phillips reported that staff is working on updating the Strategic Plan, a draft will be circulated soon for comments, and the updated Plan will be considered at the next Board of Directors Meeting.
- H. CEO Report – CEO Phillips gave an update on the current activities of his office.



ADJOURNMENT

The meeting adjourned at 1:20 p.m.

Jason R. Phillips, Chief Executive Officer
Friant Water Authority

Mia Swenson, Recording Secretary
Friant Water Authority

OTHERS IN ATTENDANCE:

Christopher Hunter	FWA
Savie Herrera	FWA
Jocelyn Bean	FWA
Vivian Garcia	FWA
Mia Swenson	FWA
Jason Phillips	FWA
Doug DeFlitch	FWA
Wilson Orvis	FWA
Ian Buck-Macleod	FWA
Chris Hickernell	FWA
Alex Biering	FWA
Don Davis	FWA General Counsel
John Bezdek	FWA General Counsel
Mike Villines	Villines Group
Tom Barcellos	Lower Tule River I.D.
Steve Dalke	Kern-Tulare W.D.
Keith Clem	Orange Cove I.D.
Tom Weddle	Exeter I.D./Ivanhoe I.D.
Eric Quinley	Delano Earlimart I.D.
Roland Gross	So. San Joaquin M.U.D.
Austin Ewell	SJV Blueprint
Don Wright	Waterwrights.com
Kuyler Crocker	California Citrus Mutual
William West	Stone Corral I.D.
Mark Larsen	Kaweah-Delta W.C.D.
John Gailey	Delta View Water Association
Dale Brogan	Shafter-Wasco I.D.
Geoff Vanden Heuvel	Milk Producers Council
Aubrey Mauritsen	Visalia Law
Brian Thomas	Contractor
Janet Atkinson	Stantec
Walter Bourez	MBK
Jeff Giumarra	Arvin-Edison W.S.D.
Jeevan Muhar	Arvin-Edison W.S.D.
Brandon Tomlinson	Chowchilla W.D.
Bill Stretch	Fresno I.D.
Mike Hagman	Lindmore I.D.

Craig Wallace
Eric Limas
Tommy Greci
Dina Nolan
Fergus Morrissey
Arlen Miller
Sean Geivet
Aaron Fukuda
Bill Luce
Steve Ottemoeller
Alan Doud
Scott Kuney
Shelly Abajian

Lindsay-Strathmore I.D.
Lower Tule River I.D., Tea Pot Dome W.D.
Madera I.D.
Madera I.D.
Orange Cove I.D.
Orange Cove I.D.
Porterville I.D., Saucelito I.D., Terra Bella I.D.
Tulare I.D.
Contractor
Contractor
Young Wooldridge
Young Wooldridge
U.S. Senator Dianne Feinstein

Agenda Report

No.2.B

DATE: September 23, 2021

TO: Board of Directors

FROM: Wilson Orvis, CFO

SUBJECT: Approve Bills for month of September 2021 and Accept Budget-to-Actuals and Cash Activity Reports for month ending August 2021

SUMMARY:

The Finance Committee met on September 20, 2021 and reviewed the bills for September 2021 and the Cash Activity Reports for August 2021. There was a quorum at the meeting.

FINANCE COMMITTEE ACTION:

At the September 20, 2021 meeting the Finance Committee acted to recommend that Board of Directors approve payment of the September 2021 bills in the amount of \$2,895,940.57 and accept the Cash Activity Reports for August 2021.

SUGGESTED MOTION:

The Board of Directors approve payment of the September 2021 bills in the amount of \$2,895,940.57 and accept the August 2021 Cash Activity Reports.

BUDGET IMPACT:

\$350,204.35 is chargeable to the FY 2021 Operations, Maintenance, and Replacement (OM&R) Budget [(excluding the Middle Reach Capacity Correction Project (MRCCP)); \$1,125,198.76 is attributable to the MRCCP; \$79,831.61 chargeable to the FY 2021 GM Budget and \$242,751.63 chargeable to grant agreements. In addition, there were \$1,097,954.22 in payments to San Luis & Delta Mendota Water Authority, all of which was for forecasted Exchange Contractor deliveries for the month of October 2021.

ATTACHMENTS:

Friant Water Authority Bills to be Paid for the month of September 2021.
Friant Water Authority Budget-to-Actuals and Cash Activity Reports for month ending August 2021

FRIANT WATER AUTHORITY EXPENDITURES TO BE RATIFIED, SEPTEMBER 2021

<u>PAYEE</u>	<u>O&M FUND</u>	<u>GM FUND</u>	<u>TOTAL</u>	<u>DESCRIPTION</u>
BILLS PAID SEPTEMBER 10, 2021				
AAA TRUCK SERVICE, INC.	256.51	-	256.51	Repair parts-spray rig, & pickups
ACWA / JPIA	900.00	-	900.00	Crime policy
AMARAL, JOHNNY	464.80	1,154.16	1,618.96	Expense claim reimbursement
AMAZON CAPITOL SERVICES, INC.	744.08	-	744.08	Office supplies
ASPHALT COATING & SUPPLIES	576.47	-	576.47	Asphalt for road maintenance
AT&T	434.13	-	434.13	Telephone services
AUTO ZONE, INC.	387.30	-	387.30	1-Battery #1024 & 1-Battery #1019
BATTERY SYSTEMS INC.	326.36	-	326.36	1-Battery #1308 & 1-Battery-Shop
BLANKINSHIP & ASSOCIATES, INC.	3,016.67	-	3,016.67	Aquatic Weed NPDES Permit - monthly
CALIF. TURF EQUIPMENT& SUPPLY, INC.	19.31	-	19.31	Repair parts for pickup
CASHIER, DPR	60.00	-	60.00	Continuing QAC hours
CITY OF DELANO	233.43	-	233.43	Monthly Utilities
COMCAST	568.20	-	568.20	Internet-Sacramento office
CRAIGS AUTO PARTS	218.53	-	218.53	Repair parts for trailer
CREATIVE FINANCIAL STAFFING, LLC	3,819.47	-	3,819.47	Temporary office administration
CULLIGAN WATER CONDITION	159.65	-	159.65	Bottled Water for Water Ops.
DACO FARM SUPPLY	155.11	-	155.11	Repair Parts for Pickups
DELANO EQUIPMENT	232.20	-	232.20	45' Boom lift towable - rental equipment
DELLAVALLE LABORATORY INC	780.00	-	780.00	Water analysis
DINUBA LUMBER COMPANY	206.14	-	206.14	Hardware for OC yard
DOUG DeLEO WELDING	125.84	-	125.84	Welding shop supplies
E M THARP INC	589.33	-	589.33	Repair parts for tractor
EXECUTIVE SUITES AT RIVER BLUFF, LP	-	2,005.00	2,005.00	Rent-Fresno office
FASTENAL COMPANY	408.79	-	408.79	Hardware for OC yard
FOOTHILL AUTO TRUCK & AG PARTS, INC.	1,225.51	-	1,225.51	Supplies for OC yard
FRESNO TRUCK CENTER	63.40	-	63.40	Repair parts for trailer
FRONTIER	935.43	-	935.43	Telephone services-Lindsay
FRUIT GROWERS SUPPLY CO	633.60	-	633.60	Supplies for OC yard
GRAINGER	485.04	-	485.04	Supplies for OC yard
GRAYBAR	4,211.22	-	4,211.22	Woolomes sight Transformer upgrade
GROSSMAYER & ASSOCIATES	540.00	-	540.00	Modify A/R invoice to print comments & correct social security withheld
HIGH SIERRA LUMBER & SUPPLY, INC.	217.49	-	217.49	Materials-bridge maintenance
HOME DEPOT CREDIT SERVICES	1,870.57	-	1,870.57	Supplies for all yards
HYDRAULIC CONTROLS INC	789.40	-	789.40	Repair parts for boom truck
JORGENSEN COMPANY	159.79	-	159.79	Safety supplies-Lindsay yard
KAN VENTURES, INC.	6,000.00	4,000.00	10,000.00	Consulting services-August
LAWSON PRODUCTS	87.05	-	87.05	Hardware for Mechanic
LINCOLN NATIONAL LIFE INSURANCE CO.	3,642.43	510.91	4,153.34	Life insurance premiums
LINDSAY TRUE VALUE	80.40	-	80.40	Routine supplies-Lindsay yard
MARRIOTT VISALIA	4,138.19	-	4,138.19	Board of Directors meeting
MARTENS CHEVROLET	507.96	-	507.96	Repair parts for pickup
MARTIN TERMITE & PEST CONTROL	45.00	-	45.00	Pest control-Kaweah house
MBK ENGINEERS	15,169.50	-	15,169.50	Consulting services-July (Reimburseable - \$2,731 from non-FKC contractors)
MICROSOFT	1,821.93	-	1,821.93	Office 365
MID VALLEY DISPOSAL	155.11	-	155.11	Monthly trash pickup-Lindsay
MOONLIGHT MAINTENANCE SERVICES	1,995.53	-	1,995.53	Janitor service for all yards

FRIANT WATER AUTHORITY EXPENDITURES TO BE RATIFIED, SEPTEMBER 2021

<u>PAYEE</u>	<u>O&M FUND</u>	<u>GM FUND</u>	<u>TOTAL</u>	<u>DESCRIPTION</u>
MORRIS LEVIN AND SON	49.29	-	49.29	Repair parts for wash system
NAPA AUTO PARTS	390.49	-	390.49	Tools for service truck & shop tools
OLDCASTLE INFRASTRUCTURE INC.	991.57	-	991.57	Transformer pad-Reservoir check
ORANGE COVE TIRE SERVICE	810.31	-	810.31	Light tires(4) and service
PACIFIC GAS & ELECTRIC	3,898.56	-	3,898.56	Utilities
PAPE KENWORTH	344.27	-	344.27	Air brake parts & gas mag 65
PAPE MACHINERY	47.28	-	47.28	Bucket tooth & pin
PBW DISTRIBUTOR INC	232.20	-	232.20	Shop-new radiator & misc. parts
PORTERVILLE FORD	154.28	-	154.28	Repair parts for pickup
PORTERVILLE ROCK & RECYCLE, INC.	346.57	-	346.57	Rock for Delano road maintenance
POWER BUSINESS TECHNOLOGY	38.62	-	38.62	Lease agreement
PRAXAIR DISTRIBUTION, INC	143.06	-	143.06	Welding supplies
PRUDENTIAL OVERALL SUPPLY	2,540.16	-	2,540.16	Janitor services for all yards
PSW	40.00	-	40.00	Confidential shedding service
ROBERT V. JENSEN, INC.	3,001.37	-	3,001.37	Fuel for Lindsay Yard
SAN JOAQUIN PAINT & GLASS	1,027.79	-	1,027.79	Paint for Delano yard
SAN JOAQUIN PEST CONTROL	150.00	-	150.00	Pest control-Lindsay yard
SAN JOAQUIN PEST CONTROL	59.00	-	59.00	Pest control-OC yard
SAN JOAQUIN PEST CONTROL	33.00	-	33.00	Pest control-Kings River house
SENATOR SEAGATE, L.P.	-	3,708.19	3,708.19	Rent-Sacramento office
SEVIERS AUTO SUPPLY	599.92	-	599.92	Reflex Truck Shock #3024 & radiator #3016
SMART & FINAL CORP	366.39	-	366.39	Kitchen supplies-all 3 yards
SNAP ON TOOLS	7,176.41	-	7,176.41	Vehicle A/C recharger
SO CAL GAS	119.05	-	119.05	Utilities
SO CAL GAS	46.25	-	46.25	Utilities
SOMACH SIMMONS & DUNN	-	25,116.01	25,116.01	Professional services-June & July
SOUTHERN CALIF EDISON	5,642.85	-	5,642.85	Utilities
SOUTHERN CALIFORNIA EDISON	272.80	-	272.80	New service meter-Reservoir check
SP PLUS CORPORATION-HYATT	-	400.00	400.00	Parking-Sacramento office (2)
SPARKLETTS	102.81	-	102.81	Water service-Lindsay office
SPARKLETTS	38.91	-	38.91	Water service-Kings River house
STANDARD INSURANCE CO	6,724.52	1,707.65	8,432.17	Survivors life insurance
STANTEC CONSULTING SERVICES INC.	7,188.25	-	7,188.25	Consulting services-August (Reimbursable - \$953 from non-FKC contractors)
TARGET SPECIALTY PRODUCTS	26,859.08	-	26,859.08	Roundup Custom (265 gallons)
TF TIRE & SERVICE	1,951.07	-	1,951.07	Grader service call, 4-tires #3018, 4-tires #1031
THE FERGUSON GROUP, LLC	4,200.00	2,800.00	7,000.00	Consulting services-July
THE WILSON BOHANNAN CO	296.74	-	296.74	Refurbished boxes-5
UNWIRED BROADBAND, INC.	299.98	-	299.98	Internet-OC and Delano yards
VALLEY PACIFIC PETROLEUM SERVICES, INC.	12,096.15	-	12,096.15	Fuel for 3 yards
VULCAN MATERIALS COMPANY	508.40	-	508.40	2-loads of asphalt-Orange Cove yard
WALOS AUTO REPAIR	450.84	-	450.84	Repair parts for pickups
WEISENBERGERS	414.21	-	414.21	Hardware-Lindsay and Water Ops
WORLD OIL ENVIRONMENTAL SERVICES	55.00	-	55.00	Deposal of hazardous waste
ZENITH INSURANCE COMPANY	8,906.00	-	8,906.00	Workers compensation
BILLS PAID SEPTEMBER 10, 2021	158,070.32	41,401.92	199,472.24	

Agenda No.2.B.3

FRIANT WATER AUTHORITY EXPENDITURES TO BE RATIFIED, SEPTEMBER 2021

<u>PAYEE</u>	<u>O&M FUND</u>	<u>GM FUND</u>	<u>TOTAL</u>	<u>DESCRIPTION</u>
BILLS TO BE PAID SEPTEMBER 23, 2021				
ABILITY	94.78	-	94.78	Water Ops, Canal alarm & answering service
ACWA / JPIA	82,145.62	6,801.41	88,947.03	Medical, dental and vision insurance
APPL LABS	228.00	-	228.00	Water analysis
ASPHALT COATING & SUPPLIES	226.15	-	226.15	Tac oil for road maintenance
AUTO ZONE, INC.	64.88	-	64.88	Repair parts for pickups
BANK OF AMERICA	12,295.51	2,826.86	15,122.37	Various visa charges
BILL LUCE CONSULTING	429.00	561.00	990.00	Consulting services-August
BLANKINSHIP & ASSOCIATES, INC.	3,016.67	-	3,016.67	2021 NPDES aquatic weed permit - monthly
BOOT BARN INC.	140.00	-	140.00	Safety boots
BURKE, WILLIAMS & SORESENSEN, LLP	21,620.50	1,475.00	23,095.50	Professional sevices-July
CITY OF LINDSAY	355.24	-	355.24	Utilities
CITY OF ORANGE COVE	451.06	-	451.06	Utilities
COMMUTER INDUSTRIES	-	150.00	150.00	Watering hole podcast
CULLIGAN	108.00	-	108.00	Water sevice-OC yard
DELANO EQUIPMENT	232.20	-	232.20	Equipment rental
DELLAVALLE LABORATORY INC	111.00	-	111.00	Water analysis
FASTENAL COMPANY	420.85	-	420.85	Hardware for OC yard
FLEET TEK, INC	932.40	-	932.40	Annual fee for equipment monitoring (GPS)
FOOTHILL AUTO TRUCK & AG PARTS, INC.	766.16	-	766.16	Supplies for OC yard
FRUIT GROWERS SUPPLY CO	84.42	-	84.42	Supplies for OC yard
FUSION CLOUD SERVICES, LLC	506.71	-	506.71	Telephone services
GRAINGER	51.23	-	51.23	Office supplies-OC yard
HOME DEPOT CREDIT SERVICES	3,035.50	-	3,035.50	Supplies for all three yards
JIM'S STEEL SUPPLY	860.04	-	860.04	Metal materials-Delano yard
JIM'S SUPPLY CO., INC.	1,998.20	-	1,998.20	Electrical panel holders for gate check - Poso Bridge
LAWSON PRODUCTS	18.34	-	18.34	Hardware for Mechanic
LINDSAY TRUE VALUE	42.39	-	42.39	Supplies for Lindsay yard
MOBILE AG & INDUSTRIAL SUPPLY	1,475.24	-	1,475.24	Purchase of new ones-current over 10 years old - 3 units
MONARCH FORD	1,910.72	-	1,910.72	Repair parts for pickups
ORANGE COVE TIRE SERVICE	955.22	-	955.22	Light tires (6) and service
OTTEMOELLER CONSULTING SERVICES, LLC	3,014.00	513.75	3,527.75	Consulting services-August
PAESANO FARMS	9,338.18	-	9,338.18	Targeted grazing 15.56 acres/\$600
PALM OCCUPATIONAL MEDICINE	145.00	-	145.00	Pre placement exam
PAPE KENWORTH	43.56	-	43.56	Radiator cap for spray rig
PBM SUPPLY & MFG., INC.	58.93	-	58.93	Propeller for spray rig #1111
PBW DISTRIBUTOR INC	1,250.24	-	1,250.24	Repair parts for pickup #3014
PRUDENTIAL OVERALL SUPPLY	1,133.41	-	1,133.41	Janitor services for all yards
QUILL CORPORATION	554.76	-	554.76	Office supplies
QUINN COMPANY	61.24	-	61.24	Repair part for back hoe
SAFETY NETWORK TRAFFIC SIGNS	4,906.09	-	4,906.09	Safety signs for canal
SAN JOAQUIN PAINT & GLASS	1,131.49	-	1,131.49	Paint for paint shop building-Delano yard
SAN JOAQUIN PEST CONTROL	90.00	-	90.00	Pest control-Lindsay yard
SAN JOAQUIN PEST CONTROL	42.00	-	42.00	Pest control-Delano yard
SAN JOAQUIN SAFETY SHOES	173.20	-	173.20	Safety boots-\$33.20 reimbursable
SERRANO, JAIRO	57.07	-	57.07	Aflec insurance lost check replacement

FRIANT WATER AUTHORITY EXPENDITURES TO BE RATIFIED, SEPTEMBER 2021

<u>PAYEE</u>	<u>O&M FUND</u>	<u>GM FUND</u>	<u>TOTAL</u>	<u>DESCRIPTION</u>
SEVIERS AUTO SUPPLY	91.24	-	91.24	Repair parts for generator
SO CAL GAS	28.26	-	28.26	Utilities
SOAPMAN OF KERN COUNTY	228.38	-	228.38	Supplies for Mechanic
STOEL RIVES LLP	-	5,312.73	5,312.73	Professional services-July
STOP ALARM, INC.	77.00	-	77.00	Replacement battery for alarm
TARGET SPECIALTY PRODUCTS	16,313.75	-	16,313.75	Cheetah Pro herbicide (265 gallons)
TELCION COMMUNICATIONS GROUP	1,934.00	-	1,934.00	IT support
TF TIRE & SERVICE	221.00	-	221.00	Electric high speed balance for (6) tires #2025
THE REDESIGN GROUP	1,500.00	-	1,500.00	Network support
TULARE CO. ENVIRONMENTAL HEALTH	758.00	-	758.00	Fee for hazardous materials
VALLEY PACIFIC PETROLEUM SERVICES, INC.	250.00	-	250.00	Pump take out fee-reverse flow-reimbursable
VAST NETWORKS	800.00	-	800.00	Internet-Lindsay
VERIZON WIRELESS	4,570.83	-	4,570.83	SCADA mobile to mobile & cell phones
VILLINES GROUP, LLC	6,975.00	1,125.00	8,100.00	Consulting services-August
WATER AND POWER LAW GROUP PC	-	19,663.94	19,663.94	Professional services-August
WORLD OIL ENVIRONMENTAL SERVICES	135.31	-	135.31	Disposal of hazardous waste
XEROX FINANCIAL SERVICES	1,676.06	-	1,676.06	Lease agreement
BILLS TO BE PAID SEPTEMBER 23, 2021	192,134.03	38,429.69	230,563.72	
BILLS PAID SEPTEMBER 10, 2021	158,070.32	41,401.92	199,472.24	
O&M ROUTINE TOTAL SPENDING FOR SEPTEMBER 2021	350,204.35	79,831.61	430,035.96	Note: \$1,249.10 of reverse flow pumping costs will be recovered from Kern-Tulare & Delano-Earlimart.
CHECKS TO BE RECOVERED VIA GRANT(S)	-	242,751.63	242,751.63	
SAN LUIS DELTA-MENDOTA WATER AUTHORITY - PAID VIA WIRE	-	1,097,954.22	1,097,954.22	Note: \$3,093.99 of water supply & coordination costs will be allocated among the contractors.
MRCCP - LAND ACQUISITION	-	1,125,198.76	1,125,198.76	
NON-ROUTINE O&M	-	2,465,904.61	\$ 2,465,904.61	
GRAND TOTALS	\$ 350,204.35	\$ 2,545,736.22	\$ 2,895,940.57	BILLS PAID SEPTEMBER 10, 2021 = \$1,125,000.00

FRIANT WATER AUTHORITY EXPENDITURES TO BE RATIFIED, SEPTEMBER 2021

GRANTS

PAYEE	Pump Back	Winn/SJRRP	TOTAL	DESCRIPTION
BENDER ROSENTHAL INCORPORATED		\$ 93,974.41	\$ 93,974.41	Consulting services-June & July
BILLS PAID SEPTEMBER 10, 2021	\$ -	\$ 93,974.41	\$ 93,974.41	
STANTEC CONSULTING SERVICES INC.		\$ 119,557.67	\$ 119,557.67	Consulting sevices-July
BURKE, WILLIAMS & SORENSEN, LLP		\$ 29,219.55	\$ 29,219.55	Professional sevices-August
BILLS TO BE PAID SEPTEMBER 23, 2021	\$ -	\$ 148,777.22	\$ 148,777.22	
GRAND TOTALS	\$ -	\$ 242,751.63	\$ 242,751.63	

FRIANT WATER AUTHORITY

CASH ACTIVITY BALANCE MONTH ENDING AUGUST 31, 2021

	Beginning Balance	Increases	Decreases	Ending Balance
FKC Operations & Maintenance	\$ 9,861,097	\$ 2,747,129	\$ (3,841,994)	\$ 8,766,232
SLDMWA	\$ 3,786,690	\$ 4,067,036	\$ (4,358,082)	\$ 3,495,644
Total	\$ 13,647,787	\$ 6,814,166	\$ (8,200,077)	\$ 12,261,876
General Member	\$ 988,723	\$ -	\$ (125,746)	\$ 862,976
			Total	\$ 13,124,853

BANK ACTIVITY BALANCE MONTH ENDING AUGUST 31, 2021

Local Agency Investment Fund	\$ 11,488,177	\$ -	\$ -	\$ 11,488,177
Bank of the Sierra	\$ 3,148,333	\$ 6,814,166	\$ (8,325,823)	\$ 1,636,675
			Total	\$ 13,124,853

NOTE: Cash on deposit with LAIF represents the consolidation of available balances held by all FWA funds. Most Current Interest Rate: For month ended August 31, 2021 , effective yield, 0.221%

Total LAIF fund as of August 31, 2021: \$35,906,713,888.39

The Authority's investments are in compliance with its Statement of Investment Policy dated July 22, 2004.

Management believes it is fully able to meet its expenditure requirements for the next six months.

**FRIANT WATER AUTHORITY
O&M FUND
CASH ACTIVITY REPORT
MONTH ENDING AUGUST 31, 2021**

	Checking & <u>Investments</u>	Payroll <u>Checking</u>	Petty <u>Cash</u>	<u>Total</u>
CASH BALANCE JULY 31, 2021	\$ 13,646,993	\$ -	\$ 794	\$ 13,647,787
Increases:				
District O&M receipts	1,106,355			1,106,355
SLDMWA receipts	4,067,036			4,067,036
Revenue from Subsidence Project-January to March 2021	797,690			797,690
Revenue from Subsidence Project-April to June 2021	829,168			829,168
Interest from Bank of Sierra	257			257
Miscellaneous deposits	734			734
Other Funds:				
Administration Allocation	12,925			12,925
Payroll deposits		363,809		363,809
Total Increases	6,814,166	363,809	-	7,177,975
Decreases:				
O&M Expenditures	404,479			404,479
Pump Back Project Expenditures	11,590			11,590
Subsidence Project Expenditures	300,761			300,761
Wire to SLDMWA - Estimated water usage - Sept. Estimate	1,411,125			1,411,125
Wire to SLDMWA - Retroactive rate adjustment WY2021	2,946,957			2,946,957
FKC-MRCCP Land purchases	2,564,115			2,564,115
FKC-MRCCP MOU with Tulare County Resource	152,292			152,292
	7,791,320	-	-	7,791,320
Retirement Matching	44,897			44,897
Bank charges	50			50
Payroll Cash Outlays	363,809	363,809		727,619
Total Decreases	8,200,077	363,809	-	8,563,886
CASH BALANCE BEFORE INTERFUND ACTIVITY	12,261,082	-	794	12,261,876
Interfund transfer from O&M	-			-
CASH BALANCE AUGUST 31, 2021	\$ 12,261,082	\$ -	\$ 794	\$ 12,261,876

**FRIANT WATER AUTHORITY
GENERAL MEMBERS FUND
CASH ACTIVITY REPORT
MONTH ENDING AUGUST 31, 2021**

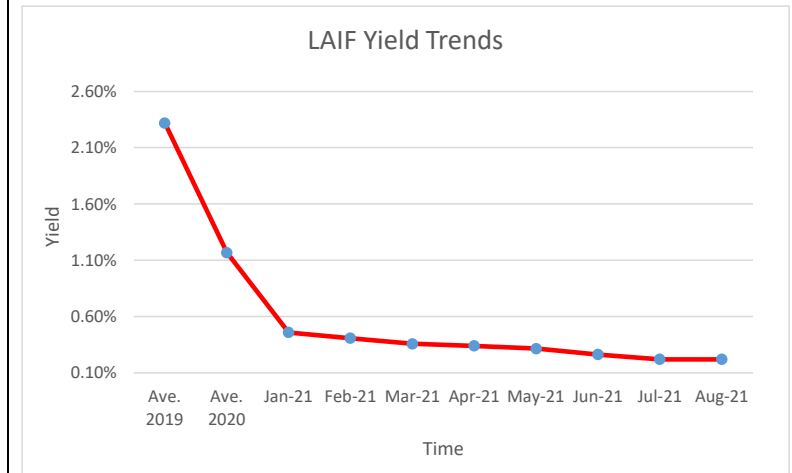
CASH BALANCE JULY 31, 2021		<u>\$ 988,723</u>
Increases:		
Member Assessments	<u>-</u>	
Total Cash Receipts		<u>\$ -</u>
Decreases:		
Conference Calls - service	11	
Consulting	6,575	
Meetings	4,870	
Professional Services	51,771	
Rent & Facility Expense	6,114	
Other Payroll Benefits	<u>10,324</u>	
	79,666	
Reimburse O&M:		
Current Month Payroll & Benefits	92,694	
Current Month Payroll & Benefits to O&M	(59,538)	
Administration Allocation	<u>12,925</u>	
Less Total Cash Disbursements		<u>\$ 125,746</u>
CASH BALANCE BEFORE INTERFUND ACTIVITY		<u>\$ 862,976</u>
Interfund transfer from O&M		\$ -
CASH BALANCE AUGUST 31, 2021		<u><u>\$ 862,976</u></u>

Agenda No.2.B.9

FRIANT WATER AUTHORITY
MONTH ENDING AUGUST 31, 2021
CASH ACTIVITY REPORT
LOCAL AGENCY INVESTMENT FUND (L.A.I.F.)
(FUNDS ON DEPOSIT WITH STATE OF CALIFORNIA)
CASH ACTIVITY REPORT

CASH BALANCE JULY 31, 2021	<u>\$ 11,488,177</u>
Increases:	
Transfer from checking	<u>\$ -</u>
Decreases:	
Transfer to checking	<u>\$ -</u>
CASH BALANCE AUGUST 31, 2021	<u><u>\$ 11,488,177</u></u>
Balance ascribed to:	
O&M Fund	\$ 10,732,814
General Member Fund	<u>\$ 755,363</u>
	<u><u>\$ 11,488,177</u></u>

NOTE: Cash on deposit with LAIF represents the consolidation of available balances held by all FWA funds. Most Current Interest Rate: For month ended August 31, 2021 , effective yield, 0.221%
Total LAIF fund as of August 31, 2021: \$35,906,713,888.39
The Authority's investments are in compliance with its Statement of Investment Policy dated July 22, 2004.
Management believes it is fully able to meet its expenditure requirements for the next six months.



Ave. 2019	2.32%
Ave. 2020	1.17%
Jan-21	0.46%
Feb-21	0.41%
Mar-21	0.36%
Apr-21	0.34%
May-21	0.32%
Jun-21	0.26%
Jul-21	0.22%
Aug-21	0.22%

FWA Budget Presentation

FY 2020 - 2021

Budget year: **91.7%** Completed

Operations & Maintenance	FY 2021 Budget	8/31/2021 Year to Date	Budget Remaining	Budget Spent %
Operations Dept				
Employee Salaries/Pay	848,053	693,306	154,748	81.8%
Employee Benefits	482,806	400,308	82,499	82.9%
Supplies & Services	783,265	808,807	(25,542)	103.3%
Total Operations	2,114,125	1,902,420	211,704	90.0%
Maintenance Dept				
Employee Salaries/Pay	2,056,820	2,148,100	(91,280)	104.4%
Employee Benefits	1,048,703	1,191,473	(142,770)	113.6%
Supplies & Services	2,346,017	1,610,957	735,060	68.7%
Total Maintenance	5,451,541	4,950,531	501,010	90.8%
Administration Costs	2,084,096	1,754,185	329,911	84.2%
Administration Costs allocated to GM	(212,500)	(132,196)	(80,304)	62.2%
Total Operations & Maintenance	9,437,262	8,474,940	962,322	89.8%
Special Projects				
Cost Recovery	-	(3,969,111)	3,969,111	
Spending	5,661,600	4,908,473	753,126	86.7%
Total Special Projects	5,661,600	939,362	4,722,237	16.6%
Total O&MR	15,098,862	9,414,302	5,684,560	62.4%
General Member	FY 2021 Budget	8/31/2021 Year to Date	FY 2021 Remaining	Budget spent %
Employee Salaries/Pay with Benefits	725,000	473,380	251,620	65.3%
Other supplies and services	310,000	158,592	151,408	51.2%
Admin Allocation to GM	212,500	145,121	67,379	68.3%
General Counsel	12,500	1,231	11,270	9.8%
Outside Legal Consultants	609,000	300,806	308,194	49.4%
Other Consultants	706,000	552,691	153,309	78.3%
Total General Member	2,575,000	1,631,821	943,179	63.4%

FWA Revenue Presentation

FY 2020 - 2021

Budget year: **91.7%** Completed

Operations & Maintenance	FY 2021 Budget	8/31/2021 Year to Date	Budget Remaining
Revenue			
Interest Income	106,000	27,401	78,599
Miscellaneous Income	-	54,354	(54,354)
Reverse Pumping Fee	-	228,281	(228,281)
Conveyance Fees		208,446	(208,446)
Federal Grant Revenue	-	3,969,111	(3,969,111)
O & M Revenue	15,098,862	13,840,629	1,258,233
Total Revenue	15,204,862	18,328,222	(3,123,361)
Expenses			
Total Operations	2,114,125	1,902,420	211,704
Total Maintenance	5,451,541	4,950,531	501,010
Administration Costs	1,871,596	1,621,989	249,608
Special Projects	5,661,600	4,908,473	753,126
Total O&MR Expenses	15,098,862	13,383,413	1,715,448

General Member	FY 2021 Budget	8/31/2021 Year to Date	FY 2021 Remaining
Revenue			
Interest Income	-	2,747	(2,747)
GM Revenue	2,563,000	1,922,250	640,750
NASA Airborne Snow Observatory	-	87,887	(87,887)
Associate Dues	12,000	9,000	3,000
Total Revenue	2,575,000	2,021,884	553,116
Total GM Expenses	2,575,000	1,631,821	943,179

Friant Water Authority
Budget vs Actual Expenses
YTD - 8/31/2021

Budget year: 91.7% Completed

	Total				Labor				Materials			
	Annual Budget	YTD Actual	% Of Bud	Projected Remaining	Budget	YTD Actual	Projected Remaining	Budget	YTD Actual	Projected Remaining		
MAINTENANCE												
Vehicle & Equipment Service	\$ 598,203	\$ 544,866	91.1%	\$ 53,337	\$ 187,628	\$ 158,847	84.7%	\$ 28,781	\$ 410,575	\$ 386,019	94.0%	\$ 24,556
Maintenance Supervision	297,690	310,478	104.3%	(12,788)	297,690	310,434	104.3%	(12,744)	-	44	0.0%	(44)
Right-of-Way Management	2,807	-	0.0%	2,807	2,807	-	0.0%	2,807	-	-	0.0%	-
Weed & Pest Control	643,989	691,757	107.4%	(47,769)	259,794	249,851	96.2%	9,944	384,194	441,907	115.0%	(57,712)
Implem Biol. Opinion	44,791	5,030	11.2%	39,761	-	-	0.0%	-	44,791	5,030	11.2%	39,761
Road Maintenance	158,684	9,388	5.9%	149,295	38,410	5,021	13.1%	33,390	120,274	4,368	3.6%	115,906
Yard & Building Maintenance	209,857	276,213	131.6%	(66,356)	67,870	128,870	189.9%	(61,000)	141,987	147,343	103.8%	(5,356)
Structure & Gate Maintenance	477,327	331,083	69.4%	146,244	179,709	216,406	120.4%	(36,697)	297,618	114,677	38.5%	182,940
Cleaning Right-of-Way	49,247	54,858	111.4%	(5,611)	49,247	54,615	110.9%	(5,368)	-	242	0.0%	(242)
Bargate & Guardrail Maint	42,336	33,317	78.7%	9,019	27,205	25,538	93.9%	1,667	15,130	7,779	51.4%	7,351
Embankment Maintenance	111,937	61,754	55.2%	50,183	89,232	61,754	69.2%	27,478	22,705	-	0.0%	22,705
Bridge Maintenance	61,764	40,283	65.2%	21,481	28,735	22,549	78.5%	6,186	33,029	17,734	53.7%	15,295
Miscellaneous Maintenance	18,857	14,320	75.9%	4,537	6,877	874	12.7%	6,002	11,981	13,446	112.2%	(1,465)
Reverse Flow Pumping	-	68,615	0.0%	(68,615)	-	8,128	0.0%	(8,128)	-	60,487	0.0%	(60,487)
Concrete Lining Maintenance	292,661	230,706	78.8%	61,955	180,940	132,854	73.4%	48,086	111,721	97,852	87.6%	13,870
Drainditch & Channel Maint.	31,704	67,053	211.5%	(35,350)	19,191	66,926	348.7%	(47,734)	12,512	128	1.0%	12,385
Fence Maintenance	46,597	40,101	86.1%	6,497	36,577	33,478	91.5%	3,099	10,020	6,623	66.1%	3,397
Mudjacking	20,260	448	2.2%	19,812	18,665	143	0.8%	18,522	1,595	305	19.1%	1,290
Painting	38,629	26,867	69.6%	11,762	24,917	20,380	81.8%	4,538	13,712	6,488	47.3%	7,224
Sump Pump Maintenance	1,988	2,752	138.5%	(764)	1,972	331	16.8%	1,641	16	2,421	14977.8%	(2,405)
Cross Drainage Structure Mtce	7,394	-	0.0%	7,394	7,394	-	0.0%	7,394	-	-	0.0%	-
Rip-Rapping	4,595	-	0.0%	4,595	4,595	-	0.0%	4,595	-	-	0.0%	-
Operations Supervision	54,972	38,165	69.4%	16,807	54,972	38,165	69.4%	16,807	-	-	0.0%	-
Water supply coordination & monitoring	299,686	295,316	98.5%	4,370	17,947	83,366	464.5%	(65,419)	281,739	211,950	75.2%	69,789
Legal Expense - Direct	5,125	9,410	183.6%	(4,285)	-	-	0.0%	-	5,125	9,410	183.6%	(4,285)
Safety & First Aid Training	48,545	26,061	53.7%	22,484	26,389	8,608	32.6%	17,781	22,156	17,453	78.8%	4,703
Office Admin (Typing etc.)	60,060	37,556	62.5%	22,504	60,060	33,639	56.0%	26,420	-	3,916	0.0%	(3,916)
Payroll Preparation	1,226	2,216	180.7%	(989)	1,226	2,216	180.7%	(989)	-	-	0.0%	-
Meetings (General)	28,079	72,770	259.2%	(44,691)	16,932	58,703	346.7%	(41,772)	11,147	14,067	126.2%	(2,920)
Meetings (Board of Directors)	165,720	174,480	105.3%	(8,760)	35,536	56,060	157.8%	(20,523)	130,183	118,420	91.0%	11,763
Meetings (Sub Committee)	12,384	54,042	436.4%	(41,658)	12,384	39,283	317.2%	(26,899)	-	14,759	0.0%	(14,759)
Meetings (Staff)	13,312	71,835	539.6%	(58,523)	12,197	71,657	587.5%	(59,460)	1,115	179	16.0%	936
Education & Training	39,695	7,503	18.9%	32,192	21,305	2,703	12.7%	18,602	18,390	4,800	26.1%	13,590
Procurement	3,874	324	8.4%	3,550	3,874	324	8.4%	3,550	-	-	0.0%	-
Inventory & Property Mgt.	4,125	4,839	117.3%	(714)	4,125	4,839	117.3%	(714)	-	-	0.0%	-
Employee Benefit (Holiday)	65,558	58,511	89.3%	7,046	65,558	58,511	89.3%	7,046	-	-	0.0%	-
Employee Benefit (Sick Pay)	86,031	101,050	117.5%	(15,018)	86,031	91,361	106.2%	(5,330)	-	9,688	0.0%	(9,688)
Employee Benefit (Vacation)	102,257	101,191	99.0%	1,066	102,257	86,543	84.6%	15,714	-	14,648	0.0%	(14,648)
Employee Benefit (Jury Duty)	-	1,025	0.0%	(1,025)	-	1,025	0.0%	(1,025)	-	-	0.0%	-
Travel	33,224	7,795	23.5%	25,429	-	-	0.0%	-	33,224	7,795	23.5%	25,429
Personnel Administration	3,951	75	1.9%	3,876	3,951	75	1.9%	3,876	-	-	0.0%	-
Retirement, Health Ins, PR Taxes	794,857	929,697	117.0%	(134,839)	-	-	0.0%	-	794,857	929,697	117.0%	(134,839)
Workers Comp. Insurance	90,938	-	0.0%	90,938	-	-	0.0%	-	90,938	-	0.0%	90,938
Legal Expense-Indirect	48,768	314	0.6%	48,454	-	-	0.0%	-	48,768	314	0.6%	48,454
Utilities	82,774	80,239	96.9%	2,535	-	-	0.0%	-	82,774	80,239	96.9%	2,535
Telephone Expense	-	4,227	0.0%	(4,227)	-	-	0.0%	-	-	4,227	0.0%	(4,227)
Office supplies	-	120	0.0%	(120)	-	-	0.0%	-	-	120	0.0%	(120)
Merit Awards	30,560	-	0.0%	30,560	-	-	0.0%	-	30,560	-	0.0%	30,560
Dues & Subscriptions	4,308	5,629	130.7%	(1,321)	-	-	0.0%	-	4,308	5,629	130.7%	(1,321)
Budget Preparation	2,619	5,074	193.7%	(2,455)	2,619	5,074	193.7%	(2,455)	-	-	0.0%	-
Archiving & Data Storage	-	8,950	0.0%	(8,950)	-	8,950	0.0%	(8,950)	-	-	0.0%	-
Vehicle & Equipment Acquisition	207,573	42,225	20.3%	165,348	-	-	0.0%	-	207,573	42,225	20.3%	165,348
Services for outside contracts	-	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-
TOTAL EXPENSES: MAINTENANCE	5,451,541	4,950,531	90.8%	501,010	2,056,820	2,148,100	104.4%	(91,280)	3,394,721	2,802,430	82.6%	592,290

Friant Water Authority
Budget vs Actual Expenses
YTD - 8/31/2021

Budget year: **91.7%** Completed

Total				Labor				Materials			
Annual Budget	YTD Actual	% Of Bud	Projected Remaining	Budget	YTD Actual	Projected Remaining	Budget	YTD Actual	Projected Remaining		
\$ 1,057	\$ 3,658	346.06%	\$ (2,601)	\$ -	\$ -	0.00%	\$ -	\$ 1,057	\$ 3,658	346.06%	\$ (2,601)
243,819	322,091	132.10%	(78,272)	-	-	0.00%	-	243,819	322,091	132.10%	(78,272)
2,280	-	0.00%	2,280	-	-	0.00%	-	2,280	-	0.00%	2,280
76,987	22,375	29.06%	54,611	22,460	8,116	36.13%	14,345	54,526	14,259	26.15%	40,267
252,872	272,692	107.84%	(19,819)	70,576	121,060	171.53%	(50,484)	182,296	151,632	83.18%	30,665
1,200	1,542	128.48%	(342)	-	1,363	0.00%	(1,363)	1,200	179	14.90%	1,021
4,905	2,282	46.52%	2,623	-	-	0.00%	-	4,905	2,282	46.52%	2,623
-	159,666	0.00%	(159,666)	-	-	0.00%	-	-	159,666	0.00%	(159,666)
28,304	3,478	12.29%	24,826	-	-	0.00%	-	28,304	3,478	12.29%	24,826
29,736	40,570	136.43%	(10,834)	27,299	40,513	148.41%	(13,214)	2,437	56	2.32%	2,380
228,013	94,958	41.65%	133,056	46,765	33,731	72.13%	13,034	181,248	61,226	33.78%	120,022
123,236	144,492	117.25%	(21,255)	66,789	57,952	86.77%	8,836	56,448	86,539	153.31%	(30,092)
302,199	216,361	71.60%	85,838	301,397	216,361	71.79%	85,035	803	-	0.00%	803
82,930	81,742	98.57%	1,188	80,923	81,742	101.01%	(819)	2,006	-	0.00%	2,006
89,530	28,105	31.39%	61,425	89,530	28,105	31.39%	61,425	-	-	0.00%	-
37,524	8,942	23.83%	28,582	30,716	8,464	27.56%	22,252	6,809	478	7.02%	6,330
7,803	1,589	20.36%	6,214	-	157	0.00%	(157)	7,803	1,431	18.34%	6,372
-	346	0.00%	(346)	-	331	0.00%	(331)	-	16	0.00%	(16)
10,145	4,920	48.50%	5,225	3,346	287	8.59%	3,058	6,800	4,633	68.13%	2,167
1,317	2,375	180.33%	(1,058)	1,317	2,375	180.33%	(1,058)	-	-	0.00%	-
4,657	922	19.79%	3,735	4,657	922	19.79%	3,735	-	-	0.00%	-
20,991	11,981	57.08%	9,010	3,979	4,281	107.58%	(301)	17,011	7,700	45.26%	9,311
24,575	21,656	88.12%	2,918	24,575	21,656	88.12%	2,918	-	-	0.00%	-
32,766	32,002	97.67%	765	32,766	29,278	89.35%	3,488	-	2,724	0.00%	(2,724)
40,958	40,454	98.77%	504	40,958	36,207	88.40%	4,751	-	4,247	0.00%	(4,247)
-	402	0.00%	(402)	-	402	0.00%	(402)	-	-	0.00%	-
384,507	305,793	79.5%	78,714	-	-	0.0%	-	384,507	305,793	79.5%	78,714
-	137	0.00%	(137)	-	-	0.00%	-	-	137	0.00%	(137)
3,048	-	0.00%	3,048	-	-	0.00%	-	3,048	-	0.00%	3,048
30,565	5,900	19.30%	24,665	-	-	0.00%	-	30,565	5,900	19.30%	24,665
-	9,234	0.00%	(9,234)	-	-	0.00%	-	-	9,234	0.00%	(9,234)
-	56	0.00%	(56)	-	-	0.00%	-	-	56	0.00%	(56)
48,201	61,699	128.01%	(13,499)	-	-	0.00%	-	48,201	61,699	128.01%	(13,499)
\$ 2,114,125	\$ 1,902,420	90.0%	\$ 211,704	\$ 848,053	\$ 693,306	81.8%	\$ 154,748	\$ 1,266,072	\$ 1,209,115	95.5%	\$ 56,957

Friant Water Authority
Budget vs Actual Expenses
YTD - 8/31/2021

Budget year: 91.7% Completed

Budget vs Actual Expenses YTD - 8/31/2021	Total				Labor				Materials			
	Annual Budget	YTD Actual	% Of Bud	Projected Remaining	Budget	YTD Actual	Projected Remaining	Budget	YTD Actual	Projected Remaining		
ADMINISTRATION												
C. & I. Maint (ESI Equipment)	\$ 25,094	\$ 12,224	48.72%	\$ 12,869	\$ 25,094	\$ 12,224	48.72%	\$ 12,869	\$ -	\$ -	0.00%	\$ -
Right of way research	56,707	-	0.00%	56,707	56,707	-	0.00%	56,707	-	-	0.00%	-
Vehicle & Equipment Service	16,184	-	0.00%	16,184	-	-	0.00%	-	16,184	-	0.00%	16,184
Structure & Gate Maintenance	5,775	-	0.00%	5,775	201	-	0.00%	201	5,573	-	0.00%	5,573
Bridge Maintenance	305	-	0.00%	305	305	-	0.00%	305	-	-	0.00%	-
Meetings	4,448	-	0.00%	4,448	4,448	-	0.00%	4,448	-	-	0.00%	-
Employee Inspection	4,183	-	0.00%	4,183	4,183	-	0.00%	4,183	-	-	0.00%	-
Water supply coordination & monitoring	5,447	1,119	20.55%	4,328	5,447	1,119	20.55%	4,328	-	-	0.00%	-
Legal Expense - Direct	51,250	18,914	36.91%	32,336	-	-	0.00%	-	51,250	18,914	36.91%	32,336
Administrative Supervision	15,382	13,355	86.82%	2,027	15,382	13,355	86.82%	2,027	-	-	0.00%	-
Safety & First Aid Training	35,068	20,806	59.33%	14,262	1,084	1,374	126.67%	(289)	33,984	19,433	57.18%	14,551
Office Admin (Typing etc.)	75,950	136,427	179.63%	(60,477)	75,950	136,227	179.36%	(60,277)	-	200	0.00%	(200)
Payroll Preparation	11,437	10,625	92.90%	812	11,437	10,625	92.90%	812	-	-	0.00%	-
Meetings (General)	14,298	10,414	72.84%	3,884	14,298	4,503	31.50%	9,795	-	5,911	0.00%	(5,911)
Meetings (Board of Directors)	8,410	70,977	843.98%	(62,568)	8,410	15,116	179.74%	(6,706)	-	55,862	0.00%	(55,862)
Meetings (Sub Committee)	33,371	20,226	60.61%	13,145	4,143	12,678	306.01%	(8,535)	29,228	7,548	25.82%	21,680
Meetings (Staff)	22,084	12,472	56.47%	9,613	16,729	10,723	64.09%	6,007	5,355	1,749	32.66%	3,606
Education & Training	63,352	8,229	12.99%	55,123	22,495	2,391	10.63%	20,104	40,857	5,838	14.29%	35,019
Miscellaneous Administrative	289	2,243	775.23%	(1,954)	289	41	14.29%	248	-	2,202	0.00%	(2,202)
Procurement	4,649	-	0.00%	4,649	4,649	-	0.00%	4,649	-	-	0.00%	-
Inventory & Property Mgt.	423	317	74.95%	106	423	317	74.95%	106	-	-	0.00%	-
Employee Benefit (Holiday)	35,591	23,320	65.52%	12,271	35,591	23,320	65.52%	12,271	-	-	0.00%	-
Employee Benefit (Sick Pay)	39,616	26,158	66.03%	13,458	39,616	20,467	51.66%	19,149	-	5,691	0.00%	(5,691)
Employee Benefit (Vacation)	40,586	50,804	125.18%	(10,218)	40,586	52,036	128.21%	(11,451)	-	(1,232)	0.00%	1,232
Employee Benefit (Jury Duty)	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-
Data Processing	149,554	160,311	107.19%	(10,757)	49,768	43,005	86.41%	6,764	99,786	117,307	117.56%	(17,521)
Travel	22,179	25,664	115.71%	(3,485)	-	-	0.00%	-	22,179	25,664	115.71%	(3,485)
Accounting & Auditing	370,067	279,250	75.46%	90,816	342,199	266,820	77.97%	75,379	27,867	12,430	44.60%	15,437
Personnel Administration	96,561	96,539	99.98%	22	58,057	55,549	95.68%	2,508	38,504	40,990	106.46%	(2,486)
Retirement, Health Ins, PR Taxes	305,460	303,483	99.35%	1,977	-	-	0.00%	-	305,460	303,483	99.35%	1,977
Liability Insurance	158,286	100,173	63.29%	58,112	-	-	0.00%	-	158,286	100,173	63.29%	58,112
Workers Compensation Insurance	7,259	70,134	966.20%	(62,875)	-	-	0.00%	-	7,259	70,134	966.20%	(62,875)
Legal Expense - General	-	100	0.00%	(100)	-	-	0.00%	-	-	100	0.00%	(100)
Utilities	54,764	10,854	19.82%	43,911	-	-	0.00%	-	54,764	10,854	19.82%	43,911
Telephone Expense	95,087	57,821	60.81%	37,266	-	-	0.00%	-	95,087	57,821	60.81%	37,266
Office Supplies	40,129	33,669	83.90%	6,460	-	-	0.00%	-	40,129	33,669	83.90%	6,460
Employee Incentives & Awards	22,072	13,003	58.91%	9,069	-	-	0.00%	-	22,072	13,003	58.91%	9,069
Postage	5,337	4,352	81.54%	985	-	-	0.00%	-	5,337	4,352	81.54%	985
Dues & Subscriptions	114,994	94,534	82.21%	20,460	-	-	0.00%	-	114,994	94,534	82.21%	20,460
Budget Preparation	3,075	11,730	381.47%	(8,655)	-	11,730	0.00%	(11,730)	3,075	-	0.00%	3,075
Achieving & Data Storage	4,085	-	0.00%	4,085	2,971	-	0.00%	2,971	1,115	-	0.00%	1,115
Lease office equipment	27,054	32,044	118.44%	(4,990)	-	-	0.00%	-	27,054	32,044	118.44%	(4,990)
Vehicle & Equipment Acquisition	38,234	21,892	57.26%	16,342	-	-	0.00%	-	38,234	21,892	57.26%	16,342
Admin Reimb - GM Fund	(212,500)	(132,196)	62.21%	(80,304)	-	-	0.00%	-	(212,500)	(132,196)	62.21%	(80,304)

TOTAL EXPENSES: ADMINISTRATION	\$ 1,871,596	\$ 1,621,989	86.7%	\$ 249,608	\$ 840,463	\$ 693,621	82.5%	\$ 146,843	\$ 1,031,133	\$ 928,368	90.0%	\$ 102,765
---------------------------------------	---------------------	---------------------	--------------	-------------------	-------------------	-------------------	--------------	-------------------	---------------------	-------------------	--------------	-------------------

O&M 92% 1,716,715
GM 8% 145,121

Administration Total Allocated out

BUDGET ITEM	FYE 9/30/20	CURRENT YTD	REMAINING	NON-LABOR
CARRY OVER ITEMS FY 2020				
FKC Title Transfer (estimate)	578,334	65,470	512,864	n/a
Server	217,807	217,807	-	n/a
TOTAL CARRY OVER ITEMS FY 2020	796,140	283,277	512,864	n/a

Friant Water Authority
 Budget vs Actual Expenses
 YTD - 8/31/2021

Budget year: **91.7%** Completed

	Total				Labor				Materials			
	Annual Budget	YTD Actual	% Of Bud	Projected Remaining	Budget	YTD Actual	Projected Remaining	Budget	YTD Actual	Projected Remaining	Budget	YTD Actual
SPECIAL PROJECTS												
USBR Pump Back Project - Grant Dollars	\$ -	(1,172,399)	0.00%	1,172,399	\$ -	\$ (32,293)	0.00%	32,293	\$ -	\$ (1,140,106)	0.00%	1,140,106
USBR Pump Back Project	25,000	1,286,000	5144.00%	(1,261,000)	-	27,829	0.00%	(27,829)	25,000	1,258,171	5032.68%	(1,233,171)
FKC Subsidence - Grant Dollars	-	(2,796,712)	0.00%	2,796,712	-	\$ (133,304)	0.00%	133,304	\$ -	\$ (2,663,408)	0.00%	2,663,408
FKC Subsidence	5,000,000	2,919,443	58.39%	2,080,557	96,705	120,764	124.88%	(24,059)	4,903,295	2,798,679	57.08%	2,104,616
FKC Capacity Correction	-	527,007	0.0%	(527,007)	-	77,384	0.0%	(77,384)	-	449,623	0.0%	(449,623)
Upper Reach Capacity Correction	-	59,205	0.0%	(59,205)	-	8,884	0.0%	(8,884)	-	50,321	0.0%	(50,321)
GSA Engagement	536,600	73,661	13.7%	462,939	-	32,896	0.0%	(32,896)	536,600	40,765	7.6%	495,835
MRCCP Construction in progress	-	617	0.0%	(617)	-	617	0.0%	(617)	-	-	0.0%	-
Water Quality	100,000	42,540	42.5%	57,460	37,610	13,961	37.1%	23,649	62,390	28,579	45.8%	33,811
TOTAL EXPENSES: SPECIAL PROJECTS	5,661,600	939,362	16.6%	4,722,237	134,315	116,738	86.9%	17,576	5,527,285	822,624	14.9%	4,704,661

Friant Water Authority
Budget vs Actual Expenses
YTD - 8/31/2021

Budget year: 91.7% Completed

	Total				Labor				Materials			
	Annual Budget	YTD Actual	% Of Bud	Projected Remaining	Budget	YTD Actual	Projected Remaining	Budget	YTD Actual	Projected Remaining		
GENERAL MEMBERSHIP												
Meeting - Board of Directors	-	-	n/a	n/a		-	n/a	n/a		-	n/a	n/a
Employee Benefit (Holiday)	\$ 51,703	\$ 26,994	52%	24,709	\$ 51,703	\$ 26,994	52%	24,709	\$ -	\$ -	0%	-
Employee Benefit (Sick Pay)	90,985	28,174	31%	62,811	52,316	6,221	12%	46,096	38,669	21,954	57%	16,715
Employee Benefit (Vacation)	119,382	59,862	50%	59,519	88,920	43,439	49%	45,481	30,462	16,423	54%	14,038
Travel	20,615	15,226	74%	5,389	-	-	0%	-	20,615	15,226	74%	5,389
Employee Retirement - OC Maint	192,852	58,610	30%	134,242	91,762	-	0%	91,762	101,090	58,610	58%	42,480
Retirement Administration	7,155	5,271	74%	1,884	-	-	0%	-	7,155	5,271	74%	1,884
Medical & Disability Insurance - OC Maint	106,939	31,489	29%	75,450	51,979	-	0%	51,979	54,960	31,489	57%	23,471
Payroll Taxes	14,117	7,237	51%	6,880	12,488	-	0%	12,488	1,629	7,237	444%	(5,608)
Utilities	3,874	1,525	39%	2,350	-	-	0%	-	3,874	1,525	39%	2,350
City of Fresno vs USA (JDA)	12,633	7,525	60%	5,108	-	-	0%	-	12,633	7,525	60%	5,108
GM Administrative Costs	257,871	161,390	63%	96,482	113,667	71,004	62%	42,664	144,204	90,386	63%	53,818
Administration Allocation	212,500	132,196	62%	80,304	-	-	0%	-	212,500	132,196	62%	80,304
Water Supply Mgmt - General Implementation	21,798	13,414	62%	8,384	20,018	12,633	63%	7,385	1,780	781	44%	999
Friant Supply, Tracking, Policies & Defense	20,893	65,689	314%	(44,797)	19,121	16,688	87%	2,432	1,772	49,001	2765%	(47,229)
Delta Supply, Tracking, Policies & Defense	235,401	170,811	73%	64,590	19,490	12,162	62%	7,328	215,911	158,649	73%	57,262
San Joaquin Settlement	111,499	61,485	55%	50,014	24,042	13,206	55%	10,836	87,457	48,279	55%	39,178
Reconsultation (CVP/SWP LTO)	618	283	46%	334	618	283	46%	334	-	-	0%	-
Friant Sustainability Plan	697	2,361	339%	(1,664)	-	-	0%	-	697	2,361	339%	(1,664)
SVJ Blue Print	40,134	17,579	44%	22,554	7,611	3,573	47%	4,038	32,523	14,007	43%	18,516
Upstream Storage	6,191	2,428	39%	3,762	2,760	1,078	39%	1,682	3,431	1,350	39%	2,081
Special Projects	250	662	265%	(413)	250	662	265%	(413)	-	-	0%	-
NASA Airborne Snow Observatory	278,622	297,627	107%	(19,005)	6,622	3,756	57%	2,866	272,000	293,871	108%	(21,871)
Organization & Governance	18,663	15,550	83%	3,113	13,612	11,966	88%	1,646	5,052	3,584	71%	1,467
Friant Member & Grower Coordination	117,991	76,150	65%	41,841	-	-	0%	-	117,991	76,150	65%	41,841
Grants & Funding Development	2,859	1,125	39%	1,734	-	-	0%	-	2,859	1,125	39%	1,734
Outreach & Engagement	66,818	44,849	67%	21,969	33,092	23,055	70%	10,037	33,725	21,794	65%	11,932
Legislative Affairs	177,356	113,439	64%	63,917	51,919	34,403	66%	17,516	125,437	79,036	63%	46,401
State Regulatory Affairs	154,835	74,595	48%	80,240	1,253	615	49%	638	153,582	73,980	48%	79,602
External Affairs	229,509	108,640	47%	120,869	41,224	29,564	72%	11,660	188,285	79,076	42%	109,209
Communications & Media Relations	27,955	19,300	69%	8,655	20,533	14,315	70%	6,219	7,421	4,985	67%	2,437
TOTAL EXPENSES: GENERAL MEMBERSHIP	\$ 2,602,714	\$ 1,631,821	63%	\$ 981,227	\$ 725,000	\$ 325,617	45%	\$ 399,383	\$ 1,877,714	\$ 1,306,204	70%	\$ 581,844

Outside Legal Consultants	609,000	300,806	308,194	49%				
Other Consultants								
General Consulting	55,000	19,211	35,790	35%				
Kan Ventures	65,500	67,169	(1,669)	103%				
WDC Lobbyist	40,500	28,952	11,549	71%				
Sacramento Lobbyist	45,000	14,972	30,029	33%				
Public Relations Consultant	40,500	5,100	35,400	13%				
Airborne Snow	272,000	294,392	(22,392)	108%	Note: FY2021	Charge to non-friant contractors =	\$111,869	
CDTFA - State Water Res. Control B	67,500	51,187	16,313	76%			38%	
Family Farm Alliance	15,000	15,000	-	100%				
CVPWA dues	50,000	46,710	3,290	93%				
SVJ Blueprint	15,000	10,000	5,000	67%				
Temperance Flat Reservoir Authority	40,000	-	40,000	0%				
Total Other Consultants	706,000	552,691	153,309	78%				
Other Supplies & Services	310,000	158,592	151,408	51%				
General Counsel	12,500	1,231	11,270	10%				
Staff Payroll & Benefits	725,000	473,380	251,620	65%				
Admin Allocation	212,500	145,121	67,379	68%				
Total GM	2,575,000	1,631,821	943,179	63%				

BUDGET TO ACTUAL REPORT

				% of Budget YTD
Consultants	FY 2021 Approved Budget	FY 2021 Actuals	Surplus /(Shortage)	91.67%
General Counsel				
Burke, Williams & Sorenson, LLC	12,500	1,231	6,500	9.84%
Special Counsel				
Water & Power Law Group	178,000	178,261	(22,000)	100.15%
Burke, Williams & Sorensen, LLC	50,000	21,109	25,373	42.22%
Somach Simmons	36,000	58,073	(31,751)	161.31%
Other -	20,000	2,517	17,063	12.59%
BiOps Litigation	175,000	-	175,000	
CEQA Litigation	150,000	40,847	102,346	27.23%
Special Counsel Subtotal	609,000	300,806	266,030	49.39%
Professional Support - Operations				
General Consulting - as needed (Luce, Steve O. & MBK)	55,000	19,211	32,588	34.93%
Steve Ottomoeller + MBK		10,746	0	
Kan Ventures	65,500	67,169	0	102.55%
Operations and planning analyst- Stantec	-	-	0	
Professional Support - Operations Subtotal	120,500	86,379	32,588	71.68%
Professional Support - Communications & Outreach				
External Affairs - Other (Ferguson Group)	40,500	28,952	6,723	71.49%
Villines Group, LLC	45,000	14,972	27,533	33.27%
Media & Materials - (Commuter Industries)	40,500	5,700	32,800	14.07%
Professional Support - Comm. & Outreach Subtotal	126,000	49,623	67,057	39.38%
Consultants Subtotal	868,000	438,039	372,175	50.47%
Staff				
Leadership	725,000	473,380	172,723	65.29%
Other Staff (intern/temp)		-	0	
Staff Subtotal	725,000	473,380	172,723	65.29%
Other Activities				
CDTFA - State Water Resources Control Board	67,500	51,187	16,313	75.83%
Family Farm Alliance	15,000	15,000	0	100.00%
CVPWA dues	50,000	46,710	3,290	93.42%
SJV Blueprint	15,000	10,000	5,000	66.67%
Temperance Flat Reservoir Authority	40,000	-	40,000	
Dues & Fees Subtotal	187,500	122,897	64,603	65.54%
Other Supplies & Services				
Travel	60,000	1,955	55,720	3.26%
Hotel	37,500	824	32,500	2.20%
Meals	35,000	7,915	25,766	22.61%
Miscellaneous visa receipts	10,000	12,788	0	127.88%
Meeting expenses -	45,000	47,302	(2,302)	105.11%
Other expenses	5,000	-	5,000	
Other Supplies & Services Subtotal	192,500	70,783	116,684	36.77%
Admin Allocation	212,500	145,121	43,192	68.29%
Direct Expenses (including rent, mileage)				
Mileage	27,500	7,803	18,397	28.37%
Rent	66,000	70,982	(16,812)	107.55%
Office Expenses	10,000	4,041	5,286	40.41%
Office Supplies	7,500	2,622	4,441	34.96%
Communications	6,500	2,362	3,744	36.34%
Direct Expenses Subtotal	117,500	87,810	15,055	74.73%
Other Activities Subtotal	710,000	426,610	239,534	60.09%
Subtotal Base Budgets	2,303,000	1,338,029	784,432	58.10%
Special Projects				
Airborne Snow Observatory (NASA)	272,000	294,392	(22,392)	108.23%
Sustainability Plan	-	-	0	
SJV Blueprint	-	-	0	
Consulting for Settlement Discussions	-	-	0	
Science Funding (MBK)	-	-	0	
Total Special Projects	272,000	294,392	(22,392)	108.23%
Total Budgets	2,575,000	1,632,421	762,040	63.39%

Middle Reach Capacity Correction Project, Phase 1
Monthly Financial Status Report - September 2021
FWA Expenditures through August 31, 2021

SOURCES OF FUNDS		Total Anticipated	Funds Secured / Received to Date	Expenditures*	Remaining Funding Available
Federal Funding	SJRRP (Non-Reimb)	\$ 46,900,000	\$ 46,900,000	\$ 18,182,029	\$ 28,717,971
	WINN (Reimb)	\$ 210,550,000	\$ 210,550,000	\$ 1,981,971	\$ 208,568,029
State Funding		\$38M - \$170M	In Progress (TBD)	In Progress (TBD)	In Progress (TBD)
ETGSA	Eastern Tule GSA	\$125M - \$200M	\$ -	\$ -	\$ -
Pixley GSA	Pixley GSA	\$11M - \$14.5M	\$ -	\$ -	\$ -
FKC Contractors	FKC Contractors	\$50M	\$ 10,000,000	\$ 8,664,542	\$ 1,335,458

* Reclamation expenditures through December 31, 2020, FWA expenditures through July 31, 2021
 (Reclamation to begin monthly expenditure reporting in October 2021)

Project Budget to Actuals (Initial - High Level)	Reclamation**		FWA	
Cost Category	Budget Est.	Expenditures	Budget Est.	Expenditures
Prior Period & Non-Construction**	\$20,164,000	\$20,164,000	\$2,640,000	\$3,688,215
ROW & Land Acquisition	\$6,846,000	\$0	\$8,498,000	\$4,976,327
Construction***	\$104,215,000	\$0	\$120,094,000	\$0
Total	\$131,225,000	\$20,164,000	\$131,232,000	\$8,664,542
% Cost-Share	50%	70%	50%	30%

** Spending Plan in CFA identified prior period costs through December 31, 2020,
 - the current budget reflects those numbers and will be updated in Oct/Nov

*** November 2020 Engineer's Estimate - Contract scheduled to be awarded in September, project budget estimate to be updated after.

Agenda Report

No.3.A

DATE: September 23, 2021

TO: Board of Directors

FROM: Wilson Orvis, CFO; Doug DeFlitch, COO; & Chris Hickernell, General Superintendent

SUBJECT: Final Approval of the FY 2022 Operations, Maintenance, and Replacement (OM&R) Budget

SUMMARY:

The Board of Directors will review and discuss a recommendation for the final approval of FY 2022 OM&R Budget. The Budget was preliminarily approved by the Board of Directors during the June 24, 2021 meeting and was submitted for formal comments from the Friant-Kern Canal (FKC) Contractors. The formal comment period has ended and the FY 2022 OM&R budget is ready for final approval along with a some budgeted items from FY 2021 that staff is recommending are carried over into the FY 2022 Budget year.

DISCUSSION:

The proposed FY 2022 OM&R Budget was previously reviewed by the General Managers for the FKC Contractors (June 3, 2021), the O&M Committee (June 7, 2021), and the Executive Committee (June 14, 2021). Comments were incorporated from input received in those forums and the updated, preliminary OM&R Budget was approved by the Board of Directors during the June 24, 2021 meeting and was submitted for formal comment with comments due to Friant Water Authority (FWA) on August 31, 2021. No comments were received during the formal comment period.

Staff has reviewed the status of Fiscal Year FY 2021 budget activity. Based upon that review, staff is recommending that the final FY 2022 OM&R Budget be approved as previously noticed without any changes. Further, staff is recommending the approval to carryover \$705,368.23 in FY 2021 budget to complete the funding of specific activities (see list below).

Project	Carryover Amount	Rationale
GSA Engagement	\$ 462,939.00	Potential need for additional support services in FY 2022 that were not realized in FY 2021 including special counsel and consulting services
SCADA Alarm Project	\$ 20,000.00	Project in progress but won't be complete until early FY 2022
Tree-Trimming – Tule River House	\$ 7,525.00	Contract in place, services delayed due to COVID
Embankment Maintenance – Grazing Pilot	\$ 42,000.00	Grazing agreements finalized in late summer, services extend into the fall
Gate Actuators for AEWS	\$ 36,387.50	Manufacturing delay, anticipated in Q1 FY 2022
Utility Tractor - Delano Section	\$ 104,205.43	Delivery delayed, anticipated in Q1, FY 2022
Air Compressor - Orange Cove	32,311.30	Delivery delayed, anticipated in Q1, FY 2022
Total	\$ 705,368.23	

FINANCE COMMITTEE:

The Finance Committee voted to recommend that the Board of Directors provide final approval of the FY 2022 OM&R Budget to include approval of proposed carryover of specific amounts from the FY 2021 Budget.

RECOMMENDED ACTION:

The Board of Directors provide final approval of the FY 2022 OM&R Budget to include approval of proposed carryover of \$705,368.23 from the FY 2021 Budget.

SUGGESTED MOTION:

A motion to recommend that the Board of Directors provide final approval of the FY 2022 OM&R Budget to include approval of proposed carryover of \$705,368.23 from the FY 2021 Budget.

ATTACHMENTS:

FY 2022 OM&R Budget and 10-Year Plan



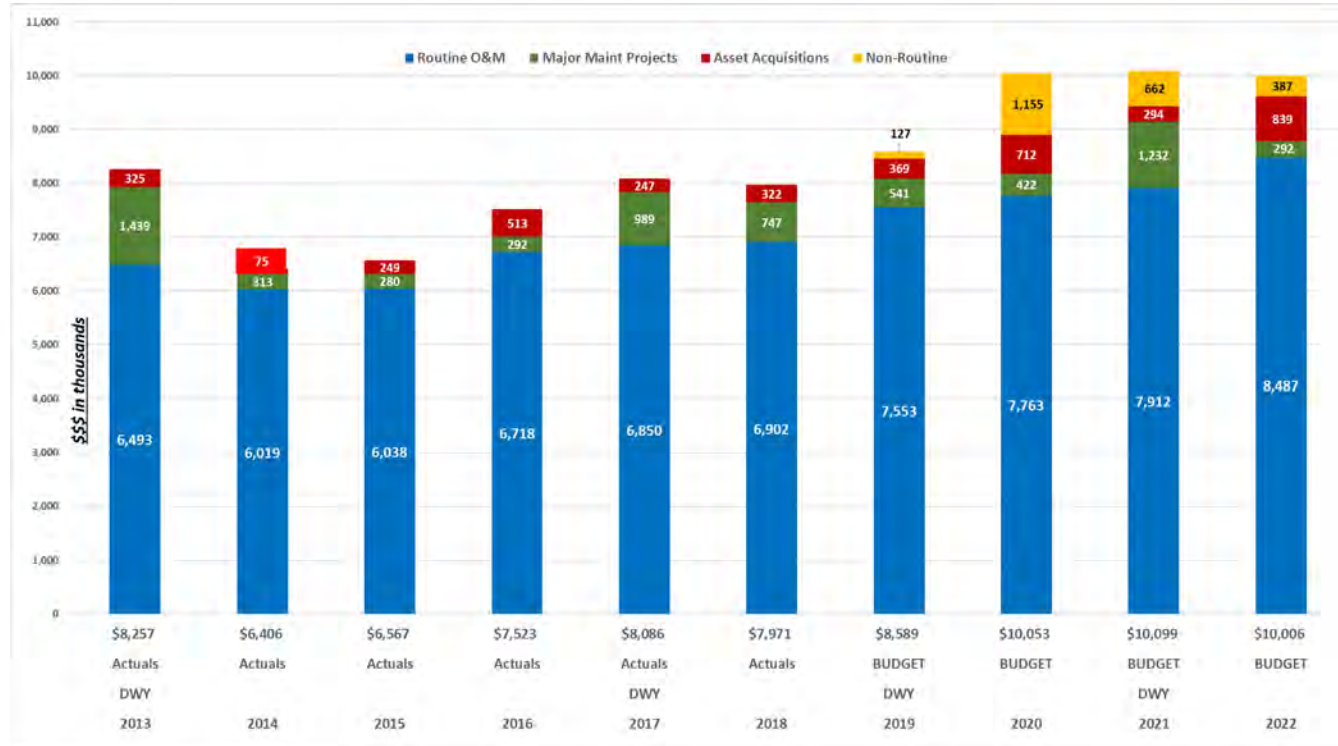
***FY 2022
OM&R BUDGET OVERVIEW***



FRIANT WATER AUTHORITY

COMPARATIVE Year Over Year (YOY) OM&R SPENDING

FY 2013 Thru FY2022



Note: Middle Reach Project not Included

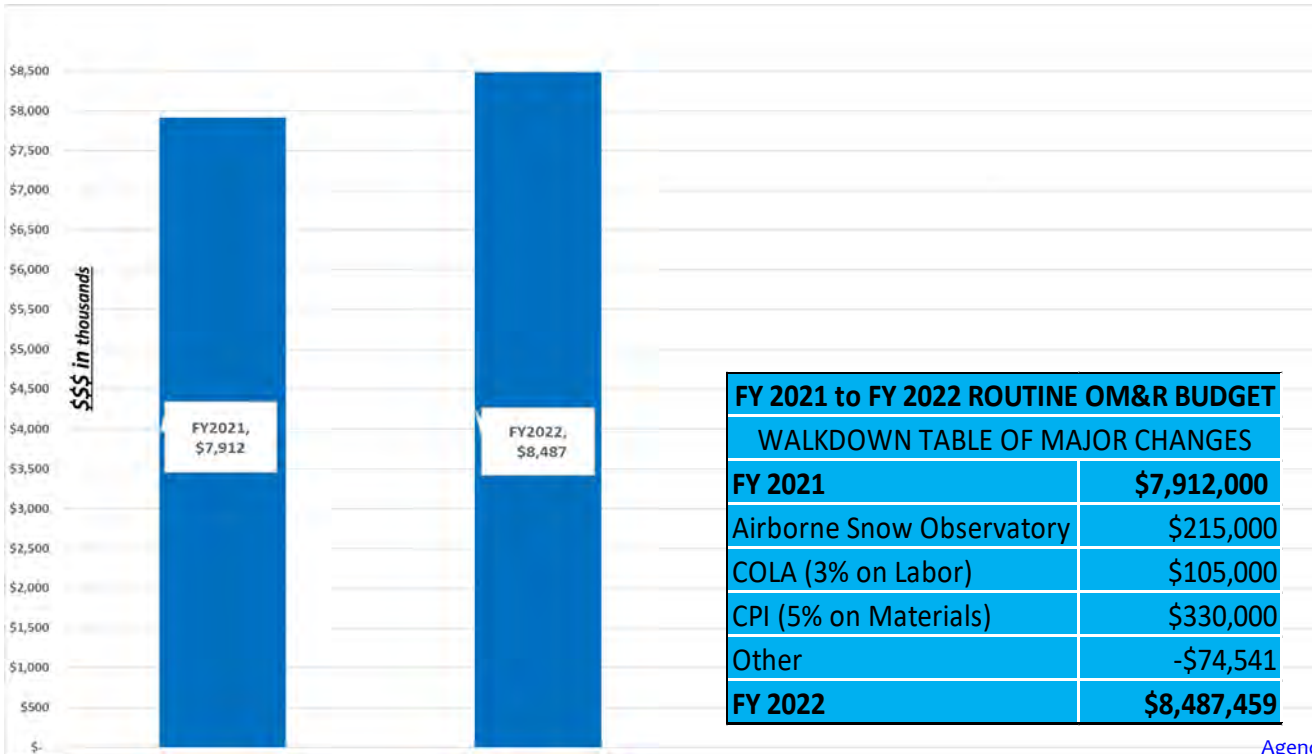
Agenda No.3.A.4



FRIANT WATER AUTHORITY

COMPARATIVE YOY SPENDING – Routine OM&R

FY 2021 vs. FY 2022



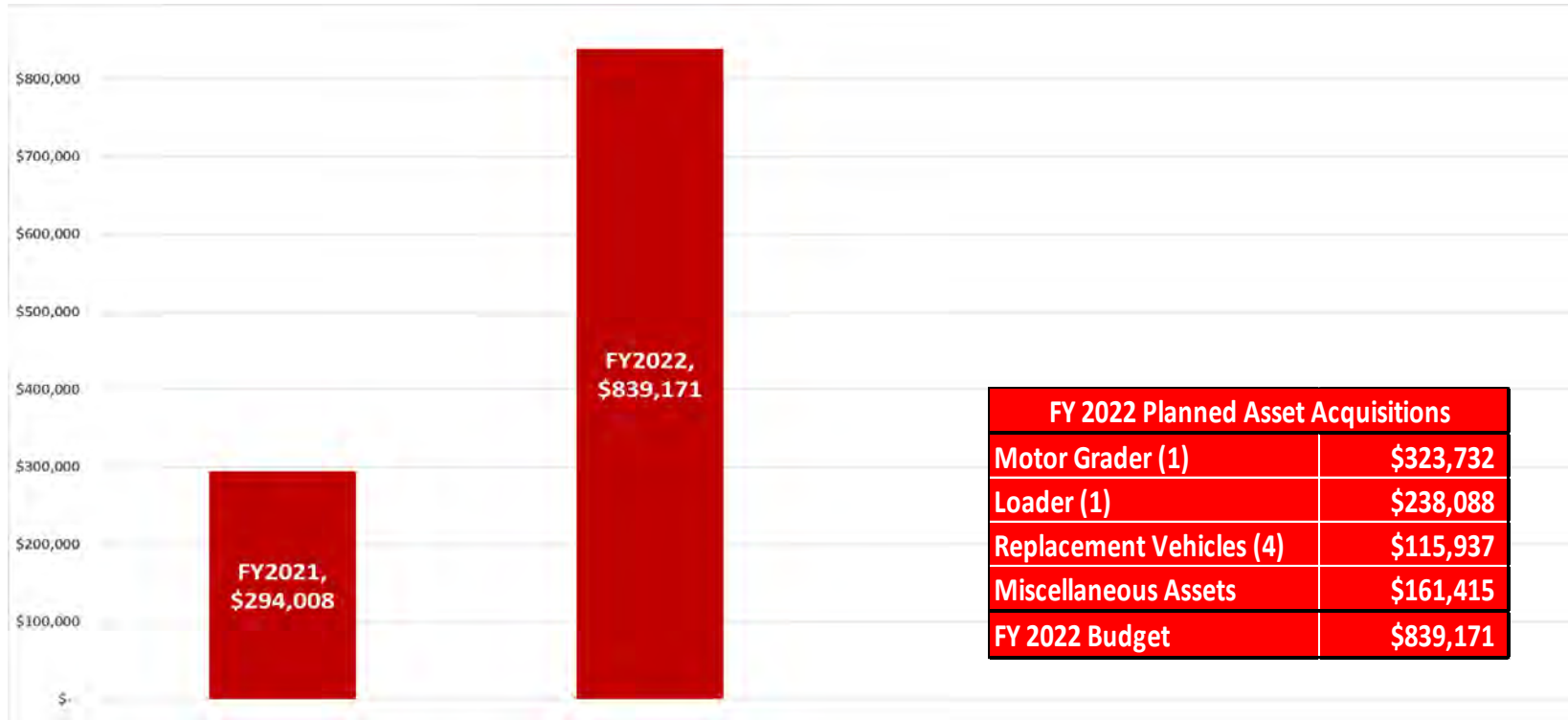
FY 2021 to FY 2022 ROUTINE OM&R BUDGET	
WALKDOWN TABLE OF MAJOR CHANGES	
FY 2021	\$7,912,000
Airborne Snow Observatory	\$215,000
COLA (3% on Labor)	\$105,000
CPI (5% on Materials)	\$330,000
Other	-\$74,541
FY 2022	\$8,487,459



FRIANT WATER AUTHORITY

COMPARATIVE YOY SPENDING – Fixed Assets

FY 2021 vs. FY 2022



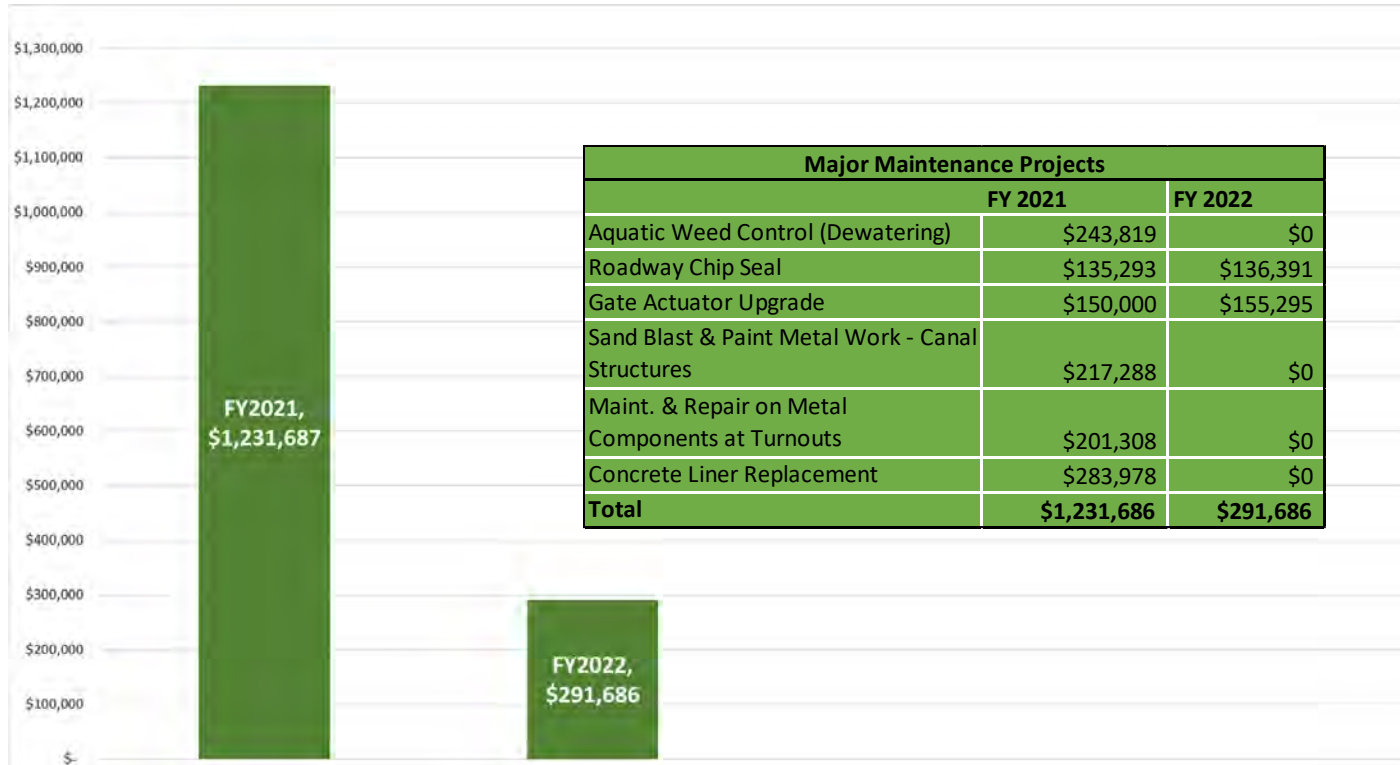
Agenda No.3.A.6



FRIANT WATER AUTHORITY

COMPARATIVE YOY SPENDING – Major Maintenance

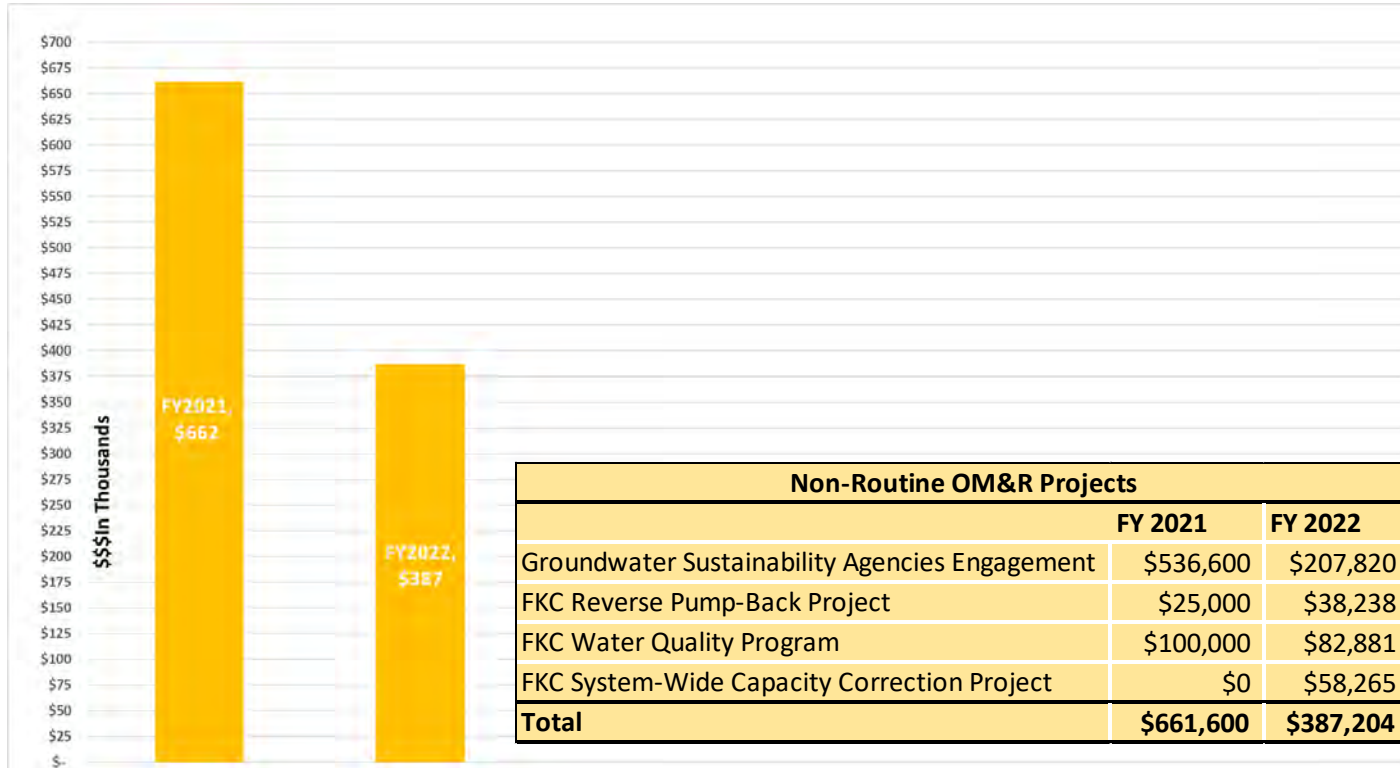
FY 2021 vs. FY 2022



FRIANT WATER AUTHORITY

COMPARATIVE YOY SPENDING – Non-Routine OM&R

FY 2021 vs. FY 2022



FY 2022

ASSUMPTIONS,
CONSIDERATIONS
&
FINANCIAL REPORTS

Friant Water Authority
Proposed Fiscal Year 2022 Budget
for
Operation, Maintenance, and Rehabilitation of the
Friant-Kern Canal and Supporting Facilities

Summary of Assumptions and Considerations

1. Labor

A. Total staffing levels for FY 2022 are proposed as follows:

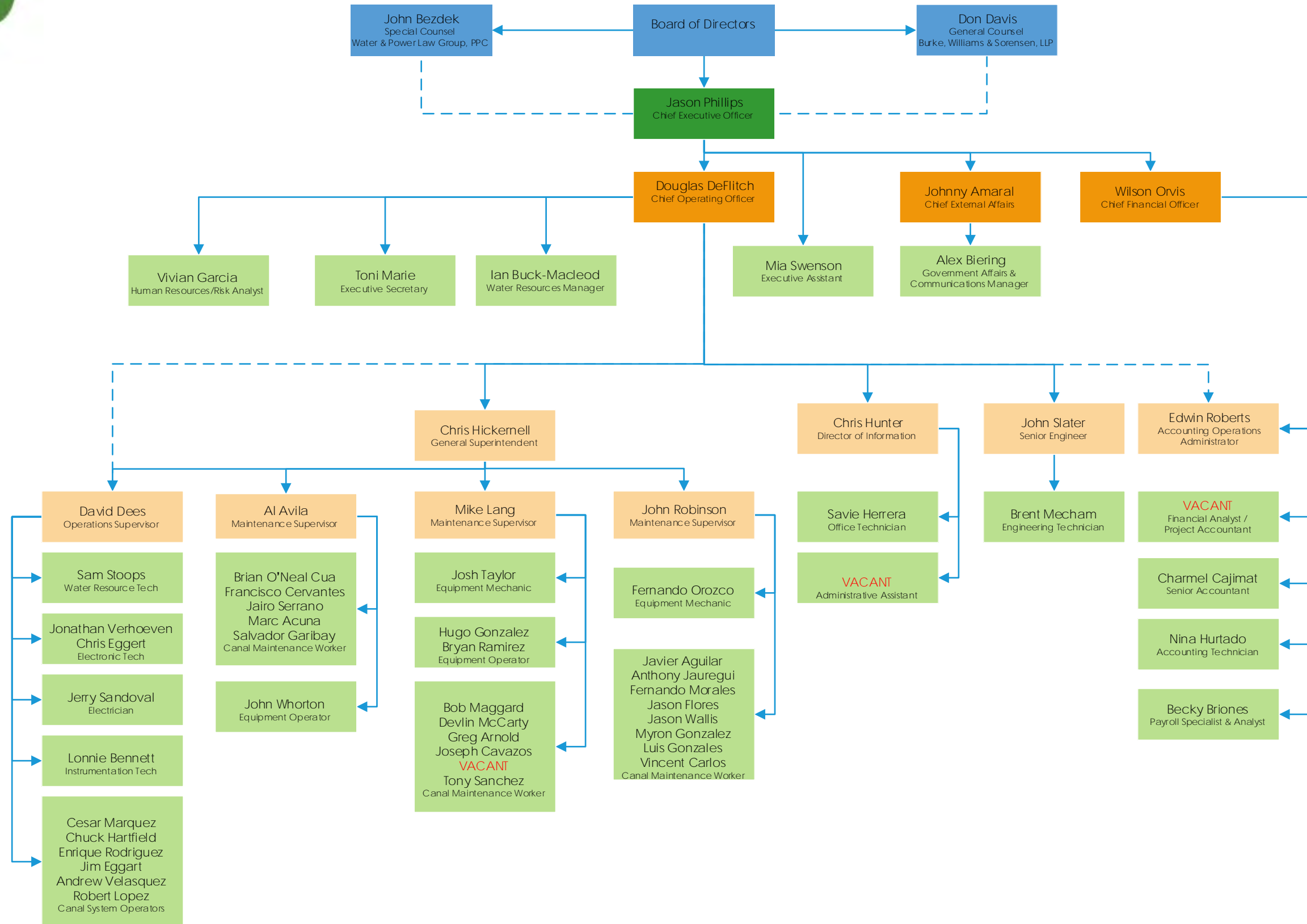
<u>Position</u>	<u>Total Positions</u>
1. Chief Executive Officer	1
2. Chief Operating Officer	1
3. Chief of External Affairs	1
4. Director of Water Policy*	1
5. Governmental Affairs & Communications Manager.....	1
6. Water Resources Manager	1
7. Business Administration Manager.....	1
8. Accounting Operations Administrator.....	1
9. Senior Accountant	1
10. Accounting Technician.....	1
11. Payroll Specialist & Analyst	1
12. Director of Technology	1
13. Human Resources/Risk Analyst.....	1
14. Executive Secretary.....	1
15. Executive Assistant.....	1
16. Administrative Assistant.....	1
17. Office Technician	2
18. General Superintendent	1
19. Operations Supervisor	1
20. Resources Manager*	1
21. Water Resources Technician	1
22. Senior Engineer	1
23. Engineering Technician.....	1
24. Maintenance Foreman	3
25. Maintenance Supervisor*	1
26. Canal Maintenance Worker *	21
27. Canal System Operator	6
28. Electrician.....	1
29. Electronic Technician	2
30. Equipment Mechanic.....	2
31. Equipment Operator	4
32. Instrumentation Technician	1
33. Intern(s) (Ops./Engineering & Technical Services)*	3
Total Full Time Positions.....	<u>68</u>

* The following positions will remain vacant and no dollar amount will be budgeted for FY 2022, Director of Water Policy, one Maintenance Supervisor, one Resources Manager and three Canal Maintenance Worker positions.

- B. An inflation factor of 3.00% per year was used in the projected wage rates to cover both the "merit increases" and "cost of living adjustment (COLA)" that will occur in FY 2022 (FY 2021 wages were used as the base).
- C. Overtime hours associated with routine and extraordinary projects equaling a total of 2.9% of total man-hours.

2. Materials

- A. An inflation factor of 5.0% per year and 8.75% sales tax was used in the calculation of the majority of the required materials for FY 2022. The inflation factor and sales tax is computed on the budget worksheets.
- B. Routine maintenance materials were budgeted with the assumption that the planned FY 2022 purchases occur in full.
- C. It is the policy of the Authority to capitalize all property, plant and equipment, except equipment costing less than \$1,000 and equipment installed directly onto the Friant-Kern Canal, which is a federally owned facility. The budgeted costs for capitalized property are in the accounts of 6299, 6399 and 6799.



FRIANT WATER AUTHORITY 2021-2022 O&M BUDGET COMPARATIVE ANALYSIS										
Inc./ (Dec)										
									Sales Tax	
				Extrapolation	CPI		COLA			
				Months	2022 & 23	2024	2023	2024		
	Location:			5	5.00%	5.00%	3.00%	3.00%	8.75%	
	2022 Budget vs. 2021 Budget			Historical Spending						
		2022	2021	2021	2020	2019	2018	2023	2024	
%	Dollars	Budget	Budget	Extrapolated	Actual	Actual	Actual	Budget	Budget	
Time Value			0.00%	2.50%	5.00%	7.50%	9.60%			
Acre Feet of Water Conveyed		978,608	520,511	520,511	1,618,627	935,095	1,272,270	978,608	978,608	
Canal Miles Maintained		151.20	151.20	151.20	151.20	151.20	151.20	151.20	151.20	
Headcount		43.87	42.00	43.50	-	-	-	43.87	43.87	
Crew Labor Hours	4.5%	3,725	85,735	82,010	86,150	-	-	-	88,734	91,397
Supervision Labor Hours	0.0%	0	18,705	18,705	21,075	-	-	-	18,705	18,705
OT Hours	-64.9%	(4,218)	2,283	6,501	4,311	-	-	-	2,283	2,283
Holiday Hours	1.9%	72	3,960	3,888	3,198	-	-	-	3,960	3,960
Sick Hours	-4.1%	(224)	5,280	5,504	3,656	-	-	-	5,280	5,280
Vacation Hours	1.8%	107	6,096	5,989	2,836	-	-	-	6,096	6,096
Total PTW & PTO Hours	-0.4%	(538)	122,059	122,597	121,225	-	-	-	125,059	127,721
Labor	11.1%	\$315,215	\$3,166,614	\$2,851,399	\$2,784,277	\$2,734,208	\$2,828,654	\$2,591,439	\$3,268,873	\$3,374,562
Holiday	5.9%	7,082	126,927	119,845	168,809	97,932	104,474	93,933	133,033	139,437
Sick	8.5%	13,410	171,824	158,414	178,096	180,768	114,093	108,525	180,095	188,770
Vacation	4.4%	8,015	191,816	183,801	187,710	189,280	188,472	175,994	201,077	210,791
Sub-total Wages & PTO	10.4%	343,722	3,657,181	3,313,459	3,318,892	3,202,188	3,235,694	2,969,891	3,783,077	3,913,560
Medical and Disability Insurance	6.6%	64,688	1,051,678	986,989	1,200,787	996,702	924,993	875,922	1,101,177	1,153,058
Payroll Taxes	1.9%	1,289	67,862	66,573	81,714	67,677	69,459	59,416	71,148	74,595
Retirement	-12.6%	(58,138)	405,081	463,219	625,739	499,635	439,820	377,714	424,574	445,019
Workers' Compensation	-6.5%	(5,817)	83,858	89,675	71,244	94,194	82,657	124,450	88,029	92,407
Labor Dollars & Benefits	7.0%	345,745	5,265,660	4,919,915	5,298,376	4,860,395	4,752,623	4,407,393	5,468,005	5,678,639
Bargate Material	33.7%	4,851	19,237	14,386	1,547	7,401	16,083	13,246	20,199	21,209
Concrete and Framework	-26.5%	(1,691)	4,696	6,387	847	36	268	-	4,931	5,178
Dewatering	-100.0%	(12,512)	-	12,512	-	-	-	-	-	-
Drain and Channel	0.0%	0	-	-	185	52	-	80	-	-
Fence Maintenance	9.6%	960	10,980	10,020	1,187	7,056	6,121	16,222	11,529	12,106
General Canal	54.9%	131,748	371,576	239,828	260,986	50,907	194,915	63,593	317,729	333,615
Maintenance Facilities	16.1%	18,942	136,818	117,876	124,434	79,840	82,764	79,646	143,659	150,842
Mudjacking	1.9%	31	1,626	1,595	318	-	1,386	2,188	1,707	1,792
Painting	-16.4%	(2,247)	11,481	13,728	4,641	7,629	12,782	12,155	12,055	12,658
Road Repair	21.9%	1,079	6,007	4,928	-	880	253,497	40,169	6,307	6,623
Signs	29.6%	2,027	8,876	6,849	68	2,688	-	-	9,320	9,786
Turnouts	22.2%	24,681	135,914	111,233	163	3,793	1,102	110	272,052	284,159
Weed Control	-16.5%	(61,850)	313,962	375,813	587,786	269,251	478,882	368,055	329,660	346,143
Sub-total Materials	11.6%	106,019	1,021,174	915,155	982,161	429,534	1,047,801	595,463	1,129,149	1,184,111
Equipment Rental	18.1%	1,913	12,503	10,590	-	-	-	-	13,128	13,784
Fuels	2.6%	5,839	234,219	228,380	287,884	188,498	231,852	207,159	245,930	258,226
Lubricants	298.7%	832	1,110	278	-	-	-	-	1,165	1,224
Outside Services	-18.7%	(39,712)	172,844	212,556	167,445	244,023	196,463	223,109	181,486	190,561
Service, Parts & Supplies	-9.7%	(20,291)	187,997	208,287	156,864	183,932	175,251	163,878	197,397	207,266
Supplies	-5.0%	(925)	17,551	18,476	21,113	9,981	12,364	19,174	18,428	19,350
Sub-total Shop Costs	-7.7%	(52,343)	626,223	678,567	633,305	626,434	615,930	613,321	657,534	690,411
Awards	-7.2%	(5,568)	71,285	76,853	46,408	13,337	-	17,635	73,732	76,268
Dues and Subscriptions	-36.7%	(45,300)	78,087	123,387	137,932	99,839	123,577	89,777	81,991	86,091
Education and Training	-3.5%	(2,694)	73,564	76,258	12,896	8,823	9,255	20,709	77,002	80,605
Equipment Rental	29.9%	8,084	35,138	27,054	62,457	35,245	30,289	33,265	36,192	37,278
Fuels	2.4%	36	1,513	1,477	-	-	-	-	1,589	1,668
Legal Expense-Indirect	0.0%	0	-	-	246	-	-	-	-	-
Liability Insurance	2.4%	3,861	162,146	158,286	244,212	79,866	131,649	144,741	167,011	172,021
Meeting Expense	-9.9%	(19,133)	174,615	193,749	205,324	35,960	144,410	120,608	183,262	192,339
Other	127.0%	26,522	47,399	20,877	(6,663)	(51,253)	78,496	491,403	49,648	52,005
Outside Services	92.8%	132,063	274,328	142,265	194,676	128,557	230,946	64,587	361,860	374,871
Personnel Admin.	92.3%	26,172	54,532	28,360	228,890	597	40,877	50,812	56,187	57,892
Phone Service	-100.0%	(95,087)	-	95,087	104,102	57,281	99,666	77,102	-	-
Professional Services	15.6%	62,622	463,142	400,520	137,395	375	24,842	15,127	485,669	509,304
Safety & First Aide Training	-87.1%	(768)	114	883	24,530	17,912	19,653	34,871	120	126
Safety Meetings	0.0%	0	-	-	-	7,245	5,526	1,022	-	-
Supplies	3.8%	1,915	52,188	50,272	60,837	40,083	64,607	29,212	53,753	55,366
Travel	87.9%	41,443	88,576	47,134	13,248	-	14,180	11,717	92,923	97,484
Utilities	41.1%	69,147	237,251	168,104	107,700	167,901	134,453	139,345	247,621	258,464
Sub-total Administration	12.6%	203,312	1,813,878	1,610,566	1,574,189	641,769	1,152,426	1,341,932	1,968,559	2,051,782
Allocation to General Membership	12.6%	(26,842)	(239,477)	(212,634)	(186,298)	(156,964)	(128,429)	(106,561)	(251,450)	(264,023)
Routine O&M	7.3%	575,891	8,487,459	7,911,568	8,301,734	6,401,168	7,440,350	6,851,547	8,971,797	9,340,920
Fixed Assets	185.4%	545,163	839,171	294,008	92,000	29,076	1,908,041	121,305	1,639,892	324,893
Concrete and Framework	-100.0%	(283,978)	-	283,978	536,348	4,477	3,636	1,423	3,297	3,462
Aquatic Weed Control	-100.0%	(243,819)	-	243,819	220,946	-	910	-	-	-
Road Repair	0.8%	1,098	136,391	135,293	4,264	46,192	74,494	34,314	139,412	146,382
Sand Blast & Paint Metal Canal Struct.	-100.0%	(217,288)	-	217,288	257,920	88,598	10,920	1,918	726	762
Structure & Gear Boxes	-55.8%	(196,013)	155,295	351,308	633,688	165,636	230,489	106,086	194,944	140,757
Sub-total Major Maintenance	-76.3%	(940,000)	291,686	1,231,687	1,653,166	304,903	320,449	143,741	338,379	291,363
GSA	-61.3%	(328,780)	2							

FRIANT WATER AUTHORITY											
OPERATIONS AND MAINTENANCE - FRIANT KERN CANAL											
TOTAL SPENDING BUDGET: FY2021 & FY2022 & 2023											
Inc./ (Dec)						Extrapolation	CPI		COLA		Sales Tax
						Months	2022 & 23	2024	2023	2024	
						5	5.00%	5.00%	3.00%	3.00%	8.75%
		Location:	All	All Locations	Historical Spending						
Code	Description	%	Dollars	2022 Budget	2021 Budget	2021 Extrapolated	2020 Actual	2019 Actual	2018 Actual	2023 Budget	2024 Budget
					0.00%	2.50%	5.00%	7.50%	9.60%		
1991	Fixed Assets	185.4%	\$545,163	\$ 839,171	\$ 294,008	\$ 92,000	\$ 29,076	\$ 2,008,302	\$ 681,882	\$ 1,639,892	\$ 324,893
6010	Vehicle & Equipment Service	0.5%	3,303	604,193	600,891	644,392	493,941	560,361	550,945	630,634	658,284
6020	Maintenance Supervision	8.2%	24,487	322,177	297,690	214,214	343,664	358,536	379,929	331,843	341,798
6025	Right of Way Management	-6.8%	(4,077)	55,437	59,513	126,804	109,893	64,333	48,134	57,100	58,813
6030	Weed & Pest Control	-24.2%	(214,568)	673,239	887,808	1,030,263	581,425	782,105	661,047	706,901	742,246
6032	Friant Biological Opinion Imp	-53.1%	(23,791)	21,000	44,791	24,748	1,315	70,189	2,378	21,630	22,279
6040	Road Maintenance	-1.9%	(3,055)	157,909	160,963	8,919	55,791	366,491	104,092	162,005	170,105
6050	Yard & Building Maintenance	21.7%	61,240	343,998	282,758	342,241	344,916	319,864	306,618	358,974	374,633
6060	Structure & Gate Maintenance	-48.9%	(359,961)	376,013	735,974	927,298	303,291	245,163	110,913	491,140	449,970
6070	Cleaning Right-of-Way	75.5%	38,107	88,554	50,447	49,319	63,683	30,724	18,818	91,235	93,998
6080	Bargate & Guardrail Maint	30.8%	14,536	61,776	47,240	3,253	34,783	39,099	37,448	64,167	66,657
6090	Embankment Maintenance	-24.1%	(26,975)	84,962	111,937	54,456	106,644	108,036	82,258	87,803	90,744
6100	Bridge Maintenance	12.5%	7,784	69,854	62,070	62,013	21,669	59,658	69,934	72,640	75,543
6110	Misc. Mtce	-43.5%	(10,140)	13,165	23,305	5,208	10,194	18,218	16,454	13,733	14,326
6111	Reverse Flow Pumping	0.0%	0	-	-	-	49,535	-	1,495	-	-
6120	Concrete Lining Maintenance	-94.8%	(277,408)	15,253	292,661	573,696	8,338	3,904	3,167	12,164	12,710
6130	Drainditch & Channel Maint.	40.9%	14,689	50,576	35,887	115,110	8,981	12,696	11,155	52,093	53,656
6140	Fence Maintenance	8.8%	4,120	50,718	46,597	24,203	44,700	40,501	80,416	52,459	54,263
6160	Mudjacking	-7.6%	(1,547)	18,713	20,260	670	4,035	20,799	20,628	19,307	19,920
6170	Painting	14.3%	5,531	44,161	38,629	8,887	20,149	27,381	49,870	45,715	47,328
6190	Sump Pump Mtce	1.7%	504	30,796	30,292	3,456	4,013	-	136	32,315	33,909
6200	Cross Drainage Structure Mtce	-85.8%	(6,342)	1,053	7,394	-	-	-	18	1,084	1,117
6210	Rip-Rapping	-79.6%	(3,659)	936	4,595	-	207	-	1,469	964	993
6221	USBR Pump Back Project	53.0%	13,238	38,238	25,000	727,015	406,639	667,298	698,711	39,585	40,982
6225	FKC Subsidence	-100.0%	(5,000,000)	-	5,000,000	6,937,026	7,243,276	4,305,741	1,320,936	(531)	(1,105)
6226	FKC Capacity Correction (FWA)	0.0%	5,878	5,878	-	122,967	-	289,075	54,547	6,055	6,236
6227	Upper Reach	0.0%	52,387	52,387	-	-	-	-	-	13,705	14,117
6230	GSA Engagement	-61.3%	(328,780)	207,820	536,600	35,387	-	11,278	-	217,275	227,174
6305	C. & I. Maint. (General)	-40.6%	(12,085)	17,651	29,736	65,322	27,054	14,823	7,305	18,237	18,844
6306	C & I ESI Equip Mtce - SCADA	26.4%	66,942	320,049	253,107	78,825	105,329	233,969	140,968	333,979	348,542
6310	Meter Repair	19.6%	24,111	147,347	123,236	289,449	58,255	121,648	91,136	153,446	159,812
6320	Canal Patrol	-9.2%	(27,746)	274,453	302,199	162,223	295,343	295,295	293,516	282,705	291,206
6330	Operations Reports	-28.1%	(23,303)	59,627	82,930	81,154	97,580	144,909	175,292	61,462	63,355
6340	Operations Supervision	-19.3%	(27,960)	116,542	144,502	65,483	63,796	66,630	75,079	120,039	123,640
6345	Water supply coordination & monitoring	48.4%	159,430	488,961	329,532	194,673	126,168	9,310	-	511,176	534,434
6350	Water Measurement	-60.2%	(22,586)	14,938	37,524	9,437	15,100	6,906	7,044	15,545	16,178
6360	Misc. Operations	16.8%	1,309	9,112	7,803	2,935	9,313	867	781	9,568	10,046
6370	Water Quality	-17.1%	(17,119)	82,881	100,000	53,261	11,107	37,707	301	86,424	90,126
6380	Groundwater & Seepage Well Mes	0.0%	0	-	-	-	1,658	1,864	2,664	-	-
6402	FKC Title Transfer	0.0%	0	-	-	-	6,621	-	-	-	-
6405	Legal Expense- Direct	-44.1%	(24,875)	31,500	56,375	3,444	-	17,248	11,919	32,445	33,418
6410	Administrative Supervision	-14.4%	(2,209)	13,173	15,382	13,852	15,479	13,039	17,067	13,568	13,975
6420	Safety & First Aid Training	-0.2%	(164)	93,595	93,759	81,831	67,971	46,752	43,391	96,989	100,515
6430	Office Admin (Typing etc.)	9.7%	13,132	149,142	136,010	357,352	185,193	231,340	148,657	153,617	158,225
6435	SLDMWA/FWA	0.0%	0	-	-	-	-	-	-	-	-
6440	Payroll Preparation	-20.6%	(2,610)	10,053	12,663	11,343	10,756	7,903	8,637	10,354	10,665
6450	Meetings (General)	30.7%	13,396	57,090	43,694	22,037	7,837	61,073	21,027	59,031	61,043
6451	Meeting - Board of Directors	-16.1%	(30,784)	160,066	190,850	226,322	2,322	116,008	104,919	166,437	173,078
6452	Meetings (Sub Committee)	150.4%	68,822	114,578	45,756	49,404	5	52,862	34,673	118,629	122,832
6453	Meetings (Staff)	-23.3%	(9,342)	30,711	40,053	11,001	17,084	27,542	21,070	31,706	32,734
6454	Offsite Planning Board of Directors	0.0%	60,560	60,560	-	-	26,987	168	-	63,421	66,420
6455	Annual Meeting - Board of Directors	0.0%	12,156	12,156	-	-	-	-	-	12,749	13,372
6460	Education & Training	4.5%	5,520	129,559	124,038	18,952	50,549	27,443	32,368	134,677	140,010
6470	Misc Administration	0.7%	2	291	289	1,317	22,287	201	4,320	300	309
6480	Procurement	-67.2%	(9,681)	4,721	14,402	535	3,802	1,896	-	4,863	5,009
6490	Inventory & Property Mgt.	182.6%	8,303	12,851	4,548	-	2,023	-	772	13,236	13,633
6501	Employee Benefit (Holiday)	5.9%	7,082	126,927	119,845	176,859	118,799	112,340	100,371	133,033	139,437
6502	Employee Benefit (Sick Pay)	8.5%	13,410	171,824	158,414	186,449	191,945	122,236	117,603	180,095	188,770
6503	Employee Benefit (Vacation)	4.4%	8,015	191,816	183,801	197,307	203,756	201,302	186,584	201,077	210,791
6504	Employee Benefit (Jury Duty)	0.0%	0	-	-	-	1,674	1,213	705	-	-
6510	Data Processing	57.8%	86,432	235,986	149,554	230,031	167,767	190,640	111,755	243,066	250,358
6520	Travel	87.9%	41,443	88,576	47,134	13,248	-	14,180	11,717	92,923	97,484
6530	Accounting & Auditing	3.4%	12,330	374,796	362,466	282,545	308,249	297,555	217,370	465,330	481,432
6540	Personnel Administration	44.7%	44,894	145,406	100,512	364,100	713	106,585	59,517	149,787	154,300
6610	Employee Retirement	-12.6%	(58,138)	405,081	463,219	625,739	499,635	439,820	377,714	424,574	445,019
6611	Retirement Administration	0.0%	0	-	-	-	-	-	-	-	-
6620	Medical & Disability Insurance	6.6%	64,688	1,051,678	986,989	1,200,787	996,702	924,993	875,881	1,101,177	1,153,058
6630	Liability Insurance	2.4%	3,861	162,146	158,286	244,212	79,866	131,649	144,741	167,011	172,021
6640	Workers Comp. Insurance	-6.3%	(5,997)	89,568	95,565	71,244	84,229	82,960	124,818	93,910	98,464
6650	Legal Expense-Indirect	75.6%	19,375	45,000	25,625	246	-	3,117	2,850	47,250	49,613
6660	Payroll Taxes	2.2%	1,443	67,862	66,419	81,714	67,677	69,459	59,416	71,148	74,595
6670	Utilities	41.1%	69,147	237,251	168,104	107,700	167,901	134,453	139,345	247,621	258,464
6680	Telephone Expense	-100.0%	(95,087)	-	95,087	104,084	57,290	99,666	76,996	-	-
6690	Office Supplies	-12.1%	(4,841)	35,288	40,129	39,618	34,746	64,517	28,469	36,346	37,437
6700	Merit Awards	-18.5%	(7,251)	31,841	39,092	30,115	13,337	-	17,635	32,849	33,889
6710	Postage	-1.0%	(51)	5,287	5,338	2,471	3,587	4,153	2,791	5,445	5,609
6720	Dues & Subscriptions	-36.7%	(45,300)	78,087	123,387	137,932	99,839	123,577	89,777	81,991	86,091
6730	Budget Preparation	88.2%	5,023	10,717	5,694	869	15,127	10,994	14,478	11,102	11,501
6740	Achieving & Data Storage	270.6%	11,054	15,140	4,085	15,432	22,344	-	-	15,617	16,109
6790	Lease Office Equipment	29.9%	8,084	35,138	27,054	62,457	35,245	30,289	33,265	36,192	37,278
6810	Outside Services - SCID	0.0%	0	-	-	-	-	-	-	-	-
9999	GM administration allocation	12.6%	(26,842)	(239,477)	(212,634)	(186,298)	(156,964)	(128,429)	(106,561)	(251,450)	(264,023)
Totals		-33.7%	\$ (5,093,342)	\$ 10,005,520	\$ 15,098,862	\$ 17,922,557	\$ 14,533,238	\$ 14,984,426	\$ 9,243,540	\$ 11,312,581	\$ 10,334,707

FRIANT WATER AUTHORITY												
OPERATIONS AND MAINTENANCE - FRIANT KERN CANAL												
LABOR SPENDING BUDGET: FY2021 & FY2022 & 2023												
nc./ (Dec)					Extrapolation	CPI		COLA		Sales Tax		
					Months	2022 & 23	2024	2023	2024			
Location:					All	All Locations	5	5.00%	5.00%	3.00%	3.00%	8.75%
Code	2022 Budget vs. 2021 Budget				Historical Spending							
	Description	%	Dollars	2022 Budget	2021 Budget	2021 Extrapolated	2020 Actual	2019 Actual	2018 Actual	2023 Budget	2024 Budget	
1991	Fixed Assets	0.0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
6010	Vehicle & Equipment Service	0.4%	822	188,450	187,628	193,160	147,059	150,866	171,951	194,104	199,927	
6020	Maintenance Supervision	8.2%	24,487	322,177	297,690	214,106	343,664	358,536	379,929	331,843	341,798	
6025	Right of Way Management	-6.8%	(4,077)	55,437	59,513	126,804	108,818	61,069	43,982	57,100	58,813	
6030	Weed & Pest Control	35.0%	90,925	350,719	259,794	211,458	292,166	280,333	270,481	368,255	386,668	
6032	Friant Biological Opinion Imp	0.0%	0	-	-	-	-	-	-	-	-	
6040	Road Maintenance	-3.7%	(1,427)	36,983	38,410	4,655	36,541	93,913	53,964	37,758	39,646	
6050	Yard & Building Maintenance	28.9%	24,922	111,168	86,245	127,190	166,484	168,451	152,846	114,503	117,938	
6060	Structure & Gate Maintenance	-42.1%	(105,568)	144,919	250,487	447,418	190,500	67,655	51,189	225,358	228,046	
6070	Cleaning Right-of-Way	77.3%	38,077	87,324	49,247	49,205	60,342	30,724	18,818	89,943	92,642	
6080	Bargate & Guardrail Maint	28.3%	7,687	34,893	27,205	1,752	24,693	23,016	24,203	35,939	37,017	
6090	Embankment Maintenance	-21.2%	(18,878)	70,354	89,232	54,456	104,044	104,037	81,392	72,464	74,638	
6100	Bridge Maintenance	21.7%	6,311	35,351	29,040	24,352	20,177	31,069	35,523	36,412	37,504	
6110	Misc. Mtce	-60.0%	(6,797)	4,528	11,325	351	2,066	3,548	9,217	4,664	4,804	
6111	Reverse Flow Pumping	0.0%	0	-	-	5,188	6,092	110	38,689	-	-	
6120	Concrete Lining Maintenance	-96.3%	(174,288)	6,651	180,940	325,693	7,543	1,267	3,167	3,133	3,227	
6130	Drainditch & Channel Maint.	116.4%	27,202	50,576	23,374	114,925	8,928	12,696	11,076	52,093	53,656	
6140	Fence Maintenance	8.6%	3,160	39,737	36,577	23,015	37,644	34,380	64,009	40,929	42,157	
6160	Mudjacking	-8.5%	(1,577)	17,087	18,665	351	4,035	19,413	18,440	17,600	18,128	
6170	Painting	31.2%	7,762	32,680	24,917	5,389	12,520	14,600	37,756	33,660	34,670	
6190	Sump Pump Mtce	-46.6%	(919)	1,053	1,972	814	171	-	-	1,084	1,117	
6200	Cross Drainage Structure Mtce	-85.8%	(6,342)	1,053	7,394	-	-	-	18	1,084	1,117	
6210	Rip-Rapping	-79.6%	(3,659)	936	4,595	-	207	-	1,469	964	993	
6221	USBR Pump Back Project	0.0%	28,238	28,238	-	39,964	60,040	-	36,424	29,085	29,957	
6225	FKC Subsidence	-84.6%	(145,801)	26,566	172,368	41,951	161,667	244,059	76,012	27,363	28,184	
6226	FKC Capacity Correction (FWA)	0.0%	5,878	5,878	-	-	-	7,144	-	6,055	6,236	
6227	Upper Reach	0.0%	52,387	52,387	-	-	-	-	-	13,705	14,117	
6230	GSA Engagement	0.0%	46,820	46,820	-	-	-	-	-	48,225	49,672	
6305	C. & I. Maint. (General)	-45.7%	(12,489)	14,810	27,299	65,322	26,459	13,802	-	15,254	15,712	
6306	C & I ESI Equip Mtce - SCADA	44.2%	31,791	103,650	71,859	26,125	63,538	104,215	94,614	106,760	109,963	
6310	Meter Repair	-5.0%	(3,358)	63,431	66,789	81,164	49,226	57,997	46,248	65,334	67,294	
6320	Canal Patrol	-9.2%	(27,875)	273,521	301,397	162,223	295,256	293,472	290,754	281,727	290,179	
6330	Operations Reports	-29.2%	(23,640)	57,283	80,923	81,154	96,534	142,907	123,756	59,002	60,772	
6340	Operations Supervision	-19.3%	(27,960)	116,542	144,502	65,483	63,796	66,630	75,079	120,039	123,640	
6345	Water supply coordination & monitoring	377.4%	88,288	111,682	23,394	61,898	-	2,238	-	115,032	118,483	
6350	Water Measurement	-77.3%	(23,730)	6,986	30,716	8,261	14,725	6,530	6,685	7,195	7,411	
6360	Misc. Operations	0.0%	0	-	-	387	207	-	-	-	-	
6370	Water Quality	-20.1%	(7,567)	30,043	37,610	6,992	5,020	8,351	-	30,944	31,873	
6380	Groundwater & Seepage Well Mes	0.0%	0	-	-	-	1,658	1,864	2,664	-	-	
6402	FKC Title Transfer	0.0%	0	-	-	-	6,621	-	-	-	-	
6405	Legal Expense- Direct	0.0%	0	-	-	-	-	-	-	-	-	
6410	Administrative Supervision	-14.4%	(2,209)	13,173	15,382	13,852	15,479	13,039	17,067	13,568	13,975	
6420	Safety & First Aid Training	-12.7%	(3,903)	26,917	30,820	18,723	17,930	10,707	14,220	27,725	28,556	
6430	Office Admin (Typing etc.)	9.7%	13,132	149,142	136,010	357,155	185,025	205,465	124,052	153,617	158,225	
6440	Payroll Preparation	-20.6%	(2,610)	10,053	12,663	11,343	10,756	7,903	8,637	10,354	10,665	
6450	Meetings (General)	27.3%	8,883	41,430	32,547	7,227	1,018	45,152	8,887	42,673	43,953	
6451	Meeting - Board of Directors	85.7%	37,650	81,596	43,946	72,809	1,529	23,433	22,539	84,044	86,565	
6452	Meetings (Sub Committee)	407.5%	67,355	83,883	16,527	16,357	-	18,122	9,045	86,399	88,991	
6453	Meetings (Staff)	-19.4%	(6,531)	27,053	33,583	7,014	15,717	26,160	19,991	27,864	28,700	
6454	Offsite Planning Board of Directors	0.0%	8,347	8,347	-	-	-	-	-	8,597	8,855	
6455	Annual Meeting - Board of Directors	0.0%	737	737	-	-	-	-	-	760	782	
6460	Education & Training	17.2%	8,215	55,995	47,780	6,880	40,805	16,800	14,243	57,675	59,405	
6470	Misc Administration	0.7%	2	291	289	-	20,012	-	-	300	309	
6480	Procurement	-67.2%	(9,681)	4,721	14,402	535	3,802	1,896	-	4,863	5,009	
6490	Inventory & Property Mgt.	182.6%	8,303	12,851	4,548	-	2,023	-	772	13,236	13,633	
6501	Employee Benefit (Holiday)	5.9%	7,082	126,927	119,845	176,859	118,799	112,340	100,371	133,033	139,437	
6502	Employee Benefit (Sick Pay)	8.5%	13,410	171,824	158,414	186,449	191,945	122,236	117,603	180,095	188,770	
6503	Employee Benefit (Vacation)	4.4%	8,015	191,816	183,801	197,307	203,756	201,302	186,584	201,077	210,791	
6504	Employee Benefit (Jury Duty)	0.0%	0	-	-	-	1,674	1,213	705	-	-	
6510	Data Processing	-47.9%	(23,828)	25,940	49,768	58,419	68,028	55,053	67,110	26,718	27,520	
6530	Accounting & Auditing	3.9%	13,197	347,796	334,599	276,518	292,038	278,661	202,591	358,230	368,977	
6540	Personnel Administration	19.3%	11,966	73,974	62,008	114,149	116	65,708	8,706	76,193	78,479	
6730	Budget Preparation	188.9%	4,948	7,567	2,619	869	15,127	10,994	14,438	7,794	8,028	
6740	Achieving & Data Storage	371.2%	11,027	13,998	2,971	9,241	11,172	-	-	14,418	14,850	
Totals		1.6%	\$62,314	\$4,005,943	\$3,943,629	\$4,102,913	\$3,635,192	\$3,621,076	\$3,157,913	\$4,173,843	\$4,312,474	

FRIANT WATER AUTHORITY											
OPERATIONS AND MAINTENANCE - FRIANT KERN CANAL											
MATERIALS SPENDING BUDGET: FY2021 & FY2022 & 2023											
Inc./ (Dec)				Location: All All Locations		Extrapolation	CPI		COLA		Sales Tax
						Months	2022 & 23	2024	2023	2024	
				5	5.00%	5.00%	3.00%	3.00%	8.75%		
Code	Description	2022 Budget vs. 2021 Budget		2022 Budget	Historical Spending						
		%	Dollars		2021 Budget	2021 Extrapolated	2020 Actual	2019 Actual	2018 Actual	2023 Budget	2024 Budget
1991	Fixed Assets	185.4%	\$545,163	\$839,171	\$294,008	\$92,000	\$88,731	\$2,008,302	\$681,882	\$1,639,892	\$324,893
6010	Vehicle & Equipment Service	0.6%	2,480	415,743	413,263	451,232	346,882	409,495	378,994	436,530	458,357
6020	Maintenance Supervision	0.0%	0	-	-	108	-	-	-	-	-
6025	Right of Way Management	0.0%	0	-	-	-	1,074	3,264	4,152	-	-
6030	Weed & Pest Control	-48.6%	(305,493)	322,520	628,013	818,805	289,258	501,773	390,565	338,646	355,579
6032	Friant Biological Opinion Imp	-53.1%	(23,791)	21,000	44,791	24,748	1,315	70,189	2,378	21,630	22,279
6040	Road Maintenance	-1.3%	(1,627)	120,926	122,553	4,264	19,250	272,578	50,128	124,246	130,459
6050	Yard & Building Maintenance	18.5%	36,317	232,830	196,513	215,051	178,432	151,413	153,773	244,472	256,695
6060	Structure & Gate Maintenance	-52.4%	(254,393)	231,095	485,488	479,880	112,791	177,508	59,724	265,782	221,924
6070	Cleaning Right-of-Way	2.5%	30	1,230	1,200	113	3,341	-	-	1,292	1,356
6080	Bargate & Guardrail Maint	34.2%	6,849	26,884	20,035	1,502	10,089	16,083	13,246	28,228	29,639
6090	Embankment Maintenance	-35.7%	(8,097)	14,608	22,705	-	2,600	3,999	866	15,339	16,106
6100	Bridge Maintenance	4.5%	1,473	34,502	33,029	37,660	1,492	28,589	34,411	36,228	38,039
6110	Misc. Mtce	-27.9%	(3,344)	8,637	11,981	4,856	8,128	14,670	7,237	9,069	9,522
6111	Reverse Flow Pumping	0.0%	0	-	-	(5,188)	43,443	(110)	(37,194)	-	-
6120	Concrete Lining Maintenance	-92.3%	(103,120)	8,602	111,721	248,003	796	2,636	-	9,032	9,483
6130	Drainditch & Channel Maint.	-100.0%	(12,512)	-	12,512	185	52	-	80	-	-
6140	Fence Maintenance	9.6%	960	10,980	10,020	1,187	7,056	6,121	16,407	11,529	12,106
6160	Mudjacking	1.9%	31	1,626	1,595	318	-	1,386	2,188	1,707	1,792
6170	Painting	-16.3%	(2,231)	11,481	13,712	3,497	7,629	12,782	12,114	12,055	12,658
6190	Sump Pump Mtce	5.0%	1,423	29,744	28,320	2,642	3,842	-	136	31,231	32,792
6221	USBR Pump Back Project	-60.0%	(15,000)	10,000	25,000	687,052	346,599	667,298	662,287	10,500	11,025
6225	FKC Subsidence	-100.6%	(4,854,198)	(26,566)	4,827,632	6,895,075	7,081,609	4,061,682	1,244,923	(27,895)	(29,289)
6226	FKC Capacity Correction (FWA)	0.0%	0	-	-	122,967	-	281,931	54,547	-	-
6227	Upper Reach	0.0%	(0)	(0)	-	-	-	-	-	-	-
6230	GSA Engagement	-70.0%	(375,600)	161,000	536,600	35,387	-	11,278	-	169,050	177,503
6305	C. & I. Maint. (General)	16.6%	404	2,841	2,437	-	595	1,020	7,305	2,983	3,132
6306	C & I ESI Equip Mtce - SCADA	19.4%	35,151	216,399	181,248	52,700	41,791	129,754	46,355	227,219	238,580
6310	Meter Repair	48.7%	27,469	83,916	56,448	208,285	9,029	63,651	44,888	88,112	92,518
6320	Canal Patrol	16.1%	129	932	803	-	88	1,823	2,762	978	1,027
6330	Operations Reports	16.8%	337	2,343	2,006	-	1,046	2,002	51,536	2,460	2,583
6345	Water supply coordination & monitoring	23.2%	71,141	377,279	306,138	132,775	126,168	7,073	-	396,143	415,951
6350	Water Measurement	16.8%	1,144	7,952	6,809	1,176	375	376	358	8,350	8,767
6360	Misc. Operations	16.8%	1,309	9,112	7,803	2,548	9,105	867	781	9,568	10,046
6370	Water Quality	-15.3%	(9,552)	52,838	62,390	46,269	6,087	29,356	301	55,479	58,253
6405	Legal Expense- Direct	-44.1%	(24,875)	31,500	56,375	3,444	-	17,248	11,919	32,445	33,418
6420	Safety & First Aid Training	5.9%	3,739	66,678	62,939	63,108	50,041	36,046	29,171	69,265	71,958
6430	Office Admin (Typing etc.)	0.0%	0	-	-	197	168	25,875	24,605	-	-
6450	Meetings (General)	40.5%	4,513	15,660	11,147	14,810	6,819	15,921	12,141	16,359	17,090
6451	Meeting - Board of Directors	-46.6%	(68,434)	78,470	146,904	153,513	792	92,575	82,379	82,393	86,513
6452	Meetings (Sub Committee)	5.0%	1,467	30,695	29,228	33,047	5	34,740	25,628	32,230	33,841
6453	Meetings (Staff)	-43.4%	(2,811)	3,659	6,470	3,987	1,366	1,382	1,079	3,842	4,034
6454	Offsite Planning Board of Directors	0.0%	52,213	52,213	-	-	26,987	168	-	54,824	57,565
6455	Annual Meeting - Board of Directors	0.0%	11,419	11,419	-	-	-	-	-	11,990	12,589
6460	Education & Training	-3.5%	(2,694)	73,564	76,258	12,072	9,744	10,643	18,125	77,002	80,605
6470	Misc Administration	0.0%	0	-	-	1,317	2,275	201	4,320	-	-
6501	Employee Benefit (Holiday)	0.0%	0	-	-	-	-	-	-	-	-
6502	Employee Benefit (Sick Pay)	0.0%	0	-	-	-	-	-	-	-	-
6503	Employee Benefit (Vacation)	0.0%	0	-	-	-	-	-	-	-	-
6504	Employee Benefit (Jury Duty)	0.0%	0	-	-	-	-	-	-	-	-
6510	Data Processing	110.5%	110,260	210,046	99,786	171,613	99,738	135,587	44,645	216,347	222,838
6520	Travel	87.9%	41,443	88,576	47,134	13,248	-	14,180	11,717	92,923	97,484
6530	Accounting & Auditing	-3.1%	(867)	27,000	27,867	6,027	16,211	18,893	14,780	107,100	112,455
6540	Personnel Administration	85.5%	32,928	71,432	38,504	249,951	597	40,877	50,812	73,594	75,821
6610	Employee Retirement	-12.6%	(58,138)	405,081	463,219	625,739	499,635	439,820	377,714	424,574	445,019
6620	Medical & Disability Insurance	6.6%	64,688	1,051,678	986,989	1,200,787	996,702	924,993	875,881	1,101,177	1,153,058
6630	Liability Insurance	2.4%	3,861	162,146	158,286	244,212	79,866	131,649	144,741	167,011	172,021
6640	Workers Comp. Insurance	-6.3%	(5,997)	89,568	95,565	71,244	84,229	82,960	124,818	93,910	98,464
6650	Legal Expense-Indirect	75.6%	19,375	45,000	25,625	246	-	3,117	2,850	47,250	49,613
6660	Payroll Taxes	1.9%	1,289	67,862	66,573	81,714	67,677	69,459	59,416	71,148	74,595
6670	Utilities	41.1%	69,147	237,251	168,104	107,700	167,901	134,453	139,345	244,561	255,297
6680	Telephone Expense	-100.0%	(95,087)	-	95,087	104,084	57,290	99,666	76,996	-	-
6690	Office Supplies	-12.1%	(4,841)	35,288	40,129	39,618	34,746	64,517	28,469	36,346	37,437
6700	Merit Awards	-18.5%	(7,251)	31,841	39,092	30,115	13,337	-	17,635	32,849	33,889
6710	Postage	-0.9%	(51)	5,287	5,337	2,471	3,587	4,153	2,791	5,445	5,609
6720	Dues & Subscriptions	-36.7%	(45,300)	78,087	123,387	137,932	99,839	123,577	89,777	81,991	86,091
6730	Budget Preparation	2.4%	75	3,150	3,075	-	-	-	41	3,308	3,473
6740	Achieving & Data Storage	2.4%	27	1,142	1,115	6,191	11,172	-	-	1,199	1,259
6790	Lease Office Equipment	29.9%	8,084	35,138	27,054	62,457	35,245	30,289	33,265	36,192	37,278
9999	GM administration allocation	-12.6%	26,842	(239,477)	(212,634)	(186,298)	(156,964)	(128,429)	(106,561)	(251,450)	(264,023)
Totals		-46.2%	(\$5,155,809)	\$5,999,577	\$11,155,386	\$13,819,644	\$10,957,701	\$11,363,350	\$6,085,627	\$7,135,677	\$6,019,066

FRIANT WATER AUTHORITY																				
PROPOSED BUDGET																				
FISCAL YEAR 2022																				
REVISED																				
6/16/2021 12:46																				
Inc./ (Dec)																				
O&M ORGANIZATION																				
Job Code	Budget Category	Total Spending				Material Dollars			Labor Dollars			Total Labor Hours			Regular Hours			OT Hours		
		%	Variance	2022	2021	Variance	2022	2021	Totals	2022	2021	Variance	2022	2021	Variance	2022	2021	Variance	2022	2021
	O&M BILLING:																			
	Maintenance	-46.0%	(\$5,204,072)	\$6,115,639	\$11,319,712	(\$5,177,768)	\$3,804,929	\$8,982,697	(\$26,304)	\$2,310,711	\$2,337,015	57	71,207	71,150	1,856	70,464	68,608	(1,799)	743	2,542
	Water Operations	-11.6%	(250,776)	1,903,746	2,154,522	(166,707)	1,102,151	1,268,858	(84,069)	801,594	885,663	(2,419)	27,038	29,457	0	25,728	25,728	(2,419)	1,310	3,729
	General Administration	21.1%	388,195	2,225,612	1,837,416	215,508	1,331,974	1,116,465	172,687	893,638	720,951	1,824	23,814	21,990	1,825	23,590	21,765	0	230	230
	GM administration allocation	12.6%	(26,842)	(239,477)	(212,634)	(26,842)	(239,477)	(212,634)				-			-					
	O&M BILLING	-33.7%	(\$5,093,495)	\$10,005,520	\$15,099,015	(\$5,155,809)	\$5,999,577	\$11,155,386	\$62,314	\$4,005,943	\$3,943,629	(538)	122,059	122,597	3,681	119,782	116,101	(4,218)	2,283	6,501
	Less: Interest and misc revenue	-62.3%	(66,000)	40,000	106,000															
	NET CASH REQUIREMENT	-33.5%	(\$5,027,495)	\$9,965,520	\$14,993,015															

FRIANT WATER AUTHORITY
PROPOSED BUDGET
FISCAL YEAR 2022

REVISED

6/16/2021 12:46

Inc./ (Dec)

O&M ORGANIZATION

Job Code	Budget Category	Total Spending				Material Dollars			Labor Dollars			Total Labor Hours			Regular Hours			OT Hours		
		%	Variance	2022	2021	Variance	2022	2021	Totals	2022	2021	Variance	2022	2021	Variance	2022	2021	Variance	2022	2021
	CANAL MAINTENANCE			\$0																
1991	Fixed Assets	254.2%	\$545,448	\$760,044	\$214,596	\$545,448	\$760,044	\$214,596	\$0	\$0	\$0	0	-	-	-	-	-	0	-	-
6010	Vehicle & Equipment Service	0.5%	3,276	603,109	599,834	2,453	414,659	412,206	822	188,450	187,628	(2,149)	6,504	8,653	(1,722)	5,921	7,643	(427)	583	1,010
6020	Maintenance Supervision	8.2%	24,487	322,177	297,690	-	-	-	24,487	322,177	297,690	930	7,223	6,293	982	7,203	6,221	(52)	20	72
6025	Right of Way Management	-6.8%	(4,077)	55,437	59,513	-	-	-	(4,077)	55,437	59,513	(170)	1,607	1,777	(170)	1,607	1,777	-	-	-
6030	Weed & Pest Control	4.5%	29,251	673,239	643,989	(61,674)	322,520	384,194	90,925	350,719	259,794	3,018	14,183	11,166	2,978	14,113	11,136	40	70	30
6032	Friant Biological Opinion Imp	-53.1%	(23,791)	21,000	44,791	(23,791)	21,000	44,791	-	-	-	0	-	-	-	-	-	-	-	-
6040	Road Maintenance	-0.5%	(775)	157,909	158,684	652	120,926	120,274	(1,427)	36,983	38,410	(101)	1,466	1,567	(101)	1,466	1,567	-	-	-
6050	Yard & Building Maintenance	24.2%	49,832	255,603	205,772	27,039	169,026	141,987	22,793	86,578	63,785	89	3,499	3,410	89	3,479	3,390	-	20	20
6060	Structure & Gate Maintenance	-80.5%	(388,713)	94,389	483,102	(281,125)	22,067	303,191	(107,588)	72,322	179,911	(4,134)	2,160	6,293	(2,774)	2,160	4,933	(1,360)	-	1,360
6070	Cleaning Right-of-Way	77.3%	38,077	87,324	49,247	-	-	-	38,077	87,324	49,247	1,619	3,600	1,981	1,619	3,600	1,981	-	-	-
6080	Bargate & Guardrail Maint	32.4%	13,700	56,036	42,336	6,013	21,143	15,130	7,687	34,893	27,205	324	1,420	1,096	324	1,420	1,096	-	-	-
6090	Embankment Maintenance	-24.1%	(26,975)	84,962	111,937	(8,097)	14,608	22,705	(18,878)	70,354	89,232	(809)	2,797	3,606	(809)	2,797	3,606	-	-	-
6100	Bridge Maintenance	12.5%	7,784	69,854	62,070	1,473	34,502	33,029	6,311	35,351	29,040	371	1,411	1,040	371	1,411	1,040	-	-	-
6110	Misc. Mtce	-43.5%	(10,140)	13,165	23,305	(3,344)	8,637	11,981	(6,797)	4,528	11,325	0	144	144	-	144	144	-	-	-
6111	Reverse Flow Pumping	0.0%	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-	-	-
6120	Concrete Lining Maintenance	-94.8%	(277,408)	15,253	292,661	(103,120)	8,602	111,721	(174,288)	6,651	180,940	230	270	40	230	270	40	-	-	-
6130	Drainditch & Channel Maint.	40.9%	14,689	50,576	35,887	(12,512)	0	12,512	27,202	50,576	23,374	1,007	1,865	857	1,007	1,865	857	-	-	-
6140	Fence Maintenance	8.8%	4,120	50,718	46,597	960	10,980	10,020	3,160	39,737	36,577	157	1,623	1,466	157	1,623	1,466	-	-	-
6160	Mudjacking	-7.6%	(1,547)	18,713	20,260	31	1,626	1,595	(1,577)	17,087	18,665	77	675	598	77	675	598	-	-	-
6170	Painting	14.3%	5,531	44,161	38,629	(2,231)	11,481	13,712	7,762	32,680	24,917	(725)	1,356	2,081	(725)	1,356	2,081	-	-	-
6190	Sump Pump Mtce	-47.1%	(935)	1,053	1,988	(16)	0	16	(919)	1,053	1,972	(40)	40	80	(40)	40	80	-	-	-
6200	Cross Drainage Structure Mtce	-85.8%	(6,342)	1,053	7,394	-	-	-	(6,342)	1,053	7,394	(260)	40	300	(260)	40	300	-	-	-
6210	Rip-Rapping	-79.6%	(3,659)	936	4,595	-	-	-	(3,659)	936	4,595	(150)	40	190	(150)	40	190	-	-	-
6221	USBR Pump Back Project	-10.6%	(2,640)	22,360	25,000	(15,000)	10,000	25,000	12,360	12,360	0	778	778	-	778	778	-	-	-	-
6225	FKC Subsidence	-100.0%	(4,996,478)	0	4,996,478	(4,827,632)	0	4,827,632	(168,846)	0	168,846	(1,434)	200	1,634	(1,434)	200	1,634	-	-	-
6230	GSA Engagement	-61.3%	(328,780)	207,820	536,600	(375,600)	161,000	536,600	46,820	46,820	-	331	331	-	331	331	-	-	-	-
6340	Operations Supervision	-25.3%	(13,918)	41,054	54,972	-	-	-	(13,918)	41,054	54,972	(224)	617	841	(224)	617	841	-	-	-
6345	Water supply coordination & monitoring	46.4%	150,452	474,536	324,085	74,376	380,514	306,138	76,075	94,022	17,947	552	760	208	552	760	208	-	-	-
6370	Water Quality	-32.5%	(19,400)	40,203	59,603	(29,603)	30,000	59,603	10,203	10,203	-	104	104	-	104	104	-	-	-	-
6402	FKC Title Transfer	0.0%	0	-	0	0	-	0	0	-	0	0	-	-	-	-	-	-	-	-
6405	Legal Expense- Direct	-100.0%	(5,125)	-	5,125	(5,125)	-	5,125	-	-	-	-	-	-	-	-	-	-	-	-
6420	Safety & First Aid Training	-15.0%	(7,385)	41,775	49,160	(2,306)	20,465	22,771	(5,079)	21,310	26,389	(413)	729	1,142	(413)	729	1,142	-	-	-
6430	Office Admin (Typing etc.)	-3.3%	(1,984)	58,076	60,060	-	-	-	(1,984)	58,076	60,060	(60)	1,519	1,579	(60)	1,519	1,579	-	-	-
6440	Payroll Preparation	-31.4%	(385)	841	1,226	-	-	-	(385)	841	1,226	(47)	25	72	(47)	25	72	-	-	-
6450	Meetings (General)	18.6%	5,226	33,305	28,079	313	11,460	11,147	4,913	21,845	16,932	251	606	355	251	606	355	-	-	-
6451	Meeting - Board of Directors	-23.4%	(42,706)	139,734	182,440	(68,434)	78,470	146,904	25,728	61,264	35,536	(8)	534	542	(8)	534	542	-	-	-
6452	Meetings (Sub Committee)	414.5%	51,331	63,715	12,384	754	754	0	50,577	62,961	12,384	308	478	170	308	478	170	-	-	-
6453	Meetings (Staff)	-45.3%	(8,159)	9,872	18,031	27	1,142	1,115	(8,187)	8,730	16,917	(200)	157	357	(200)	157	357	-	-	-
6454	Offsite Planning Board of Directors	0.0%	0	0	0	0	-	0	0	0	0	0	-	-	-	-	-	-	-	-
6455	Annual Meeting - Board of Directors	0.0%	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-	-	-
6460	Education & Training	10.2%	5,761	62,209	56,447	243	25,896	25,653	5,518	36,313	30,795	120	1,223	1,103	120	1,173	1,053	-	50	50
6480	Procurement	-67.2%	(9,681)	4,721	14,402	-	-	-	(9,681)	4,721	14,402	(200)	97	297	(200)	97	297	-	-	-
6490	Inventory & Property Mgt.	-100.0%	(4,125)	0	4,125	-	-	-	(4,125)	0	4,125	(108)	80	188	(108)	80	188	-	-	-
6501	Employee Benefit (Holiday)	1.0%	743	72,180	71,436	0	0	-	743	72,180	71,436	0	2,304	2,304	-	2,304	2,304	-	-	-
6502	Employee Benefit (Sick Pay)	5.3%	4,958	98,828	93,870	-	-	-	4,958	98,828	93,870	0	3,072	3,072	-	3,072	3,072	-	-	-
6503	Employee Benefit (Vacation)	-5.9%	(6,521)	103,901	110,422	-	-	-	(6,521)	103,901	110,422	0	3,400	3,400	-	3,400	3,400	-	-	-
6520	Travel	2.4%	709	29,789	29,080	709	29,789	29,080	-	-	-	-	-	-	-	-	-	-	-	-
6540	Personnel Administration	81.7%	3,979	8,851	4,871	22	943	920	3,957	7,908	3,951	(113)	119	232	(113)	119	232	-	-	-
6610	Employee Retirement	-14.8%	(39,898)	230,527	270,425	(39,898)	230,527	270,425	-	-	-	-	-	-	-	-	-	-	-	-
6620	Medical & Disability Insurance	-2.7%	(15,982)	568,809	584,790	(15,982)	568,809	584,790	-	-	-	-	-	-	-	-	-	-	-	-
6640	Workers Comp. Insurance	-38.0%	(32,518)	53,157	85,676	(32,518)	53,157	85,676	-	-	-	-	-	-	-	-	-	-	-	-
6650	Legal Expense-Indirect	75.6%	19,375	45,000	25,625	19,375	45,000	25,625	-	-	-	-	-	-	-	-	-	-	-	-
6660	Payroll Taxes	11.4%	4,421	43,228	38,807	4,421	43,228	38,807	-	-	-	-	-	-	-	-	-	-	-	-
6670	Utilities	2.4%	2,019	84,793	82,774	2,019	84,793	82,774	-	-	-	-	-	-	-	-	-	-	-	-
6700	Merit Awards	-94.6%	(16,107)	914	17,020	(16,107)	914	17,020	-	-	-	-	-	-	-	-	-	-	-	-
6720	Dues & Subscriptions	-17.4%	(3,872)	18,323	22,194	(3,872)	18,323	22,194	-	-	-	-	-	-	-	-	-	-	-	-
6730	Budget Preparation	-20.3%	(1,158)	4,536	5,694	75	3,150	3,075	(1,233)	1,386	2,619	(82)	40	122	(82)	40	122	-	-	-
6740	Achieving & Data Storage	-0.2%	(10)	4,076	4,085	27	1,142	1,115	(37)	2,934	2,971	0	59	59	-	59	59	-	-	-
	TOTAL CANAL MAINTENANCE	-47.0%	(\$5,316,021)	\$6,003,843	\$11,319,865	(\$5,241,553)	\$3,741,297	\$8,982,850	(\$74,468)	\$2,262,546	\$2,337,015	(383)	69,932	70,315	1,416	69,189	67,773	(1,799)	743	2,542

FRIANT WATER AUTHORITY
PROPOSED BUDGET
FISCAL YEAR 2022

REVISED 6/16/2021 12:46 Inc./ (Dec)

O&M ORGANIZATION

Job Code	Budget Category	Total Spending				Material Dollars			Labor Dollars			Total Labor Hours			Regular Hours			OT Hours		
		%	Variance	2022	2021	Variance	2022	2021	Totals	2022	2021	Variance	2022	2021	Variance	2022	2021	Variance	2022	2021
WATER OPERATIONS																				
1991	Fixed Assets	4.9%	\$2,380	\$50,580	\$48,201	\$2,380	\$50,580	\$48,201	\$0	\$0	\$0	-	-	-	-	-	-	-	-	-
6010	Vehicle & Equipment Service	2.5%	27	1,084	1,057	27	1,084	1,057	0	-	0	0	-	-	-	-	-	-	-	-
6030	Weed & Pest Control	-100.0%	(243,819)	0	243,819	(243,819)	0	243,819	-	-	-	-	-	-	-	-	-	-	-	-
6040	Road Maintenance	-100.0%	(2,280)	0	2,280	(2,280)	0	2,280	-	-	-	-	-	-	-	-	-	-	-	-
6050	Yard & Building Maintenance	14.8%	11,408	88,394	76,987	9,278	63,805	54,526	2,130	24,590	22,460	62	860	798	62	820	758	-	40	40
6060	Structure & Gate Maintenance	11.4%	28,752	281,624	252,872	26,732	209,028	182,296	2,020	72,596	70,576	459	2,548	2,089	1,325	2,448	1,123	(866)	100	966
6070	Cleaning Right-of-Way	2.5%	30	1,230	1,200	30	1,230	1,200	0	-	0	0	-	-	-	-	-	-	-	-
6080	Bargate & Guardrail Maint	17.0%	836	5,740	4,905	836	5,740	4,905	0	-	0	-	-	-	-	-	-	-	-	-
6190	Sump Pump Mtce	5.1%	1,439	29,744	28,304	1,439	29,744	28,304	-	-	-	-	-	-	-	-	-	-	-	-
6305	C. & I. Maint. (General)	-40.6%	(12,085)	17,651	29,736	404	2,841	2,437	(12,489)	14,810	27,299	(253)	520	773	170	500	330	(423)	20	443
6306	C & I ESI Equip Mtce - SCADA	28.8%	65,690	293,704	228,013	35,151	216,399	181,248	30,540	77,305	46,765	1,098	2,642	1,544	1,168	2,392	1,224	(70)	250	320
6310	Meter Repair	19.6%	24,111	147,347	123,236	27,469	83,916	56,448	(3,358)	63,431	66,789	(156)	2,070	2,226	(140)	1,670	1,810	(16)	400	416
6320	Canal Patrol	-9.2%	(27,746)	274,453	302,199	129	932	803	(27,875)	273,521	301,397	(1,778)	9,639	11,417	(1,174)	9,339	10,513	(604)	300	904
6330	Operations Reports	-28.1%	(23,303)	59,627	82,930	337	2,343	2,006	(23,640)	57,283	80,923	(577)	1,950	2,527	(137)	1,750	1,887	(440)	200	640
6340	Operations Supervision	-15.7%	(14,041)	75,489	89,530	-	-	-	(14,041)	75,489	89,530	289	1,846	1,557	289	1,846	1,557	-	-	-
6350	Water Measurement	-60.2%	(22,586)	14,938	37,524	1,144	7,952	6,809	(23,730)	6,986	30,716	(869)	250	1,119	(869)	250	1,119	-	-	-
6360	Misc. Operations	16.8%	1,309	9,112	7,803	1,309	9,112	7,803	0	-	0	0	-	-	-	-	-	-	-	-
6370	Water Quality	5.6%	2,280	42,677	40,397	20,051	22,838	2,787	(17,770)	19,840	37,610	(653)	710	1,363	(653)	710	1,363	-	-	-
6420	Safety & First Aid Training	-1.0%	(106)	10,039	10,145	166	6,965	6,800	(272)	3,074	3,346	(8)	110	118	(8)	110	118	-	-	-
6450	Meetings (General)	1.8%	24	1,341	1,317	-	-	-	24	1,341	1,317	0	48	48	-	48	48	-	-	-
6453	Meetings (Staff)	-25.0%	(1,164)	3,493	4,657	-	-	-	(1,164)	3,493	4,657	(31)	125	156	(31)	125	156	-	-	-
6460	Education & Training	14.2%	2,971	23,961	20,991	2,898	19,910	17,011	72	4,052	3,979	0	145	145	-	145	145	-	-	-
6501	Employee Benefit (Holiday)	2.0%	501	25,075	24,575	-	-	-	501	25,075	24,575	0	864	864	-	864	864	-	-	-
6502	Employee Benefit (Sick Pay)	2.0%	667	33,434	32,766	-	-	-	667	33,434	32,766	0	1,152	1,152	-	1,152	1,152	-	-	-
6503	Employee Benefit (Vacation)	10.5%	4,317	45,275	40,958	-	-	-	4,317	45,275	40,958	0	1,560	1,560	-	1,560	1,560	-	-	-
6610	Employee Retirement	-23.3%	(24,799)	81,480	106,280	(24,799)	81,480	106,280	-	-	-	-	-	-	-	-	-	-	-	-
6620	Medical & Disability Insurance	-18.3%	(48,255)	214,819	263,074	(48,255)	214,819	263,074	-	-	-	-	-	-	-	-	-	-	-	-
6640	Workers Comp. Insurance	807.1%	24,598	27,646	3,048	24,598	27,646	3,048	-	-	-	-	-	-	-	-	-	-	-	-
6660	Payroll Taxes	-22.8%	(3,460)	11,694	15,154	(3,460)	11,694	15,154	-	-	-	-	-	-	-	-	-	-	-	-
6670	Utilities	5.0%	1,528	32,093	30,565	1,528	32,093	30,565	-	-	-	-	-	-	-	-	-	-	-	-
6690	Office Supplies	0.0%	0	0	0	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL WATER OPERATIONS		-11.6%	(\$250,776)	\$1,903,746	\$2,154,522	(\$166,707)	\$1,102,151	\$1,268,858	(\$84,069)	\$801,594	\$885,663	(2,419)	27,038	29,457	0	25,728	25,728	(2,419)	1,310	3,729

FRIANT WATER AUTHORITY
PROPOSED BUDGET
FISCAL YEAR 2022

REVISED 6/16/2021 12:46 Inc./ (Dec)

O&M ORGANIZATION

Job Code	Budget Category	Total Spending				Material Dollars			Labor Dollars			Total Labor Hours			Regular Hours			OT Hours		
		%	Variance	2022	2021	Variance	2022	2021	Totals	2022	2021	Variance	2022	2021	Variance	2022	2021	Variance	2022	2021
ADMINISTRATION:																				
1991	Fixed Assets	-8.5%	(\$2,664)	\$28,547	\$31,211	(\$2,664)	\$28,547	\$31,211	\$0	\$0	\$0	-	-	-	-	-	-	-	-	-
6221	USBR Pump Back Project	0.0%	15,878	15,878	0	-	-	-	15,878	15,878	0	457	457	-	457	457	-	-	-	-
6225	FKC Subsidence	-100.0%	(3,522)	0	3,522	(26,566)	(26,566)	-	23,045	26,566	3,522	873	950	77	873	950	77	-	-	-
6226	FKC Capacity Correction (FWA)	0.0%	5,878	5,878	0	-	-	-	5,878	5,878	0	88	88	-	88	88	-	-	-	-
6227	Upper Reach	0.0%	13,306	13,306	0	-	-	-	13,306	13,306	0	254	254	-	254	254	-	-	-	-
6230	GSA Engagement	0.0%	0	0	0	-	-	-	0	0	0	0	-	-	-	-	-	-	-	-
6306	C & I ESI Equip Mtce - SCADA	5.0%	1,252	26,346	25,094	-	-	-	1,252	26,346	25,094	45	520	475	45	520	475	-	-	-
6345	Water supply coordination & monitoring	164.8%	8,978	14,425	5,447	(3,235)	(3,235)	-	12,213	17,660	5,447	145	265	120	145	265	120	-	-	-
6405	Legal Expense- Direct	-38.5%	(19,750)	31,500	51,250	(19,750)	31,500	51,250	-	-	-	-	-	-	-	-	-	-	-	-
6410	Administrative Supervision	-14.4%	(2,209)	13,173	15,382	-	-	-	(2,209)	13,173	15,382	(31)	260	291	(31)	260	291	-	-	-
6420	Safety & First Aid Training	21.3%	7,328	41,781	34,453	5,879	39,248	33,369	1,449	2,533	1,084	18	78	61	18	78	61	-	-	-
6430	Office Admin (Typing etc.)	19.9%	15,116	91,066	75,950	-	-	-	15,116	91,066	75,950	(2,177)	3,404	5,581	(2,177)	3,364	5,541	0	40	40
6440	Payroll Preparation	-19.5%	(2,225)	9,211	11,437	-	-	-	(2,225)	9,211	11,437	6	296	290	6	286	280	-	10	10
6450	Meetings (General)	57.0%	8,146	22,444	14,298	4,200	4,200	-	3,946	18,244	14,298	(13)	279	292	(13)	279	292	-	-	-
6451	Meeting - Board of Directors	141.8%	11,922	20,332	8,410	0	0	-	11,922	20,332	8,410	319	465	146	319	465	146	-	-	-
6452	Meetings (Sub Committee)	52.4%	17,491	50,863	33,371	713	29,941	29,228	16,778	20,921	4,143	339	429	90	339	429	90	-	-	-
6453	Meetings (Staff)	-0.1%	(18)	17,347	17,365	(2,838)	2,517	5,355	2,820	14,830	12,010	102	347	245	102	347	245	-	-	-
6460	Education & Training	-6.9%	(3,212)	43,389	46,600	(5,836)	27,758	33,594	2,624	15,630	13,006	276	449	174	276	449	174	-	-	-
6470	Misc Administration	0.7%	2	291	289	0	-	0	2	291	289	(21)	8	29	(21)	8	29	-	-	-
6490	Inventory & Property Mgt.	2940.0%	12,428	12,851	423	-	-	-	12,428	12,851	423	424	432	8	424	432	8	-	-	-
6501	Employee Benefit (Holiday)	24.5%	5,838	29,672	23,834	-	-	-	5,838	29,672	23,834	72	792	720	72	792	720	-	-	-
6502	Employee Benefit (Sick Pay)	24.5%	7,785	39,563	31,778	-	-	-	7,785	39,563	31,778	(224)	1,056	1,280	(224)	1,056	1,280	-	-	-
6503	Employee Benefit (Vacation)	31.5%	10,219	42,639	32,421	-	-	-	10,219	42,639	32,421	107	1,136	1,029	107	1,136	1,029	-	-	-
6504	Employee Benefit (Jury Duty)	0.0%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6510	Data Processing	57.8%	86,432	235,986	149,554	110,260	210,046	99,786	(23,828)	25,940	49,768	(426)	512	938	(426)	512	938	-	-	-
6520	Travel	225.6%	40,734	58,787	18,053	40,734	58,787	18,053	-	0	0	-	-	-	-	-	-	-	-	-
6530	Accounting & Auditing	3.4%	12,330	374,796	362,466	(867)	27,000	27,867	13,197	347,796	334,599	784	8,985	8,200	784	8,850	8,065	0	135	135
6540	Personnel Administration	42.8%	40,914	136,555	95,641	32,905	70,489	37,584	8,009	66,066	58,057	(168)	1,776	1,944	(168)	1,731	1,899	-	45	45
6610	Employee Retirement	7.6%	6,559	93,073	86,514	6,559	93,073	86,514	-	-	-	-	-	-	-	-	-	-	-	-
6611	Retirement Administration	0.0%	0	-	0	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-
6620	Medical & Disability Insurance	92.7%	128,925	268,050	139,125	128,925	268,050	139,125	-	-	-	-	-	-	-	-	-	-	-	-
6630	Liability Insurance	2.4%	3,861	162,146	158,286	3,861	162,146	158,286	-	-	-	-	-	-	-	-	-	-	-	-
6640	Workers Comp. Insurance	28.1%	1,923	8,764	6,841	1,923	8,764	6,841	-	-	-	-	-	-	-	-	-	-	-	-
6650	Legal Expense-Indirect	0.0%	0	0	-	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-
6660	Payroll Taxes	2.6%	328	12,940	12,612	328	12,940	12,612	-	-	-	-	-	-	-	-	-	-	-	-
6670	Utilities	119.8%	65,600	120,364	54,764	65,600	120,364	54,764	-	-	-	-	-	-	-	-	-	-	-	-
6680	Telephone Expense	-100.0%	(95,087)	0	95,087	(95,087)	0	95,087	-	-	-	-	-	-	-	-	-	-	-	-
6690	Office Supplies	-12.1%	(4,841)	35,288	40,129	(4,841)	35,288	40,129	-	-	-	-	-	-	-	-	-	-	-	-
6700	Merit Awards	40.1%	8,855	30,927	22,072	8,855	30,927	22,072	-	-	-	-	-	-	-	-	-	-	-	-
6710	Postage	-0.9%	(51)	5,287	5,337	(51)	5,287	5,337	-	-	-	-	-	-	-	-	-	-	-	-
6720	Dues & Subscriptions	-40.9%	(41,429)	59,765	101,193	(41,429)	59,765	101,193	-	-	-	-	-	-	-	-	-	-	-	-
6730	Budget Preparation	0.0%	6,181	6,181	0	-	-	-	6,181	6,181	0	160	160	-	160	160	-	-	-	-
6740	Achieving & Data Storage	0.0%	11,064	11,064	0	0	0	0	11,064	11,064	0	416	416	-	416	416	-	-	-	-
6790	Lease Office Equipment	29.9%	8,084	35,138	27,054	8,084	35,138	27,054	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ADMINISTRATION:		21.1%	\$388,348	\$2,225,612	\$1,837,263	\$215,661	\$1,331,974	\$1,116,312	\$172,687	\$893,638	\$720,951	1,824	23,814	21,990	1,824	23,584	21,760	-	230	230

FY 2022

MAJOR
MAINTENANCE
PROJECT
JUSTIFICATIONS

**Major Maintenance Projects
FY 2022**

Job Code	Project Title	Project Location	Dept.	Total Project Cost
6040	Roadway Chip Seal	MP 0.0 to MP 15.00 / Orange Cove	10	\$ 136,391
6060	Gate Actuator Upgrade	Multiple Sites	Maintenance	\$ 155,295
Totals: \$				291,686

Friant Water Authority
Extraordinary Maintenance Project
Summary Sheet
Proposed For FY 2022

Project Title: Operation and Maintenance Roadway Chip Seal.

Job Code: 6040

Project Location and Maintenance Department: Approx. MP 0.0 to MP 15.00 / Orange Cove

Project Description: Chip seal a 15-mile section of canal roadway with 3/8" rock and CRS-2H asphalt emulsion. An in-house hauling operation will stockpile chip material from a local plant staging it along the 15-mile section of roadway. Outside service contractor will provide emulsion trucks to disperse asphaltic emulsion onto the existing road. Authority staff will follow behind operating a chipping machine, placing rock chips over the emulsion. The rock chips will be forced into the emulsion with two rented roller compactors. Once the rock/emulsion mixture sets, the roadway is swept to remove loose chips.

Estimated Total Project Cost (x1000): \$136.4

Estimated Total Project Cost (Excluding Regular Labor Costs, x1000): \$116.9

General Justification: Chip seal applications are repeated on a 10-year rolling cycle. Chip sealing slows down serious deterioration of the operational canal roadways lessening the need for road removal and reconstruction. An inspection of the 152 miles of operational roadway is conducted each year to determine sections to be chip sealed.

Operating Impact: Failure to maintain good road conditions could directly delay operation and maintenance in the event of road failure, as well as pose a serious threat to the safety of those traveling on the canal roadways.



Photo of Existing Conditions

Friant Water Authority
Extraordinary Maintenance Projects
Cost Summary
Proposed For FY 2022

Project Title: Roadway Chip Seal Project

Project Location and Maintenance Department: Approx. MP 0.0 to MP 15.00 / Orange Cove

Estimated Total Project Cost (x1000): \$136.4

Estimated Total Project Cost (Excluding Regular Labor Costs x1000): \$116.9

Breakdown of Estimated Costs¹

Contract Services: (3 day project)

Emulsion Truck Spread Time - (\$135/hr. for 24 hours.)	\$ 3,240
Chip Spreader w/Operator - (\$5,000 per 8 hr. day)	\$15,000
	Subtotal: \$18,240

Materials:

Emulsion (150 Ton @ \$415/Ton)	\$62,250
Screenings (1,700 Ton @ \$15/Ton)	\$25,500
	Subtotal: \$87,750

Rental Equipment:

Roller - (\$1,300 per week x 2 units)	\$ 2,600
Sweeper – (\$1,135 per week)	\$ 1,135
	Subtotal: \$3,735

Fuel:

Stockpile – 1,932 gal (23 gal/day x 28 days x 3 trucks)	\$ 6,666
Roller – 90 gal (15 gal/day x 3 days x 2 units)	\$ 311
Sweeper – 30 gal (10 gal/day x 3 days)	\$ 104
Diesel = \$3.45/gallon	
	Subtotal: \$7,081

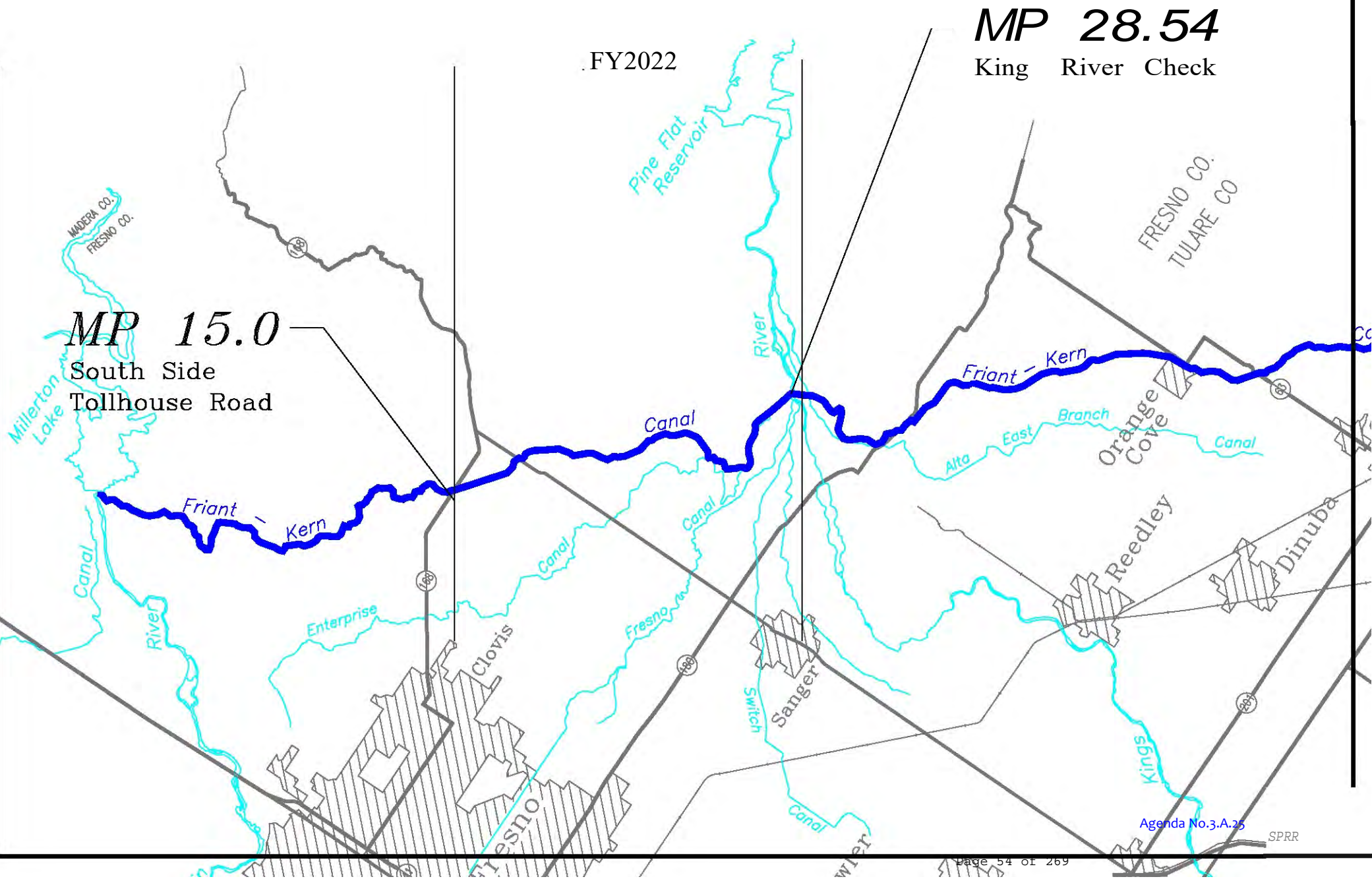
Regular Labor (Hours and Cost):

Stockpile – 3 CMW (28 days x 8 hr./day @ \$21.65/hr.)	\$14,550
Chip-Seal – 6 CMW (3 days x 8 hr./day @ \$21.65/hr.)	\$ 3,118
	Subtotal: \$17,668

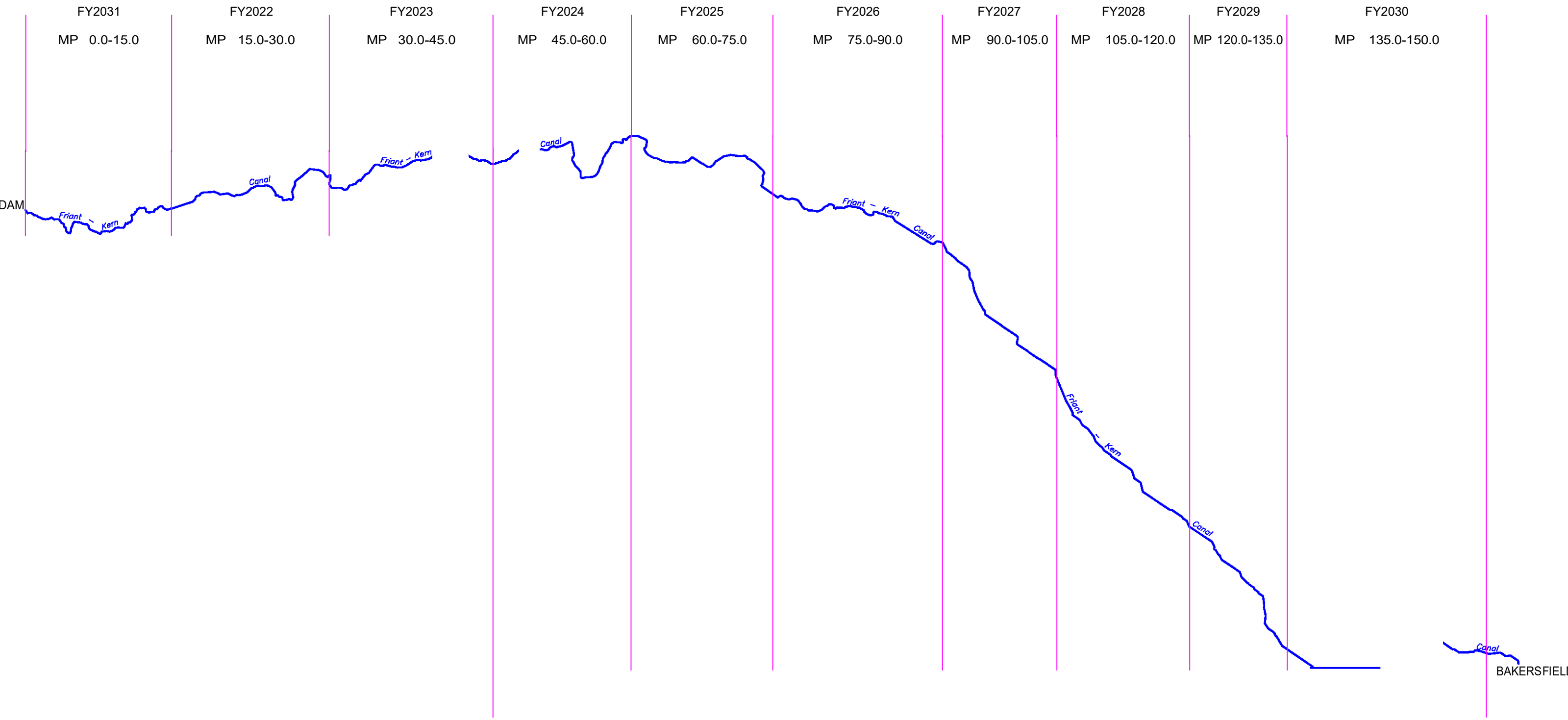
Total: \$136,391

¹ The total estimated cost includes CPI and COLA, the breakdown does not.

Proposed Chip Seal {Orange Cove}



FRIANT WATER AUTHORITY
CHIP SEAL PROJECT
10-YEAR CYCLE



Friant Water Authority
Major Maintenance Projects
Summary Sheet
Proposed for FY 2022

Project Title: Gate Actuator Upgrade

Job Code: 6060

Project Location and Department: Scheduled Gate Actuator upgrade is schedule in various locations along the 152-mile system unless noted otherwise.

Project Description: This will be a replacement of both the gate actuator and gate shaft that raise and lower the gates at these various sites. A total of nine actuators and shafts will be replaced. This is part of the standardization plan in the canal system.

Estimated Total Project Cost (x1000): \$ 155.295

Estimated Total Material Cost (Including Fuel Costs, x1000): \$130.5

General Justification: This effort is to bring the sites to a higher level of operational reliability and to standardize the gate actuators along the canal system.

Operating Impact: Replacement of these gate actuators will bring a higher level of operational reliability to the canal system by both having new components in service and having standardization in the event of a failure thereby reducing operational downtime.



View of Similar Conditions

Friant Water Authority
Major Maintenance Projects
Cost Summary
Proposed for FY 2022

Project Title: Gate Actuator Upgrade

Project Location and Department: Scheduled Gate Actuator upgrade is scheduled in various locations along the 152-mile system unless noted otherwise.

Estimated Total Project Cost (x1000): \$155,295

Estimated Total Material Cost (Including Fuel Costs, x1000): \$130.5

Breakdown of Estimated Costs

Contract Service:

MRC Global installation services	\$10,305
Machine Shop Services	\$3,000
Subtotal:	\$13,010

Materials:

9 - 1 Hp Gate Actuators and Shafts @ \$14,500 ea. (Motor Prices include starters, breaks, and cabinets.)	\$130,500
Subtotal:	\$130,500

Rental Equipment: n/a

Subtotal: n/a

Fuel: n/a

Subtotal: n/a

Regular Labor (Hours and Cost):

1 - Electrician (25 days @ 8 hr. @ \$30.53/hr.)	\$ 6,106
1 – Electronic Technician (20 days x 8 hr./day @ \$33.65/hr.)	\$ 5,384

Subtotal: \$11,490

Total: \$ 155,295

FY 2022

NON-ROUTINE
OM&R
PROJECT
JUSTIFICATIONS

**Non-Routine O&M Projects
FY 2022**

Job Code	Project Title	Project Location	Total Project Cost
6221	FKC Reverse Pump-Back Project	Multiple Sites	\$ 38,238
6227	FKC System-Wide Capacity Correction Project	Upper Reach - Approx. MP 88.2 to MP 121.5	\$ 58,265
6230	Ground Water Sustainability Agencies Engagement	Friant Kern Canal and Associated Facilities	\$ 207,820
6370	FKC Water Quality Program	Entire Friant Kern Canal (152 Miles)	\$ 82,881
Totals:			\$ 387,204

Friant Water Authority
Extraordinary Maintenance Project
Summary Sheet
Proposed for FY 2022

Project Title: Friant Kern Canal Reverse Pump-Back Project

Job Code: 6221

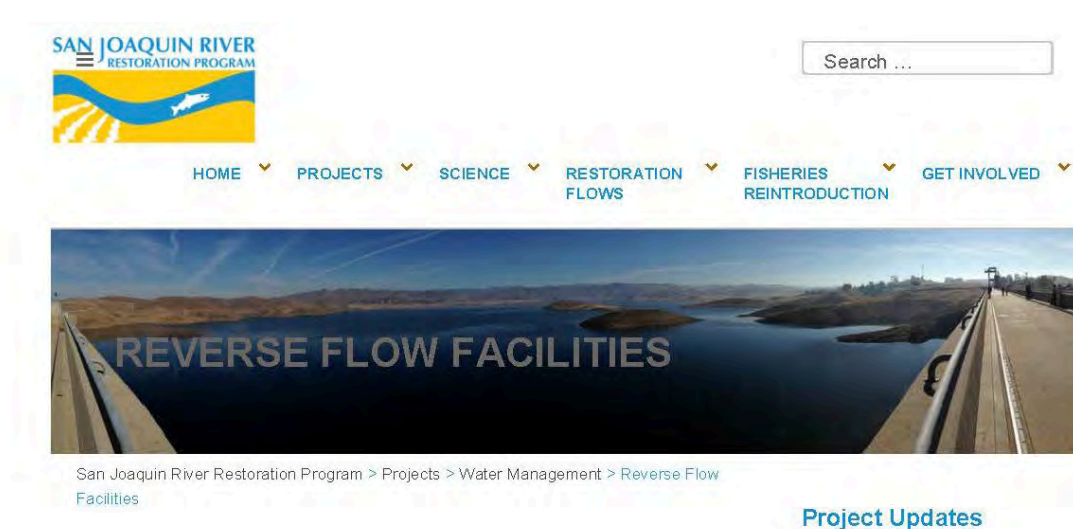
Project Location: Friant-Kern Canal from terminus MP 151.8 to Tule River pool MP 95.67

Project Description: The Secretary of the Interior is authorized in PL-111-11 Section 10201 and directed to conduct feasibility studies in coordination with Friant Water Authority and create improvements or reverse flow pump-back facilities on the Friant-Kern Canal to help manage for water supply lost as part of the San Joaquin River Restoration Program Settlement. In August 2016, Friant Water Authority (FWA) entered into a Financial Assistance Agreement (FAA) with the U. S. Bureau of Reclamation to design and construct Reverse flow Pump-Back facilities in the lower reaches of the FKC. The current project is at 30% design and is looking to build reverse flow pump-back facilities at Shafter Check, Woollomes Check and Deer Creek Check.

Estimated Project Costs (x1000): \$56,000 pre- 30% design estimate
Fiscal Year 2022 Budget = \$38.2

General Justification: This project originally stemmed from the SJRRP to help facilitate the Long-Term Recapture and Recirculation program. It was authorized as part of the settlement program to help Friant Division Contractors keep access to their water utilized to help restore the SJR fishery. This program helps keep the SJR settlement viable.

Operating Impact: The reverse flow pump-back project provides a significant amount of flexibility in making the San Joaquin River Settlement Water Supply initiatives successful. Facilities also have the potential for use by FKC contractors at other drought times when the return of supplies wouldn't be possible without this infrastructure.



Friant Water Authority
Extraordinary Maintenance Projects
Cost Summary
Proposed for FY 2022

Project Title: Friant Kern Canal Reverse Pump-Back Project

Project Location and Department: Friant-Kern Canal from terminus MP 151.8 to Tule River
Check MP 95.67 / Maintenance Department.

Estimated Total Project Cost (x1000): \$56,000 pre- 30% design estimate
Fiscal Year 2022 Budget = \$38.2

Estimated Total Material Cost (Including Fuel Costs, x1000): \$unknown

Breakdown of Estimated Costs

All costs outside of Friant staff costs are assumed to be covered using an FAA

Contract Service:

Burke Williams Sorenson & Consulting Services

Subtotal: \$10,000

Regular Labor (Hours and Cost):

Executive Team (COO, WRM, etc).....	128 hrs @96.63	\$12,360
Accounting/Finance	377 hrs @42.12	\$15,878

Subtotal: \$38,238

Total: \$ 38,238

Friant Water Authority
Special Project
Summary Sheet
Proposed for FY 2022

Project Title: FKC System Wide Capacity Correction Project

Job Code: 6227

Project Location: System-Wide Improvements -Upper Reach – Approx. MP 28.8 to MP 88.2, Middle Reach - Approx. MP 88.2 to MP 121.5, Lower Reach - Approx. MP 121.5 to MP 152.13

Project Description: Friant Water Authority is undertaking evaluations of potential conveyance and operational improvements to the FKC to address original design and induced capacity reductions. The FKC's reduced canal capacity to have significant potential to impair water delivery operations during uncontrolled season.

Estimated Project Costs (x1000): \$260,000 to \$300,000 estimated through construction.
Fiscal Year 2022 Budget = \$58.3

General Justification: These costs are based on activities required to prepare a Federal Appraisal Study (Study) of system-wide modifications to the Friant-Kern Canal (FKC) to restore the original design capacity. The Study will build on the initial implementation of Segments D, E, and F for the FKC Middle Reach Capacity Project, and will consider the relationship of implementing additional segments in the Middle Reach in combination with other system-wide modifications. The Study is the first step of a two-step process consistent with the U.S. Bureau of Reclamation (Reclamation) Manual Directives and Standards (D&S) for an Appraisal Study and a Feasibility Study. The Friant Water Authority (Friant) and Reclamation will coordinate the execution of work and the preparation, review, and approval of required documentation.

Operating Impact: Without correction, the capacity of the FKC to deliver a full run of uncontrolled season supplies could be impaired below Kings River Check. This directly affects the flexibility of several districts to schedule contract supplies for delivery.

Friant Water Authority
Special Project
Cost Summary
Proposed for FY 2022

Project Title: FKC Capacity Correction Project – Subsidence Correction

Project Location and Department: System-Wide Improvements -Upper Reach – Approx. MP 28.8 to MP 88.2, Middle Reach - Approx. MP 88.2 to MP 121.5, Lower Reach - Approx. MP 121.5 to MP 152.13
Office of the COO

Estimated Total Project Cost (x1000): \$260,000 to \$300,000 estimated through construction.
Fiscal Year 2022 Budget = \$58.2

Estimated Total Material Cost (Including Fuel Costs, x1000): unknown

Breakdown of Estimated Costs

These costs are based on activities required to prepare a Federal Appraisal Study (Study) of system-wide modifications to the Friant-Kern Canal (FKC) to restore the original design capacity. The Study will build on the initial implementation of Segments D, E, and F for the FKC Middle Reach Capacity Project, and will consider the relationship of implementing additional segments in the Middle Reach in combination with other system-wide modifications. The Study is the first step of a two-step process consistent with the U.S. Bureau of Reclamation (Reclamation) Manual Directives and Standards (D&S) for an Appraisal Study and a Feasibility Study. The Friant Water Authority (Friant) and Reclamation will coordinate the execution of work and the preparation, review, and approval of required documentation.

It is anticipated that a final Appraisal Study will not be completed till the 1st quarter of FY23 and some portions of those costs are assumed to occur in FY23. It is assumed that technical services in part or whole by a consultant under contract to either Friant or Reclamation in support of the Feasibility Study. Friant and Reclamation each will assign a project manager to direct and coordinate the Project.

All Consultant costs are assumed to be reimbursed through a Financial Assistance Agreement with Reclamation, which has yet to be developed.

Regular Labor (Hours and Cost):

Executive Team (COO, WRM, etc).....	350 hrs @128.55	\$45,059
Accounting/Finance	254 hrs @52.34	\$13,206

Subtotal: \$58,265

Total: \$ 58,265

Friant Water Authority Special Project Summary Sheet Proposed for FY 2022

Project Title: Groundwater Sustainability Agencies Engagement

Job Code: 6230

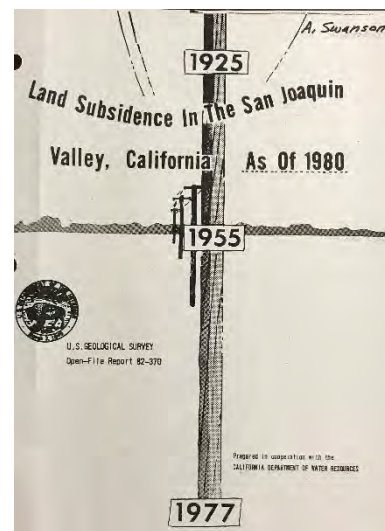
Project Location: Friant-Kern Canal and associated facilities

Project Description: Friant Water Authority has undertaken a review of the various Groundwater Sustainability Plans (GSP) that have the potential to affect the lands adjacent to the Friant-Kern Canal. Through the engagement of Groundwater Sustainability Agencies (GSA), the Authority seeks to protect the facility from adverse impacts like subsidence.

Estimated Project Costs (x1000): \$unknown
Fiscal Year 2022 Budget = \$207.8

General Justification: during the summer of 2019, the FWA Board of Directors sent notice letters regarding undesirable subsidence impacts on the Friant-Kern Canal. This letter requested that each GSP identify the effects of subsidence emanating from or within the various basins on the Friant-Kern Canal and treat it as an undesirable result that must be avoided. Fast forward to summer of 2020 and various GSA have identified impacts to the FKC through transitional pumping. To properly manage the planned future subsidence, its paramount that the Authority ensure these undesirable results are mitigated. The proposed budget is to prepare for legal action and to continue to monitor management actions and mitigation.

Operating Impact: Potentially has a high operational impact if the Friant-Kern Canal continues to subside without mitigation.



Friant Water Authority
Extraordinary Maintenance Projects
Cost Summary
Proposed for FY 2022

Project Title: Groundwater Sustainability Agencies Engagement

Project Location and Department: Friant-Kern Canal and associated facilities
/ Office of the COO

Estimated Total Project Cost (x1000): unknown
Fiscal Year 2022 Budget = \$207.8

Estimated Total Material Cost (Including Fuel Costs, x1000): \$207.8

Breakdown of Estimated Costs

Contract Service:

Outside Consultant to Assist with Monitoring and Modeling Land subsidence associated with ongoing compliance with GSP and Settlement agreement

Subtotal: \$116,000

Contract Service:

Special Counsel for negotiation assistance

Subtotal: \$45,000

Regular Labor (Hours and Cost):

Executive Team (COO, CEO, etc....).....330.1 hrs @\$163.31

Subtotal: \$50,722

Total: \$207,820

Friant Water Authority
Special Project
Summary Sheet
Proposed for FY 2022

Project Title: Friant Kern Canal Water Quality Program

Job Code: 6370

Project Location: Friant-Kern Canal (entire 152 miles)

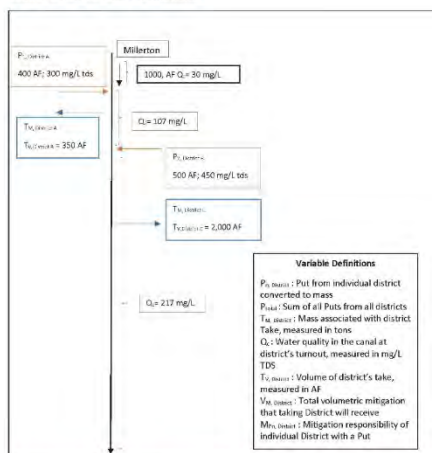
Project Description: Friant Water Authority is embarking on the management of the quality of water delivered through the Friant-Kern Canal. The FKC water quality program will consist of monitoring, measuring and reporting various water quality changes in the FKC associated with the introduction of non-Millerton Lake water. This is the initial costs of standing up a program to be able to satisfy the needs of contractors throughout the system.

Estimated Project Costs (x1000): \$ Unknown (depends on the final constituents list and program requirements)
Fiscal Year 2022 Budget = \$82.9

General Justification: The Board of Directors, at the request of the Water Quality Ad Hoc group has requested that staff pursue management of a Water Quality Plan. This plan originally stemmed from the environmental requirements of both the Long-Term Recapture and Recirculation EIS/R (LTRREIS) and the Friant-Kern Canal Reverse Pump-back Project Environmental Assessment (EA). While the full water quality plan is still being scoped, the Water Quality Ad Hoc group and the Board of Directors requested Staff create a model, start monitoring as appropriate, and create notification when water from the cross-valley system were being introduced to the FKC.

Operating Impact: This estimate assumes implementation of the Friant-Kern Canal Water Quality Policy (Policy) will occur in this fiscal year. Although the costs for finalizing and implementing the Policy will be applied under a separate cost code (and reimbursed through FAA agreements with DWR and Reclamation), the administration and water quality monitoring outlined in the Policy will be applied 6370. A portion of these costs will be reimbursed through a surcharge applied to those Friant contractors that introduce water into the FKC once the Policy is implemented.

Ledger Example with Calculations:



Note: This example is purely hypothetical. All numbers are completely made up for the purposes of showing the process involved in calculating mitigation using the proposed ledger program. The example shown represents a very simplified version of the system. As described above, the program should evaluate various example scenarios including scenarios that include bidirectional flow and takes from the mixing pool.



Friant Water Authority
Extraordinary Maintenance Projects
Cost Summary
Proposed for FY 2022

Project Title: Friant Kern Canal Water Quality Program

Project Location and Department: Friant-Kern Canal (entire 152 miles) /Operations
Department

Estimated Total Project Cost (x1000): \$unknown (depends on the final constituents list
and program requirements)
Fiscal Year 2022 Budget = \$82.9

Estimated Total Material Cost (Including Fuel Costs, x1000): \$22.8

Breakdown of Estimated Costs

*All costs outside of Friant staff costs for CEQA compliance are assumed to be covered as part of the
program implementation costs, and not included in these totals.*

Water Quality Testing Equipment and Laboratory Testing –

- Purchase and install of ten (10) Seametrics CT2X conductivity sensors at remaining FKC check structures -
\$22,838

Subtotal: \$22,838

Contract Service:

Burke Williams Sorenson & Consulting Services

Subtotal: \$30,000

Regular Labor (Hours and Cost):

Executive Team (COO, WRM, etc.).....	104 hrs @98.11	\$10,202
Water Operations.....	710 hrs @27.94	\$19,840

Subtotal: \$30,042

Total: \$ 82,881

FY 2022 VEHICLES & EQUIPMENT

**Equipment & Vehicles Acquisition
FY 2022**

Job Code	<u>Equipment & Vehicles</u>	Location	Dept.	Total Cost
	Maintenance & Operations			
1991	Yard Forklift	Orange Cove	10	\$ 30,731
1991	1015 Replacement Vehicle	Orange Cove	10	\$ 31,756
1991	Replacement Bandsaw	Orange Cove	10	\$ 8,843
1991	Four Post Vehicle Lift	Orange Cove	10	\$ 15,750
1991	Backhoe Trailer	Orange Cove	10	\$ 27,300
1991	Motor Grader	Lindsay	20	\$ 323,732
1991	Loader	Lindsay	20	\$ 238,088
1991	Four Post Vehicle Lift	Lindsay	20	\$ 15,750
1991	Backhoe Trailer	Lindsay	20	\$ 27,300
1991	Vehicle Replacement	Delano	30	\$ 33,600
1991	(2) Vehicle Replacements	Water Operations	60	\$ 50,580
				\$ 803,431
	Administration			
1991	Schonstedt Instrument and Laser Level	Engineering	65	\$ 1,713
1991	Time Under water drone w/ camera.	Engineering	65	\$ 2,284
1991	Time Flying Drone - GIS / Survey.	Engineering	65	\$ 2,284
1991	Time 75" Monitor/TV.	Engineering	65	\$ 914
				\$ 7,194
	IT Technology			
1991	(4) Desktop Computers	IT Technology	85	\$ 5,138
1991	(4) Laptop Computers	IT Technology	85	\$ 11,419
1991	(5) Mobile Devices	IT Technology	85	\$ 8,564
1991	(1) AutoCAD Workstation	IT Technology	85	\$ 3,426
				\$ 28,547
			Totals: \$	839,171

Friant Water Authority
Vehicle/Equipment Replacement
Justification Form
Proposed for FY 2022

Date: 06/16/21

FY-2022

Vehicle/Equipment: RTA 2302 John Deere 770B Grader

Job Code: 6299

Replacement: ☒ **Addition:** ☐

Estimated Cost: \$323,732

Proposed Delivery Date: FY 2022

Department: Maintenance

Maintenance Yard: Lindsay

Purpose of Vehicle/Equipment: The motor grader has been used for many routine and extraordinary projects such as: ROW maintenance, road maintenance, embankment repairs, canal lining replacement, and removal of debris.

Reason(s) for Replacement: Although the machine has been well maintained with over 15k hours, it is nearing its designed life expectancy. We are beginning to experience reliability issues with the machine and CARB requires this machine to be retired from the Friant Water Authority fleet by December 31, 2022. The engine is original and has had no major repairs; it should be expected to need overhauled in the next few years.

Description of How Vehicle/Equipment Augmentation Facilitates O&M Activities: The motor grader has been a very useful tool as indicated by the number of hours on it. It is an asset to the Authority. Rental for this type of machine runs \$9,500-\$10,500 per month currently and can be expected to go up as rental companies have to update their fleets. Rental units are subject to availability, sometimes requiring motor graders to be hauled in from other areas, incurring additional expenses.

Friant Water Authority
Vehicle/Equipment Replacement Justification
Mechanics Report
Proposed for FY 2022

Date: 06/02/21

Vehicle/Equipment I.D.: 2302

License #:

Year: 1999

Age (yrs.): 22

Make: John Deere

Model: 770B

Department: Maintenance

Maintenance Yard: Lindsay

Current Mileage/Hours: 15,687

Prepared By: Tom Fousek/Chris Hickernell

GENERAL CONDITIONS:	POOR	FAIR	GOOD	EXCELLENT
Body and Interior:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Suspension:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drive Train:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Engine:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Estimated Future Repair Cost: Hydraulic pumps \$15,500, under carriage \$15,000, Tier 4 engine pricing estimated at \$130,000. The current engine is Tier 1.

Safety Concerns: N/A

Recommendation: Due to its age and current hours, it is recommended to replace this equipment to keep the Authority in compliance with the CARB requirements.

Estimated Salvage Value: \$35,000



View of existing machine

Friant Water Authority
Vehicle/Equipment Replacement
Justification Form
Proposed for FY 2022

Date: 06/16/21

FY-2022

Vehicle/Equipment: RTA 2303 John Deere 624G

Job Code: 6299

Replacement: ☒ **Addition:** ☐

Estimated Cost: \$238,088

Proposed Delivery Date: FY 2022

Department: Maintenance

Maintenance Yard: Lindsay

Purpose of Vehicle/Equipment: The front loader has been used for many routine and extraordinary projects such as: cleaning toe drains, cleaning out under drains, clearing vegetation from river over crossings, embankment repairs, canal lining replacement, canal de-silting, and removal of debris.

Reason(s) for Replacement: Although the machine has been well maintained with over 15k hours, it is nearing its designed life expectancy. We are beginning to experience reliability issues with the machine and CARB requires this machine to be retired from the Friant Water Authority fleet by December 31, 2022. The engine is original and has had no major repairs; it should be expected to need overhauled in the next few years.

Description of How Vehicle/Equipment Augmentation Facilitates O&M Activities: The excavator has been a very useful tool as indicated by the number of hours on it. It is an asset to the Authority. Rental for this type of machine runs \$9,500-\$10,500 per month currently and can be expected to go up as rental companies have to update their fleets. There is not an abundance of these machines in our area, so rental is subject to availability, sometimes requiring units to be hauled in from other areas, incurring additional expenses.

Friant Water Authority
Vehicle/Equipment Replacement Justification
Mechanics Report
Proposed for FY 2022

Date: 06/02/21

Vehicle/Equipment I.D.: 2303

License #:

Year: 1992

Age (yrs.): 25

Make: John Deere

Model: 624G

Department: Maintenance

Maintenance Yard: Lindsay

Current Mileage/Hours: 15,687

Prepared By: Tom Fousek/Chris Hickernell

GENERAL CONDITIONS:	POOR	FAIR	GOOD	EXCELLENT
Body and Interior:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Suspension:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drive Train:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Engine:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Estimated Future Repair Cost: Hydraulic pumps \$15,500, under carriage \$15,000, Tier 4 engine pricing estimated at \$130,000.

Safety Concerns: N/A

Recommendation: Due to its age and current hours, it is recommended to replace this equipment to keep the Authority in compliance with the CARB requirements.

Estimated Salvage Value: \$35,000



View of existing machine

Friant Water Authority
Vehicle/Equipment Replacement
Justification Form
Proposed FY 2022

Date: 05-25-2021

FY-2022

Vehicle/Equipment: 1015

Job Code: 1991

Replacement: ☒ **Addition:** ☐

Estimated Cost: \$31,000

Proposed Delivery Date: FY-2022

Department: Maintenance

Maintenance Yard: Orange Cove

Purpose of Vehicle/Equipment: This vehicle is used by FWA canal maintenance staff primarily for routine maintenance activities.

Reason(s) for Replacement: Reliability

Description of How Vehicle/Equipment Augmentation Facilitates O&M Activities: This vehicle is used to facilitate various routine and special projects including: Road maintenance, embankment projects, painting projects and copper sulfate applications.



Friant Water Authority
Vehicle/Equipment Replacement Justification
Mechanics Report
Proposed For FY 2022

Date: 05-25-2021

Vehicle/Equipment I.D. 1015

License #: 900544

Year: 2006

Age (yrs.): 14

Make: Ford

Model: 350

Department: Maintenance

Maintenance Yard: O.C.

Current Mileage/Hours: 110,350

GENERAL CONDITIONS:	POOR	FAIR	GOOD	EXCELLENT
Body and Interior:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Suspension:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drive Train:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Engine:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

History of Repairs: Engine & electrical issues.

Estimated Future Repair Cost: Engine, Transmission: \$10K

Safety Concerns: Engine failure.

Mechanic's Recommendations: Replace before major component failure.

Estimated Salvage Value: \$3,500

Prepared By: Josh Taylor

Friant Water Authority
Vehicle/Equipment Replacement
Justification Form
Proposed for FY 2022

Date: 5/7/2021

FY-2022

Vehicle/Equipment: Ford F150 Pickup

Job Code: 1991

Replacement: ☒ **Addition:** ☐

Estimated Cost: \$24,100

Proposed Delivery Date: FY-2022

Department: Water Operations

Maintenance Yard: Lindsay

Purpose of Vehicle/Equipment: This vehicle is used by Canal System Operator to patrol and monitor the flow of water through the canal; it is driven on and off road. Presently 30.1K plus miles are put on the vehicle annually traveling to various sites in the canal service areas. This vehicle is available to respond to alarms and emergency call outs as may be required.

Reason(s) for Replacement: This vehicle is projected to be at sufficient mileage to warrant replacement as per FWA mileage guidelines.

Description of How Vehicle/Equipment Augmentation Facilitates O&M Activities: This vehicle is driven by the Canal System Operator to patrol the Friant-Kern Canal. CSO is subject to being called out at any time and needs a reliable vehicle to cover their service area and possibly work out of their respective service area.



Photo of similar CSO truck

Friant Water Authority
Vehicle/Equipment Replacement Justification
Mechanics Report
Proposed for FY 2022

Date: 5/7/2021

Vehicle/Equipment I.D.: 2032

License #: 1226585

Year: 2011

Age (yrs.): 10

Make: Ford

Model: F150

Department: Water Operations

Maintenance Yard: Lindsay

Current Mileage/Hours: 203,245 (*Estimated at time of replacement*)

GENERAL CONDITIONS:	POOR	FAIR	GOOD	EXCELLENT
Body and Interior:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Suspension:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drive Train:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Engine:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

History of Repairs: Cooling system, brakes, heater, a/c, and normal maintenance items.

Estimated Future Repair Cost: Engine, transmission: \$5,000

Safety Concerns: This vehicle is subject to call out to respond to various alarms and public safety response.

Mechanic's Recommendations: Due to the high mileage and usage, it is recommended to replace this vehicle at the recommended replacement schedule.

Estimated Salvage Value: \$2,500

Prepared By: Chris Hickernell

Friant Water Authority
Vehicle/Equipment Replacement
Justification Form
Proposed for FY 2022

Date: 5/7/2021

FY-2021

Vehicle/Equipment: Ford F150 Pickup

Job Code: 1991

Replacement: ☒ **Addition:** ☐

Estimated Cost: \$24,100

Proposed Delivery Date: FY-2022

Department: Water Operations

Maintenance Yard: Orange Cove

Purpose of Vehicle/Equipment: This vehicle is used by Canal System Operator to patrol and monitor the flow of water through the canal; it is driven on and off road. Presently 30.1K plus miles are put on the vehicle annually traveling to various sites in the canal service areas. This vehicle is available to respond to alarms and emergency call outs as may be required.

Reason(s) for Replacement: This vehicle is projected to be at sufficient mileage to warrant replacement as per FWA mileage guidelines.

Description of How Vehicle/Equipment Augmentation Facilitates O&M Activities: This vehicle is driven by the Canal System Operator to patrol the Friant-Kern Canal. CSO is subject to being called out at any time and needs a reliable vehicle to cover their service area and possibly work out of their respective service area.



Photo of similar CSO truck

Friant Water Authority
Vehicle/Equipment Replacement Justification
Mechanics Report
Proposed for FY 2022

Date: 5/7/2021

Vehicle/Equipment I.D.: 1026

License #: 1226622

Year: 2013

Age (yrs.): 8

Make: Ford

Model: F150

Department: Water Operations

Maintenance Yard: Orange Cove

Current Mileage/Hours: 221,245 (*Estimated at time of replacement*)

GENERAL CONDITIONS:	POOR	FAIR	GOOD	EXCELLENT
Body and Interior:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Suspension:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drive Train:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Engine:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

History of Repairs: Cooling system, brakes, heater, a/c, and normal maintenance items.

Estimated Future Repair Cost: Engine, transmission: \$5,000

Safety Concerns: This vehicle is subject to call out to respond to various alarms and public safety response.

Mechanic's Recommendations: Due to the high mileage and usage, it is recommended to replace this vehicle at the recommended replacement schedule.

Estimated Salvage Value: \$2,500

Prepared By: Chris Hickernell

Friant Water Authority
Vehicle/Equipment Replacement
Justification Form
Proposed for FY 2022

Date: 6/2/2021

FY-2022

Vehicle/Equipment: 2WD Extended Cab Pickup Truck

Job Code: 1991

Replacement: ☒ **Addition:** ☐

Estimated Cost: \$33,600

Proposed Delivery Date: FY 2022

Department: Maintenance

Maintenance Yard: Delano

Purpose of Vehicle/Equipment: Foreman's vehicle is use daily for Friant Water Authority's company business.

Reason(s) for Replacement: Utilizing FWA criteria for light vehicle replacement, it is expected this vehicle will exceed 200,000 miles by FY 2022. In addition, the mechanic recommends replacing this vehicle.

Description of How Vehicle/Equipment Augmentation Facilitates O&M Activities:

This vehicle is driven by the maintenance foreman to manage and supervise crew and projects on the Friant-Kern Canal. Foreman is subject to being called out at any time and needs a reliable vehicle to cover the canal system from Friant Dam to City of Bakersfield where canal terminates.



Friant Water Authority
Vehicle/Equipment Replacement Justification
Mechanics Report
Proposed for FY 2022

Date: 6/02/2021

Vehicle/Equipment I.D.: 3021

License #: 1226621

Year: 2013

Age (yrs.): 10

Make: Ford

Model: F 150

Department: Maintenance

Yard: Delano

Current Mileage/Hours: 149,500

GENERAL CONDITIONS:	POOR	FAIR	GOOD	EXCELLENT
Body and Interior:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Suspension:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drive Train:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Engine:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

History of Repairs:

Estimated Future Repair Cost: \$3500

Safety Concerns: Over 200,000 miles

Mechanic's Recommendations:

Estimated Salvage Value: \$7500

Prepared By: Chris Hickernell, General Superintendent

Friant Water Authority
Vehicle/Equipment Replacement
Justification Form
Proposed FY 2022

Date: 06/02/21

FY-2022

Vehicle/Equipment: 1401

Job Code: 6119

Replacement: ☒ **Addition:** ☐

Estimated Cost: \$30,731

Proposed Delivery Date: FY 2022

Department: Maintenance

Maintenance Yard: Orange Cove

Purpose of Vehicle/Equipment: Heavy Lifting.

Reason(s) for Replacement: Current forklift engine smokes and needs overhaul. Transmission is slow to engage. Brake system is also in need of repair.

Description of How Vehicle/Equipment Augmentation Facilitates O&M Activities: Loading and unloading trucks.



Friant Water Authority
Vehicle/Equipment Replacement Justification
Mechanics Report
Proposed For FY 2022

Date: 06/02/21

Vehicle/Equipment I.D. 1401

License #:

Year: 1995

Age (yrs.): 26

Make: Clark

Model:

Department: Maintenance

Maintenance Yard: O.C.

Current Mileage/Hours: 8600 hours

GENERAL CONDITIONS:	POOR	FAIR	GOOD	EXCELLENT
Body and Interior:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Suspension:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Drive Train:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Engine:	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

History of Repairs: Fuel and hydraulic systems.

Estimated Future Repair Cost: \$4500

Safety Concerns: Engine/transmission failure.

Mechanic's Recommendations: Replace before major component failure.

Estimated Salvage Value: \$2500

Prepared By: Josh Taylor

Friant Water Authority
Vehicle/Equipment
Justification Form
Proposed for FY 2022

Date: 04/21/2021

FY-2022

Vehicle/Equipment: 2-Axle Equipment Trailer

Job Code: 1991

Replacement: Addition: ☐

Estimated Cost: \$ 26,000

Proposed Delivery Date: FY-2022

Department: Maintenance

Maintenance Yard: Orange Cove

Purpose of Vehicle/Equipment: This will be a mid-size equipment transport trailer available to the Orange Cove Maintenance staff, trailer is used in conjunction with a 3-axle 10-yard dump truck.

Reason(s) for Addition: Utilizing FWA criteria for heavy-duty vehicle/equipment the addition of the backhoe trailer would allow man hour efficiency by scheduling one CMW worker to do maintenance versus two CMW's to do activities using the heavy equipment low bed trailer.

Description of How Vehicle/Equipment Augmentation Facilitates O&M Activities: The two-axle transport trailer is a vital piece of equipment that would be used almost daily by the Orange Cove maintenance staff. It will be a mode of transportation for a variety of equipment and materials used by the Maintenance Department. It is required to transport loaders, backhoes, vehicles, and building materials to various locations on the Friant-Kern Canal for routine activities.



Picture of proposed trailer

Friant Water Authority
Vehicle/Equipment Replacement Justification
Mechanics Report
Proposed for FY 2022

Date: 4/21/2021

Vehicle/Equipment I.D.

License #:

Year:

Age

Make:

Model:

Department: Maintenance

Maintenance Yard: Orange Cove

Current Mileage/Hours:

GENERAL CONDITIONS:	POOR	FAIR	GOOD	EXCELLENT
Bed:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Suspension:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Frame:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Brake System:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Estimated Future Repair Cost:

Safety Concerns:

Mechanics Recommendations:

Estimated Salvage Value:

Prepared By: Chris Hickernell, General Superintendent

Friant Water Authority
Vehicle/Equipment
Justification Form
Proposed for FY 2022

Date: 04/21/2021

FY-2022

Vehicle/Equipment: 2-Axle Equipment Trailer

Job Code: 1991

Replacement: Addition: ☐

Estimated Cost: \$ 26,000

Proposed Delivery Date: FY-2022

Department: Maintenance

Maintenance Yard: Lindsay

Purpose of Vehicle/Equipment: This will be a mid-size equipment transport trailer available to the Lindsay Maintenance staff, trailer is used in conjunction with a 3-axle 10-yard dump truck.

Reason(s) for Addition: Utilizing FWA criteria for heavy-duty vehicle/equipment the addition of the backhoe trailer would allow man hour efficiency by scheduling one CMW worker to do maintenance versus two CMW's to do activities using the heavy equipment low bed trailer.

Description of How Vehicle/Equipment Augmentation Facilitates O&M Activities: The two-axle transport trailer is a vital piece of equipment that would be used almost daily by the Lindsay maintenance staff. It will be a mode of transportation for a variety of equipment and materials used by the Maintenance Department. It is required to transport loaders, backhoes, vehicles, and building materials to various locations on the Friant-Kern Canal for routine activities.



Picture of proposed trailer

Friant Water Authority
Vehicle/Equipment Replacement Justification
Mechanics Report
Proposed for FY 2022

Date: 4/21/2021

Vehicle/Equipment I.D.

License #:

Year:

Age

Make:

Model:

Department: Maintenance

Maintenance Yard: Lindsay

Current Mileage/Hours:

GENERAL CONDITIONS:	POOR	FAIR	GOOD	EXCELLENT
Bed:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Suspension:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Frame:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
Brake System:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Estimated Future Repair Cost:

Safety Concerns:

Mechanics Recommendations:

Estimated Salvage Value:

Prepared By: Chris Hickernell, General Superintendent

Friant Water Authority

**Vehicle/Equipment Replacement
Justification Form**
Proposed For FY 2022

Date: 05-12-2021

FY-2022

Vehicle/Equipment: BendPak
Four Post Lift

Job Code: 1991

Replacement: ☐ **Addition:** ☒

Estimated Cost: \$15,000

Proposed Delivery Date: FY-2022

Department: Maintenance

Maintenance Yard: Lindsay

Purpose of Vehicle/Equipment: This equipment raises vehicles by there tires rather than undercarriage.

Reason(s) for Replacement: Due to the size and weight of Authority vehicles this lift will ensure safety and efficiency.

Description of How Vehicle/Equipment Augmentation Facilitates O&M Activities:

A four post lift makes it much safer to load and position vehicles for maintenance. The new equipment would increase efficiency by facilitating a second vehicle to be worked on simultaneously thus allowing maintenance and repairs while waiting for parts on a disabled vehicle still on the existing lift.



Friant Water Authority

**Vehicle/Equipment Replacement
Justification Form**
Proposed For FY 2022

Date: 05-12-2021

FY-2022

Vehicle/Equipment: BendPak
Four Post Lift

Job Code: 1991

Replacement: ☐ **Addition:** ☒

Estimated Cost: \$15,000

Proposed Delivery Date: FY-2022

Department: Maintenance

Maintenance Yard: Orange Cove

Purpose of Vehicle/Equipment: This equipment raises vehicles by there tires rather than undercarriage.

Reason(s) for Replacement: Due to the size and weight of Authority vehicles this lift will ensure safety and efficiency.

Description of How Vehicle/Equipment Augmentation Facilitates O&M Activities:

A four post lift makes it much safer to load and position vehicles for maintenance. The new equipment would increase efficiency by facilitating a second vehicle to be worked on simultaneously thus allowing maintenance and repairs while waiting for parts on a disabled vehicle still on the existing lift.



Friant Water Authority
Vehicle/Equipment Replacement
Justification Form
Proposed For FY 2022

Date: 05-12-2021

FY-2022

Vehicle/Equipment: Equipment
Band Saw

Job Code: 1991

Replacement: ☒ **Addition:** ☐

Estimated Cost: \$7,800

Proposed Delivery Date: FY-2022

Department: Maintenance

Maintenance Yard: Orange Cove

Purpose of Vehicle/Equipment: This equipment is used in the welding shop to saw metal material.

Reason(s) for Replacement: Old unit is from reclamation and has reached the end of its service life.

Description of How Vehicle/Equipment Augmentation Facilitates O&M Activities:

Band saws are a very useful tool in the metal fabrication work. Band saws make clean, straight, and precise cuts and are much safer than an abrasive saw.



Friant Water Authority 10 Year Plan (XO&M and Special Projects)

	FKC Facilities & Equipment	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
	Building and Yard Maintenance	\$30,000	\$108,000	\$225,000	\$185,000	\$24,000	\$0	\$83,000	\$0	\$8,000	\$400,000	\$400,000	\$1,463,000
	Communications	\$0	\$0	\$30,000	\$0	\$250,000	\$0	\$0	\$0	\$0	\$250,000	\$250,000	\$780,000
	Routine Dewatering	\$0	\$0	\$700,000	\$0	\$0	\$700,000	\$0	\$0	\$200,000	\$550,000		\$2,150,000
	Canal Maintenance - Invasive Weed	\$0	\$0	\$230,000	\$0	\$0	\$230,000	\$0	\$0	\$0	\$230,000	\$230,000	\$920,000
	Canal Maintenance - Checks, Wasteways & Turnouts	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$300,000
	Roadway Maintenance	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000	\$1,485,000
	Vehicle & Heavy Equipment Replacement	\$675,000	\$675,000	\$300,000	\$175,000	\$280,000	\$400,000	\$0	\$0	\$530,000	\$0	\$0	\$3,035,000
		\$ 990,000	\$ 1,068,000	\$ 2,050,000	\$ 495,000	\$ 939,000	\$ 1,865,000	\$ 218,000	\$ 135,000	\$ 1,073,000	\$ 2,065,000	\$ 1,515,000	\$12,413,000
	FKC Special Projects*	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	
	Capacity Restoration												
	Upper Reach	\$ -	\$ 2,400,000	\$ 4,800,000	\$ 4,800,000	\$ 48,000,000	\$ 48,000,000	\$ 49,000,000	\$ 52,000,000	\$ 52,000,000	\$ -	\$ -	\$ 261,000,000
	Middle Reach	\$ 47,500,000	\$ 116,900,000	\$ 60,056,000	\$ 1,400,000						\$ -	\$ -	\$ 225,856,000
	Lower Reach	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Pumpback Project	0	\$ 12,400,000	\$ 12,900,000	\$ 13,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 38,700,000
		\$ 47,500,000	\$ 131,700,000	\$ 77,756,000	\$ 19,600,000	\$ 48,000,000	\$ 48,000,000	\$ 49,000,000	\$ 52,000,000	\$ 52,000,000	\$ -	\$ -	\$ 525,556,000
	TOTAL	\$ 48,490,000	\$ 132,768,000	\$ 79,806,000	\$ 20,095,000	\$ 48,939,000	\$ 49,865,000	\$ 49,218,000	\$ 52,135,000	\$ 53,073,000	\$ 2,065,000	\$ 1,515,000	\$ 537,969,000

* - these are proposed projects that will likely include cost share partners and that are awaiting approval/funding

Denotes Planned DeWatering Years

Buildings & Yard Maintenance

General Description

The Friant-Kern Canal (FKC) system contains numerous small structures and buildings. The primary buildings are located at one of the three Authority maintenance yards: Orange Cove, Lindsay, or Delano. These buildings include an administration office, mechanic shops, carpenter shops, welding shops, warehouse, foreman offices, and chemical storage areas.

Causes

Most of the FKC facilities are over 30 years old, with only minor updates and repairs being performed over the years. Major building updates will need to be performed within the next 10 years to keep the structures in safe working order.

Locations

The Authority has three main facilities: the Orange Cove, Lindsay, and Delano maintenance yards. Additionally, the Authority maintains three CSO residences at Kings River, Kaweah River, and Tule River locations.

Past Activities

The Authority has performed routine repairs on a yearly basis to maintenance and operational structures, including CSO residences.

Future Activities

The Authority has funds allocated every year for minor repair to structure and buildings. However, with more major repairs coming up in the future, funds will need to be allocated towards specific building projects. These projects include parking lot repair/replacement, roof repair, building addition/remodel, and electrical upgrade. All projects are listed in the 10-year plan with the associated costs.



General Description

For the operation of the Friant-Kern Canal, the Authority utilizes a SCADA system for command and control, and IoT platform that provides operational transparency and intelligence.

Cause

The Authority deployed SCADA/IoT to optimize contractor's water supply, increase efficiency in water conveyance, and provide contractors visibility into the operation of FKC.

Location

The SCADA telemetry system is deployed at the 14 control structures and eight-six delivery sites.

Process

Technological advancements and operational requirements will drive the process for replacement.

Future Needs

The Authority will continue to develop technologies to provide the resources required by the Friant-Division contractors and that provide operational efficiencies.



General Description

The Authority operates a computer network that spans five offices from the south end at Delano to the north at Sacramento, and several remote staff. In order to provide Authority personnel, the resources re-quired to perform their duties, a private cloud/public cloud infrastructures are utilized.

Replacement Policy

The Authority maintains network hardware based on a scheduled life expectancy schedule. This reduces cost and prevents downtime. The life expectancy of hardware and software are as follows:

Telemetry: A minimum of five years, unless a unforeseen requirement is requested by the Authority

Private Cloud Infrastructure: Five years, unless Authority IT/OT requirements drive replacement.

Computers: Four to five years depending on usage requirements.

Under The Authority

From 1986 to 1999 the Authority deployed

individual computers in the maintenance yards, and a small 10 Base-T network in the Lindsay office. From 2000 – 2014 on, the Authority has made a concerted effort to deploy technologies that increase data reliability, access, and efficiency which has allowed the Authority to engage in a increased amount of activities with fewer personnel resources. Currently the Authority has engaged in cloud infrastructures and virtualization to drive down cost, improve performance, provide flexibility, increase resiliency of service.

Future Activities

The Authority will continue to pursue con-verged and virtualization technologies that provide superior performance and reduce technical footprint and cost. The Authority will also develop a continuity of operations.



General Description

Radial gates within the Friant-Kern Canal (FKC) are utilized to control water within the canal prism and are normally located at check structures and wasteway structures. These radial gates vary in sizes from 10' x 7' to 32' x 20'. There are approximately 14 Check Structures and 7 waste way structures that are each approximately 7 miles apart on the FKC system.

Causes

When metal is submersed in water for extended periods of time, deterioration and corrosion of the gate components will naturally occur. Failure to properly maintain protective coatings may result in failure of gate components which subsequently affect water deliveries. Research has shown that Amerilock 400 Epoxy Paint (protective coating) has a coating life of 10-15 years.

Locations

Sandblasting & paint operations occurs at all check and wasteway structures along the canal. During the scheduled canal dewatering period, the Authority typically performs sandblasting and painting according to an inspection schedule. This work normally occurs every three years.

Process

Inspections are performed to evaluate the condition of radial gates and gate components in order to prioritize follow-up work during sub-sequent de-watering years. Upon completion of this task, it is customary to clean the metal-work; sandblast with blast media (green diamond sand) and paint with Amerilock 400 Epoxy Paint at a minimum of .22 mils.



Additionally, gate hardware and J-seals are stripped. Cables are also replaced if needed. Adjustments and alignments are then made to ensure proper, safe, and dependable operation of the radial gates.

Past Activities

In the 2016-17 drawdown operation, a total of 6 radial gates were rehabilitated at Woollomes and Shafter Checks.

Future Activities

The Authority will continue to inspect all radial gate structures and their components for proper operation every dewatering year. Sandblasting and painting radial gate structures will be scheduled every dewatering.

Radial gate replacement is scheduled as part of our 10-year plan. Gate replacement will be needed due to metal age and loss of strength. Radial gate cost is estimated at \$80k per gate.

General Description

Slide gates within the Friant-Kern Canal (FKC) are utilized to deliver to water member districts. The slide gates are of many sizes and shapes, ranging from 8 inches in diameter to 6 feet by 5 feet square type. They are installed vertically or on a slope and are operated manually, electrically, or both.

Causes

When metal is submersed in water for extended periods of time, deterioration and corrosion of the gate components will naturally occur. Failure to properly maintain protective coatings may result in failure of gate components which subsequently affect water deliveries. Research has shown that Amerilock 400 Epoxy Paint (protective coating) has a coating life of 10-15 years.

Locations

Sandblasting and paint operations occur at various locations along the 152 miles of the system. There are 147 slide gates on the FKC system and depending upon deteriorated conditions, are sandblasted, and painted every three years (or when the next dewatering occurs).

Process

Inspections are performed to evaluate the condition of turnout gates and gate components to prioritize follow-up work during subsequent de-watering years. Upon completion of this task, it is customary to remove silt and debris from turnouts; clean the metalwork; sandblast with blast media (green diamond sand) and paint with Amerilock 400 Epoxy.



Paint at a minimum of .22 mils. To ensure proper, safe, and dependable operation of the slide gate, adjustments and alignments are made to gates and stems.

Past Activities

In the 2016-17 drawdown operation, a total of 22 slide gates were rehabilitated from MP.7.57 to MP 68.13

Future Activities

To maintain and ensure that slide gates are in good operating condition, it is the plan of the Authority to repair a section of gates every drawdown. Traditionally, gate sections correspond to each yard's territory, OrangeCove, Lindsay, or Delano.

Canal Dewater - Concrete Liner Replacement

General Description

Concrete lining failure and replacement has become a major factor in the maintenance of the Friant-Kern Canal (FKC). On a triennial basis the FKC is dewatered to allow repairs and maintenance to the system. Liner failures occur in different areas of the system for geo- logical reasons such as soil issues. Unfortunately, failures continue to occur and plague maintenance activities.

Causes

There are many contributing factors as to why the liners have failed in the past and continue to fail. Areas which are referred to as Stokes Mountain and Red Banks, the canal embankment consists of the expansive plastic clay that contracts when dry and expands when wet. This movement causes the panels to buckle and slide down to the bottom of the canal. These two areas continue to be an on-going problem for the Authority, in which we average one-hundred panel failures that need replacement every three years.

What is known as the Sausalito area (MP 99.52– MP 109.35) has the largest number of damaged panels at one time. In 1989, a survey was conducted to determine the extent of the damage and to find the cause. The review team inspected the canal section for all lining panels which reflected obvious signs of irregular cracking, slipping and/or lateral/vertical displacement. A total of 170 sites and 914 panels were identified as in need of rehabilitation.

In June of 1976, canal lining rehabilitation specification 200C-953 was issued for raising the canal lining 1 to 6 feet between canals posts. 99.37 to 115.94. This rehabilitation work was necessary to regain the canals capacity lost to subsidence.



It can be assumed that embankment movement due to continued subsidence may still be occurring. The most probable cause of lining failure may be attributed to the deterioration of the elastomeric joint seals in the upper canal panels. This deterioration occurred when the joint seals were exposed to continuous sunlight for a prolonged period.

This happened because the upper four feet of the canal panels were originally the canals free board, thereby exposing the upper joint seals. After subsidence and construction of the raised lining, the old upper joints were submerged, allowing water to seep behind the canal panels.

Locations

There are three areas where we are continually experiencing significant failures. The first area is the Stokes Mountain area (MP 53.8-56.5) where failures occur due to the expansive clay. The second area is the Red Banks area (MP.62.00-65.74) which also occur due to plastic clays. The third area is the Sausalito area (MP99-109.7) which is known as our subsidence area. These three sites are the primary targets for Authority maintenance staff during every dewatering.

Process

The process to replace failed liners on the system is quite complicated but in summary here is the process: stockpile of imported backfill material at every pre-determined site, utilizing heavy equipment failed liner material and soil is removed, backfill the site, compact the back-fill material and establishing a final grade. After the cavity is filled; then concrete form work is performed followed by the placement (pouring) of concrete panels in which expansion joint sealing is applied once dried.



Under The Authority

The Authority took over the canal lining replacement duties which were previously done through contracted services due to a decision by the Authority that as much work as possible would be done in-house to help control costs as well as maintain a high degree quality and consistency.



Past Activities

During our most recent dewatering, liner repairs were made in the subsidence area and near Stokes Mountain.

Future Activities

The repairs in the subsidence area were not fully completed during the past dewatering. In future dewatering's the subsidence area will be highlighted for repair work along with any other locations that have failed.

The Authority currently budgets for concrete panel replacement every dewatering year, usually on a triennial basis.

General Description

Canal desilting is an operation that is performed during scheduled dewatering of the Friant-Kern Canal (FKC), where the process of mechanical extraction is utilized.

The process of mechanical extraction includes the utilization of heavy equipment to stockpile material and then extract the material from the canal prism.

Causes

Due to rain runoff and flood waters which carry sand and dirt into the canal, FKC water sometimes carries large amounts of sediment. Canal flow velocity and volume determine where the residue settles within the canal. Silt deposits accumulate on the inside curves of the canal prism. Silt deposits must be removed to bring the canal volume back to design capacities.

Locations

De-silting occurs in all areas of the canal where silt has the tendency to accumulate. The general areas of most accumulation occur in the areas where the canal is adjacent to the Sierra foothills which is otherwise referred to as the northern section of the system where water runoff flow directly into the canal. Another location of accumulation is the area where subsidence low points have occurred. This area is located from MP. 99.35 to MP 109.47 southwest of the city of Porterville.

Past Activities

During our most recent dewatering, desilting occurred in the subsidence area near the city of Porterville.



Maintenance staff removing debris from canal prism during dewatering.

Future Activities

The desilting in the subsidence area was not fully completed during the past dewatering. In future dewatering's the subsidence area will be highlighted for desilting work along with any other locations that have silt built up.

The Authority currently budgets for canal de-silting every dewatering year, usually on a triennial basis.

Canal Maintenance -

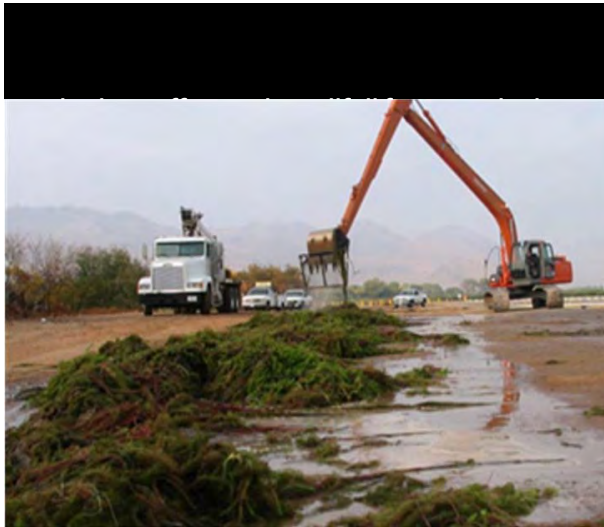
Invasive Weed

General Description

The Friant-Kern Canal (FKC) system contains some 2,400 acres of right of way. The 152-mile system is comprised of 127 miles of concrete lined portions and 25 miles of earthen lined portion. Currently, the earthen lined section near Orange Cove contains western water milfoil, an aquatic plant that constrains flow and creates debris which are transferred to the districts through turnouts.

Background

The Authority first noted the existence of a “new” invasive aquatic weed growing in the



canal in 1998. The location of the initial identification was near the transition from concretelined to earthen canal at MP 34.94. Over the past 20+ years, the invasive weed has spread to entire sections encompassing 22.37 miles of earthen canal in Tulare and Fresno Counties, a 2.01 mile earthen section adjacent to Woollomes Equalizing Reservoir in Kern County, Woollomes Equalizing Reservoir, areas of the FKC that are concrete lined and contain silt accumulation, and numerous facilities including canals, laterals, and recharge basins operated by Contractors who take delivery of water from the FKC.

Efforts to identify the invasive weed began in 2001 and continued through 2004. Participants involved in the identification process included Friant Water Authority, United States Bureau of Reclamation, California Department of Food and Agriculture, University of California at Davis, and the United States Department of Agriculture - Agricultural Research Service. Ultimately, the invasive weed was identified as *Myriophyllum hippuroides* or western watermilfoil (WWM). Western watermilfoil is a perennial aquatic plant. Most of the plant grows submerged below the water surface but stems which bear reproductive structures do penetrate the water surface. The plant is rooted in earthen sections of the FKC and on a more limited basis where silt has accumulated in concrete lined sections. Vegetative growth can be extensive, with plants having multiple stems of ten or more feet in length. WWM forms roots which store nutrient reserves to support the spread of vegetative growth in the water column. In addition to spreading by root growth, stem fragments that break off from plants can settle on the substrate. These fragments subsequently root and generate new plants.

Past Management Efforts

The Authority has undertaken efforts to manage WWM in the FKC. Since 2003, on one occasion for each control chemical, FWA has applied diquat, glyphosate, and triclopyr on various limited and broad-based control efforts. Observations of the treated areas suggested that existing WWM plants were only minimally affected, reportedly responding to the contact herbicides only by leaf-tip and terminal “burning and dieback”; complete dieback and plant death did not occur. Significant projects to remove silt accumulations which provide a substrate for WWM have been completed.

Furthermore, intensive mechanical extraction efforts by hand and machine have aimed to remove WWM from the FKC. These efforts have had limited impact on the infestation of WWM in the FKC.

In the winter of 2012 and 2016, the Authority performed chemical treatments during the canal drawdown, using a mix of fluridone and imazamox. Both chemicals were identified by SePRO Corporation as having notable effect on WWM in past studies.

Future Actions

The timing and scope of future WWM treatments are not yet fully known given that evaluation of regrowth and program effectiveness will continue for some time. However, as the treatment program's goal was to control or manage WWM and not to eradicate it, the need for future treatments is fully anticipated.

Contemplation and integration of the items noted above, continued input from Contractors related to operational impacts, and evaluation of new or alternative means of WWM control will

all be essential in the formulation of future treatment efforts.

The Authority has funds allocated every dewatering year for chemical treatment in the 10-year plan. These funds will be available so when the canal is dewatered a treatment could be performed if large areas of growth are found.



Canal Maintenance. - Checks, Wasteways, & Turnouts

Turnout Actuators Upgrade / Standardization

General Description

The main motor actuator assembly controls the turnout stem that raise and lower the turnout gates on each structure. With few exceptions, all turnout gates are the originals from 1944 to 1947.

Causes

Replacement is necessary due to the reliability of the motors and gears of existing actuators. They pose problems for turnout gate operations. Additionally, emergency replacements are necessary due to potential failure. Replaced actuators will be rehomed to turnouts that are still being operated manually and will be integrated into the Authority's SCADA system.



Locations

Upgrades are planned for all turnout structures that regulate flow within the Friant-Kern Canal system.

When It Takes Place

Replacement is scheduled within the FY20 through the FY23 budget years in the Water Operations annual budget.

Under The Authority

The Authority is working to bring standardization to canal structures. Using the same turnout actuator assembly at each canal turnout, structure staff can increase

long term operation reliability, reduce downtime repairs, and lower repair costs.

Past Activities

2020 marked the first year of the turnout actuator upgrade standardization project.

Future Activities

The Authority will continue to perform turnout actuator upgrades on a yearly basis with consideration to drawdown years. Locations are scheduled for replacement, as shown in the Authority's 10-year plan

General Description

There is 160 miles of asphalt roadways along the Friant-Kern Canal (FKC). The type of roads within the system are heavy chip seal, asphalt, decomposed granite, and dirt roads. These roadways require a maintenance program that range from minimal projects such as minor patching of potholes with a "cold mix" asphalt to complete reconstruction which is referred to as chip seal.

Causes

There are several reasons as to why maintenance of the roads is needed. In the northern section of the system, there are cross drains present that deteriorate the road in addition to heavy traffic. Additionally, the roads deteriorate due to weathering of the asphalt roads which result in potholes in the roadway. Chip seal is performed on the roadways to keep the road surface in a safe and reliable condition. Once the road surface has deteriorated beyond the point of applying chip seal, the road must be reconstructed which involves extensive man hours and material costs. The current estimated costs to reconstruct one mile of roadway is \$87,000 for materials only. Whereas chip seal can be performed at an approximate cost of \$9,000 per mile.

Locations

Chip seal operations occur in the areas which are considered by Authority maintenance supervisors to need reconstruction. It was customary to perform 10 miles of chip seal each non-dewatering year. However, with multiple years of deferring chip seal projects, the Authority has defined new criteria. In the Authority's updated 10-year Chip Seal

Authority staff placing chip seal stock at project site.



Program, staff now has a 15-mile chip seal project occurring every year. That cycle will allow the entire canal to be chip sealed in that 10-year window.

When It Takes Place

Chip seal and road reconstruction normally occur in the hot summer months between July and September.

Process

The chip seal process consists of 3/8" x #6 rock chips trucked in and stockpiled at predetermined sites. These sites are kept at maximum intervals of two miles to minimize the turnaround time for the dump trucks. It requires 100 tons of chips for each mile.

The roadway must be swept clean of any loose material and debris that may prevent the emulsion oil from adhering to the existing asphalt surface. This is accomplished by the use of a self-propelled road sweeper that is contracted from a local asphalt contractor. Following pre-construction activities, an outside contractor is called upon to furnish the emulsion oil and spreader trucks.

During the chip seal application, the spreader truck spreads the oil over the roadway. A self-propelled chipper box follows close behind applying the rock chips at the rate of twenty-eight pounds a square yard. This process is then followed by two or three twelve-ton pneumatic wheel rollers to compact the rock ships into the oil.

the FWA Maintenance Department to chip seal 15 miles of roads each year. This will ensure that the operational roadways are maintained in a safe and reliable state.

See the enclosed 10-year Chip Seal Project schedule that outlines what year each 15-mile section will be covered.

Future Activities

In order to maintain and ensure roadways are in good operating condition, it is the plan of



Authority staff placing chip seal along operational roadway.

FRIANT WATER AUTHORITY
CHIP SEAL PROJECT
10-YEAR CYCLE



General Description

Within its responsibilities as a U.S. Bureau of Reclamation conveyance contractor, the Friant Water Authority (Authority) operates and maintains the Friant-Kern Canal (FKC). Operation and maintenance (O&M) demands have steadily increased as the 152-mile-long FKC, one of California's oldest and largest open-channel water conveyance systems, ages. The FKC has entered its second half century of service to the southern San Joaquin Valley's East Side and both its structural and operational components are quickly approaching their usage life span and will require significant and ongoing rehabilitation work.

Much of the Authority's O&M work involves, of necessity, heavy construction equipment, such as dump trucks, excavators, loaders, boom trucks and transport equipment.

Why It Happens

Air Board Requirements

By 2019 the Authority must comply with diesel emissions regulations that will take effect. These regulations were established as a fleet rule, adopted by the California Environmental Protection Agency's Air Resources Control Board (CARB). CARB also approved regulations to reduce emissions from existing on-road diesel vehicles used in California operated by municipalities and small businesses. These regulations establish deadlines for implementing Best Available Control Technology (BACT) options within the Authority heavy equipment fleet.

Action Plan



Under the Authority's on-road replacement program, our fleet is currently in compliance with emission requirements. Now the Authority must focus on their off-road equipment fleet. As a result, the Authority has developed a 10-year action program to review and analyze the Authority's off-road equipment needs and demands. This action program has analyzed equipment usage along with anticipated regular and emergency maintenance activities. It has also sought to determine the adequacy of the types and numbers of equipment units. This analysis has also examined reliance in some cases upon rental equipment.

In summary the various actions proposed by this plan range from fiscal years FY2018- FY2024. The program identifies actions that result in the replacement of 10 major pieces of equipment, addition of one new unit, and the retirement of 3 units. The total estimated cost over the next 10 years is approximately \$2,095,000. Please refer to the replacement spreadsheet contained in the plan for details.

Replacement Philosophy

The objective of the Authority is to provide safe and efficient vehicles and equipment for our personnel. This will be done by replacing vehicles, equipment, or components and by assigning or reassigning vehicles and equipment within the organization so that maximum utilization of the unit may be obtained.



Vehicles meeting replacement criteria will be evaluated for component replacement to minimize costs. Components such as engines and transmissions and drive trains will be rebuilt/ replaced provided the overall vehicle condition is in otherwise acceptable condition.



Light vehicles will be considered for replacement when they have met the following criteria:

1. 200,000 miles or 20 years
2. Excessive repair costs
3. Reliability problems
4. Mechanics recommendation for replacement

The Authority will utilize full size vehicles. Supervisors will be assigned 1/2 ton/extended cab pickups or sedans. Water ops personnel will be assigned 1/2 ton/regular cab pickups and maintenance crews will be assigned 3/4-1-ton vehicles depending on use of the vehicle.

Please refer to the forecasted light vehicle re- placement spreadsheet contained in the planfor details.

Capacity Restoration

General Description

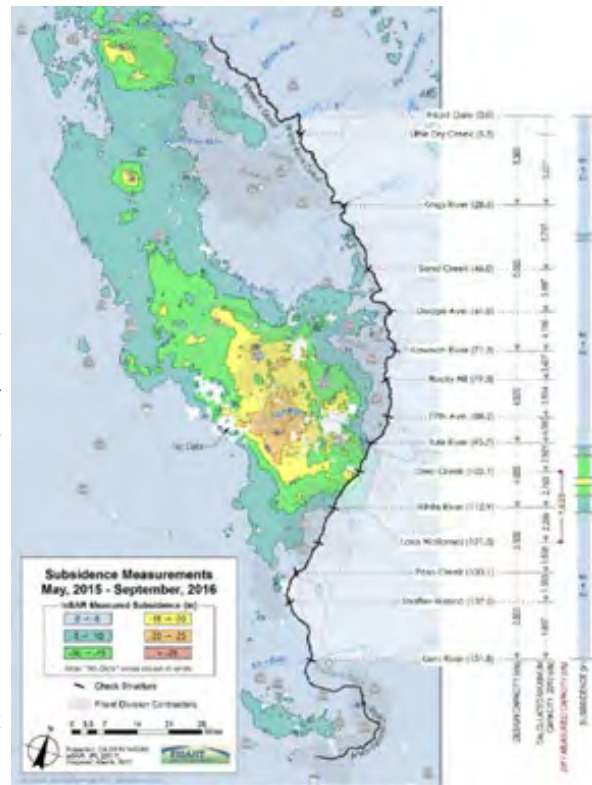
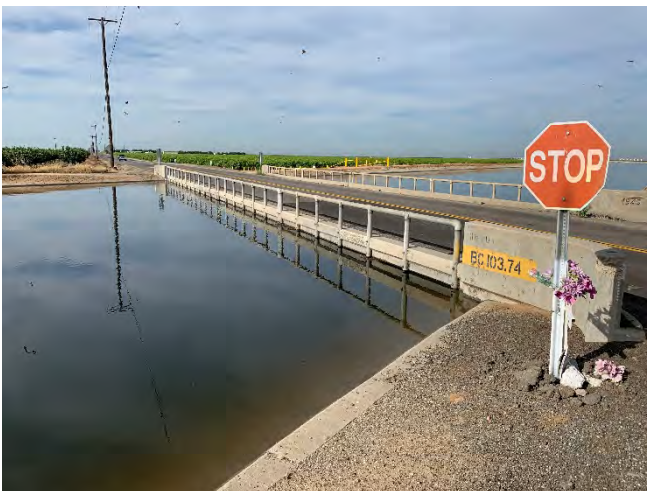
The Friant-Kern Canal (FKC) system contains numerous locations where for various reasons the Canal delivers flows less than its original designed capacity. Friant Water Authority is undertaking evaluations of potential conveyance and operational improvements to the FKC to address original design and induced capacity reductions. The FKC's reduced canal capacity to have significant potential to impair water delivery operations during uncontrolled season.

Causes

Most of the FKC facilities are over 30 years old, with only minor updates and repairs being performed over the years. Major building updates will need to be performed within the next 10 years to keep the structures in safe working order.

Locations

The capacity of the Friant-Kern Canal is being evaluated in all locations below the Kings River Check structure. MP 28.8 through 151.8



Pumpback Project

General Description

The Secretary of the Interior is authorized in PL-111-11 Section 10201 and directed to conduct feasibility studies in coordination with Friant Water Authority and create improvements or reverse flow pump-back facilities on the Friant-Kern Canal to help manage for water supply lost as part of the San Joaquin River Restoration Program Settlement. The project is to build reverse flow pump-back facilities at Shafter Check, Woollomes Check and Deer Creek Check.

Causes

This project originally stemmed from the SJRRP to help facilitate the Long-Term Recapture and Recirculation program. It was authorized as part of the settlement program to help Friant Division Contractors keep access to their water utilized to help restore the SJR fishery. This program helps keep the SJR settlement viable.

Locations

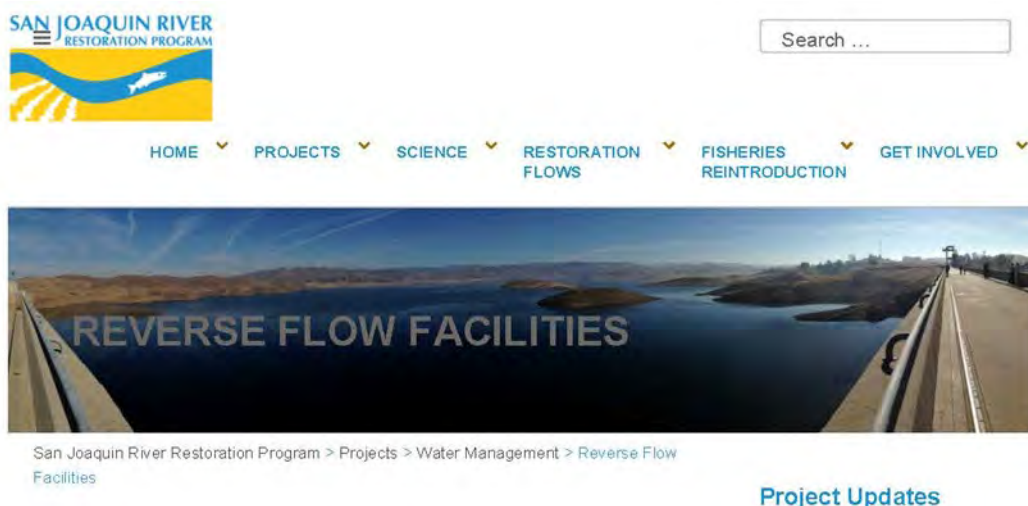
Friant-Kern Canal from terminus MP 151.8 to Tule River pool MP 95.67

Past Activities

The Friant Water Authority (FWA) entered into a Financial Assistance Agreement (FAA) with the U. S. Bureau of Reclamation to design and construct Reverse flow Pump-Back facilities in the lower reaches of the FKC. The current project is at 30% design. Including scoping of water quality issues and environmental constraints

Future Activities

The Authority has funds allocated almost every year for the exploration, design, engineering, permitting and construction of pump back facilities along the Friant-Kern Canal. All projects are listed in the 10-year plan with the associated costs. It is expected that Federal, State and local cost-share partners will be necessary to successfully complete the construction of these facilities along the Friant-Kern Canal.



Agenda Report

No.3.B

DATE: September 23, 2021

TO: Board of Directors

FROM: Wilson Orvis, CFO

SUBJECT: Financial Statements and Independent Audit Report for Fiscal Year (FY) Ending September 30, 2019

SUMMARY:

Friant Water Authority (FWA) contracted with Hudson, Henderson, & Company (HH&C) in May 2021. The initial scope of services involved completing the independent financial statement audit for Fiscal Years Ending (FYE) September 30, 2019 (FY 2019) and September 30, 2020 (FY 2020) which had been significantly delayed. HH&C completed their audit of the Friant Water Authority Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2019 and are presenting them to the Board of Directors for review and acceptance.

In accordance with FWA's O&M Fund Cost Recovery and Reserve Policy (April 2007), based upon the audited financial statements, Friant staff will be refunding FKC Contractors \$982,948 using the cost allocation in place in FY 2019.

DISCUSSION

Hudson, Henderson, & Co. (HH&C), Certified Public Accountants, performed the audit of the Financial Statements (FYE 2019) and have expressed the opinion that the Financial Statements present fairly, in all material respects, the financial position of the Friant Water Authority (FWA). In addition, HH&C audited FWA's compliance with requirements under Federal grants and found that FWA complied, in all material aspects, with the compliance requirements. In the process of testing, HH&C did identify three instances of significant deficiencies that are required to be reported under the Uniform Guidance (2 CFR 200):

- Untimely completion of the audit
- Inadequate, written procurement policies
- Untimely submittal of quarterly financial and performance reports

Staff will be developing a detailed corrective action plan to address all three findings with the goal to have corrective actions fully implemented by no later than March 31, 2022.

FINANCE COMMITTEE:

The Finance Committee reviewed the audit report and supplementary information during the September 20, 2021 committee meeting and approved a motion to recommend that the Board of Directors accept the Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2019

RECOMMENDED ACTION:

The Board of Directors accept the Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2019.

SUGGESTED MOTION:

A motion to accept of the Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2019.

BUDGET IMPACT:

There is no impact to the budget.

ATTACHMENTS:

- 1) SAS 114 – Auditor’s Communication Letter
- 2) Friant Water Authority’s Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2019.

September 13, 2021

To the Board of Directors
Friant Water Authority

We have audited the financial statements of the governmental activities, business-type activities and each major fund of the Friant Water Authority (the Authority), for the year ended September 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 27, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by the Authority during the years for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There weren't any sensitive estimates affecting the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. All misstatement were corrected by management as identified during the course of our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated September 10, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the Authority’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management’s discussion and analysis and budgetary comparison schedule for the governmental fund, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the budgetary comparison schedule – enterprise fund and the schedule of expenditures of federal awards (supplementary information), which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

HUDSON HENDERSON & COMPANY, INC.

A handwritten signature in black ink, appearing to read "Brian Henderson", written over a horizontal line.

By: Brian Henderson, CPA

FRIANT WATER AUTHORITY

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2019**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet - Governmental Fund	11
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund	12
Statement of Net Position – Enterprise Fund	13
Statement of Revenues, Expenses and Changes in Net Position – Enterprise Fund	14
Statement of Cash Flows – Enterprise Fund.....	15
Notes to Financial Statements.....	17
Required Supplementary Information:	
Budgetary Comparison Schedule – General Fund	29
Supplementary Information:	
Budgetary Comparison Schedule – Enterprise Fund	30
Other Auditors' Reports	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	33
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance	35

Schedule of Expenditures of Federal Awards:

Schedule of Expenditures of Federal Awards 37

Notes to Schedule of Expenditures of Federal Awards 38

Findings and Questioned Costs

Schedule of Findings and Questioned Costs 39

Summary Schedule of Prior Year Findings and Questioned Costs 43



INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Friant Water Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities and each major fund of the Friant Water Authority (the Authority) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Authority, as of and for the year ended September 30, 2019, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

7473 N. INGRAM AVE., SUITE 102 • FRESNO, CA 93711

P (559) 412-7576 • F (559) 493-5325 • WWW.HHCCPAS.COM

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedule for the governmental fund as listed in the table of contents be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The budgetary comparison schedule- enterprise fund on pages 30-32 is presented for purposes of additional analysis and is not a required part of the basic financial statements. In addition, the schedule of expenditures of federal awards on page 37 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The budgetary comparison schedule- enterprise fund and the schedule of expenditures of federal awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary comparison schedule- enterprise fund and the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

HUDSON HENDERSON & COMPANY, INC.

Hudson Henderson & Company, Inc.

Fresno, California
September 10, 2021

FRIANT WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

The following management discussion and analysis is the result of Friant Water Authority (Authority) implementing Governmental Accounting Standards Board (GASB) Statement No. 34. GASB No. 34 establishes financial reporting standards for state and local governments, including special districts such as the Authority. Our discussion and analysis of the Authority's financial performance provides an overview of the Authority's financial activities for the fiscal year ended September 30, 2019. Please read this discussion and analysis in conjunction with the Authority's audited financial statements and the accompanying notes.

OVERALL PROGRAM HIGHLIGHTS

Friant Water Authority (the Authority) is a joint powers authority, renamed and reorganized in 2004. (It was previously named the Friant Water Users Authority). The current joint powers agreement (Agreement) became effective on June 2, 2016. The Agreement was entered into pursuant to the Joint Powers Act, California Government Code Section 6500 and following. As a joint powers authority, the Authority operates and maintains the Friant-Kern Canal on behalf of the U.S. Bureau of Reclamation pursuant to a transferred works agreement. The Authority works to preserve and enhance water supplies and water rights for contractors of the Friant Division of the Central Valley Project, and regularly works with the California Department of Water Resources and other state and federal agencies on water supply issues, and provides advocacy on state and federal water-related legislation.

FINANCIAL HIGHLIGHTS

- The Authority's total net position decreased by \$954,439 as a result of this year's operations. Net position of our business-type activities decreased by \$1,357,310, while net position of our governmental activities increased by \$402,871. Operating expenses were \$28,034,526, an increase of \$2,075,950 from the prior year.
- For the year, the Authority's governmental activities total expenditures of \$2,584,736 (see page 6, "Changes in Net Position") were less than revenues by \$402,871. Last year, the expenditures exceeded revenues by \$375,693.
- Total liabilities are \$5,825,668, a decrease of \$53,935 from the prior year.
- In the Authority's business-type activities, the total expenses were \$25,449,790 (see page 6, "Changes in Net Position"). The expenditures exceeded revenues by \$1,357,310. Last year, the expenditures exceeded revenues by \$263,441. The Authority had a \$2,426,991 payable representing a combination of both FY 2019 and 2018 refunds due to Friant water service contractors on September 30th consisting of Friant-Kern Canal revenues in excess of costs and San Luis & Delta Mendota Water Authority (SLDMWA) interest revenue.
- Total cost (expenditures/expenses) of the Authority's programs for the year increased from last year by \$2,076,950 (8 percent).

OVERVIEW OF FINANCIAL STATEMENTS

The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America and include certain amounts based upon reliable estimates and judgments. The financial statements include Statements of Net Position, Statement of Activities, Balance Sheet – Governmental Fund, Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund, Statement of Net Position – Enterprise Fund, Statement of Revenues, Expenses, and Changes in Net Position – Enterprise Fund, and the Statement of Cash Flows – Enterprise Fund along with accompanying Notes to Financial Statements.

Reporting on the Authority as a Whole

- The **Statement of Net Position** presents information on the Authority as a whole, including total assets, deferred outflows, liabilities and deferred inflows, the difference between the two representing net position, or equity.

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Reporting on the Authority as a Whole (continued)

- The **Statement of Activities** presents information showing total revenues versus total expenses and how the Authority's net position as a whole changed during the fiscal year. All revenues and expenses are recognized as soon as the underlying event occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in the disbursement or collection of cash during future fiscal years (e.g., reimbursable ongoing project expenses).

In the Statement of Net Position and the Statement of Activities, we divide the Authority into two types of activities:

- **Governmental activities**— The Authority's services related to protection, preservation and enhancement of Friant water supplies and water rights are reported here, including the cost of support of operations. General member districts provide the revenue..
- **Business-type activities**— Accounts for the activities of operation, maintenance, and replacement (OM&R) of the Friant-Kern Canal and its related systems, structures, and equipment as well as the OM&R costs incurred by the San Luis & Delta Mendota Water Authority to deliver settlement water to the Settlement Contractors. The Authority invoices Friant Division water contractors for their share of the cost.

Reporting on the Authority's Fund Financial Statements

The fund financial statements begin on page 11 and provide detailed information about the most significant funds as opposed to the Authority as a whole. The Authority's two kinds of funds—governmental and enterprise—use different accounting approaches.

- **Governmental Funds**— Most of the Authority's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Authority's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Authority's programs.
- **Enterprise Funds**— When the Authority charges districts for the OM&R services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Authority's enterprise funds (a component of proprietary funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The **Notes to the Financial Statements** provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes describe the nature of the Authority's operations and significant accounting policies as well as clarify unique financial information.

Hudson Henderson & Company, Inc. has performed an independent audit of our financial statements in accordance with auditing standards generally accepted in the United States of America. Their unmodified opinion is included in this report.

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Analysis of Overall Financial Position and Results of Operation

The following analysis will be presenting financial information for the years ended September 30, 2019 and 2018.

Statements of Net Position

	2019			2018
	Governmental Activities	Business-Type Activities	Total	Total Government
ASSETS				
Cash and investments	\$ 1,056,739	\$ 4,790,636	\$ 5,847,375	\$ 5,560,318
Restricted cash and investments	-	1,544,558	1,544,558	-
Receivables and deposits	14,236	2,005,107	2,019,343	3,158,172
Prepays	25,755	715,245	741,000	673,273
Capital assets	-	2,205,565	2,205,565	2,212,356
Total Assets	1,096,730	11,261,111	12,357,841	11,604,119
LIABILITIES				
Accounts payable	115,616	2,044,052	2,159,668	2,896,221
Temperance flat MOU	663,737	-	663,737	51,141
Compensated absences	84,165	491,107	575,272	564,694
OM&R refund liability	-	2,426,991	2,426,991	2,367,547
Total Liabilities	863,518	4,962,150	5,825,668	5,879,603
DEFERRED INFLOWS				
Deferred Receipts	-	4,324,688	4,324,688	2,562,592
NET POSITION				
Net investment in capital assets	-	2,205,565	2,205,565	2,212,356
Restricted	-	1,544,558	1,544,558	1,212,714
Unrestricted	233,212	(1,775,850)	(1,542,638)	(263,146)
Total Net Position	\$ 233,212	\$ 1,974,273	\$ 2,207,485	\$ 3,161,924

The Authority's combined net position from one year ago, decreased by \$954,439, from \$3,161,924 to \$2,207,485. Last year's net position decreased by \$639,134. Looking at the net position of the governmental and business-type activities individually, however, provides a better understanding of how each activity impacts the combined net position. Our analysis that follows focuses separately on the net position and changes in net position of the Authority's governmental and business-type activities.

Net position of the Authority's governmental activities increased from (\$169,659) in 2018 to \$233,212 in 2019. The increase is due to expenditures for the fiscal year being less than originally anticipated. The budgeted dollars were increased in FY2019 to recover the negative net position in FY2018.

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

The net position of business-type activities decreased from \$3,331,583 in 2018 to \$1,974,273 in 2019. Any change in net position is primarily affected by the Authority's policy to refund any revenues in excess of costs after taking into account necessary reserve balances and cash flow adjustments (see Notes, page 20, 'OM&R Revenue Refunds'). The refund amount due to Friant Division Contractors as of 2019 is \$2,426,991 due to savings from budgeted projects and purchases, special projects carried over to fiscal year 2019 and revenues collected principally from temporary contract water deliveries. The \$2,426,991 is a combination of both the FY2018 & FY2019 refund amounts. Spending in both fiscal years were below the budgeted dollars for the respective fiscal years. Required changes in restricted and unrestricted reserves and accumulated interest revenue earned on SLDMWA reserve amounts were also included in the refund analysis.

Statements of Activities

	2019		2018
	Governmental Activities	Business-Type Activities	Total Government
REVENUES			
Membership assessments	\$ 2,961,000	\$ -	\$ 2,961,000
OM&R charges	-	20,968,065	20,968,065
Capital grants and contributions	-	3,020,345	3,020,345
General revenues			
Miscellaneous income	466	-	466
Investment earnings (loss)	26,141	104,070	130,211
Total Revenues	2,987,607	24,092,480	27,080,087
EXPENSES			
General Member	2,584,736	-	2,584,736
OM&R	-	24,466,842	24,466,842
OM&R Reimbursement	-	982,948	982,948
Total Expenses	2,584,736	25,449,790	28,034,526
Net Change in Net Position	402,871	(1,357,310)	(954,439)
Net Position, Beginning of Year	(169,659)	3,331,583	3,161,924
Net Position, End of Year	\$ 233,212	\$ 1,974,273	\$ 2,207,485

The table above, changes in net position, shows the Authority's total revenues for the year increased by \$1,761,645 (7.0 percent). The total cost of all activities increased by \$2,076,950 (8.0 percent). Net position decreased by \$954,439 and our analysis below separately considers the operations of governmental and business-type activities and the primary reasons that led to this year's decrease in net position.

Governmental Activities

Revenues for the governmental activities were higher in 2019 as compared to 2018 with total revenues increasing by \$332,038 or 12.5 percent. In 2019, increased revenues were collected in the General Fund to support an increase in anticipated costs associated with water rights, policy, and defense on behalf of General Members. The increase in revenue dollars were primarily due to the need to offset the negative net position reflected in FY2018.

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Business-type Activities

Revenues of the Authority's business-type activities increased by 6.3 percent, \$24,092,480 (FYE 2019) compared to \$22,662,873 (FYE 2018). The business-type activities fluctuate from year to year based on the expenditures of the fund. The increase is attributed to an increase of revenues collected for costs for delivery of exchange contractor water via SLDMWA as well as increased grant revenues for ongoing special projects.

For the current fiscal year, these activities reported total expenses of \$25,449,790. The total expenses showed an increase of 16.5 percent compared to FY 2018. The increase in expenses was primarily due the reasons noted in the revenue discussion above.

The Authority's Funds

The Authority's governmental fund balance (as presented in the Balance Sheet on page 11) is \$317,377 at the end of the fiscal year 2019. This is an increase from last year's total restated fund balance of (\$70,804). The primary reason for the General Fund's increase is an increase in collections to support General Member activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Authority's governmental fund had original budgeted expenditures of \$2,197,656 and actual expenditures (\$2,599,426) were greater than original budgeted amounts. An annual budget is also adopted for the Enterprise – OM&R Fund, on a GAAP basis. The Budget and Actual for the Enterprise – OM&R Fund is in the supplementary information on pages 30-32. Formal budgetary integration is employed as a management control device during the year for the Enterprise - OM&R Fund. Annually the board of directors approves, by resolution, budget appropriations for the fiscal year commencing the following October 1. Expenses are controlled by normal internal control processes and user rate reviews.

CAPITAL ASSETS

As of September 30, 2019, the Authority had \$2,205,565 in capital assets, net of depreciation. Capital assets decreased by (\$6,791).

	2019	2018	Net Increase/ (Decrease)
Business-type Activities			
Heavy machinery & light vehicles	\$ 2,957,082	\$ 2,870,136	\$ 86,946
Tools and other equipment	3,165,830	2,359,497	806,333
Construction in progress	-	471,523	(471,523)
Accumulated depreciation	<u>(3,917,347)</u>	<u>(3,488,800)</u>	<u>(428,547)</u>
 Total Capital Assets	 <u>\$ 2,205,565</u>	 <u>\$ 2,212,356</u>	 <u>\$ (6,791)</u>

Additions consisted of trucks, computers, software, and various tools. Dispositions consisted of computers, tools and trucks sold at auction.

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In developing the budget for the 2019/2020 fiscal year, the staff and the Board of Directors took into account the factors that had significant potential to affect the budgeted figures.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is to provide an overview of the Authority's finances and to show the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority's Chief Financial Officer at 854 N. Harvard Ave., Lindsay, CA 93247.

FRIANT WATER AUTHORITY

FINANCIAL STATEMENTS

**FRIANT WATER AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2019**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 1,056,739	\$ 4,790,636	\$ 5,847,375
Restricted cash and investments	-	1,544,558	1,544,558
Accounts receivable	-	1,971,989	1,971,989
Interest receivable	-	33,118	33,118
Receivable from other government	7,225	-	7,225
Prepays	25,755	715,245	741,000
Security deposits	7,011	-	7,011
Capital assets (net of accumulated depreciation)	-	2,205,565	2,205,565
Total Assets	1,096,730	11,261,111	12,357,841
LIABILITIES			
Accounts payable	115,616	2,044,052	2,159,668
Temperance Flat MOU	663,737	-	663,737
OM&R Refund Liability	-	2,426,991	2,426,991
Compensated absences			
Due within one year	77,316	275,698	353,014
Due in more than one year	6,849	215,409	222,258
Total Liabilities	863,518	4,962,150	5,825,668
DEFERRED INFLOWS OF RESOURCES			
Advanced receipts	-	4,324,688	4,324,688
NET POSITION			
Net investment in capital assets	-	2,205,565	2,205,565
Restricted	-	1,544,558	1,544,558
Unrestricted	233,212	(1,775,850)	(1,542,638)
Total Net Position	\$ 233,212	\$ 1,974,273	\$ 2,207,485

The accompanying notes are an integral part of the financial statements.

**FRIANT WATER AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Member activities	\$ 2,584,736	\$ -	\$ 2,961,000	\$ -	\$ 376,264	\$ -	\$ 376,264
Total Governmental Activities	2,584,736	-	2,961,000	-	376,264	-	376,264
Business-Type Activities:							
OM&R activities	25,449,790	20,968,065	-	3,020,345	-	(1,461,380)	(1,461,380)
Total Business-Type Activities	25,449,790	20,968,065	-	3,020,345	-	(1,461,380)	(1,461,380)
Total Primary Government	\$ 28,034,526	\$ 20,968,065	\$ 2,961,000	\$ 3,020,345	376,264	(1,461,380)	(1,085,116)
	General Revenues:						
	Miscellaneous income				466	-	466
	Investment earnings (loss)				26,141	104,070	130,211
	Total General Revenues				26,607	104,070	130,677
	Change in Net Position				402,871	(1,357,310)	(954,439)
	Net Position, Beginning of Year				(169,659)	3,331,583	3,161,924
	Net Position, End of Year				\$ 233,212	\$ 1,974,273	\$ 2,207,485

The accompanying notes are an integral part of the financial statements.

**FRIANT WATER AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>General Fund</u>
ASSETS	
Cash and investments	\$ 1,056,739
Interest receivable	7,225
Prepaid expenses	25,755
Security deposit	<u>7,011</u>
Total Assets	<u><u>\$ 1,096,730</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 115,616
Temperance Flat MOU	<u>663,737</u>
Total Liabilities	<u>779,353</u>
Fund Balance	
Unassigned	<u>317,377</u>
Total Fund Balance	<u>317,377</u>
Total Liabilities and Fund Balance	<u><u>\$ 1,096,730</u></u>
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position:	
Total Fund Balance - Governmental Fund	\$ 317,377
Compensated absences, are not due and payable in the current period and therefore are not reported in the governmental fund but are recorded in the government-wide statement to conform with generally accepted accounting principles.	<u>(84,165)</u>
Total Net Position - Governmental Activities	<u><u>\$ 233,212</u></u>

The accompanying notes are an integral part of the financial statements.

FRIANT WATER AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>General Fund</u>
REVENUES	
Membership assessment	\$ 2,961,000
Airborne Snow Observatory	10
Miscellaneous income	456
Interest	22,902
Investment earnings (loss)	3,239
	<hr/>
Total Revenues	2,987,607
EXPENDITURES	
City of Fresno vs USA (JDA)	6,075
Administrative	387,613
Administrative allocation	127,772
Water supply management	93,644
Friant supply, tracking, policies, & defense	17,183
Delta supply, tracking, policies, & defense	293,309
San Joaquin settlement	92,454
Reconsultation	41,780
Friant sustainability plan	155,796
Upstream storage	27,342
Special projects	3,954
Snow observatory	45,226
Organization & Governance	11,481
Annual Strategic Planning	566
Friant Member & Grower Coordination	107,336
Grants & Funding Development	3,597
Outreach & Engagement	74,183
Legislative Affairs	276,765
State Regulatory Affairs	70,095
External Affairs	163,530
Communications & Media Relations	196,372
Employee Holiday, Sick, Vacation & Jury	116,139
Travel Expense	29,413
Retirement, Health Ins & Payroll Taxes	193,659
SJV Blue Print	64,142
	<hr/>
Total Expenditures	2,599,426
Net Change in Fund Balance	388,181
Fund Balance, Beginning of Year	(169,659)
Prior Period Adjustment	98,855
	<hr/>
Fund Balance, End of Year	\$ 317,377
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the Governmental Funds to the Statement of Activities:	
Net change in Fund Balance - Governmental Funds	\$ 388,181
Governmental funds do not include incurred noncurrent compensated absences as expenditures. However, in the Statement of Activities, these expenses are recognized. This is the amount by which compensated absences decreased (increased) in the current period	<hr/>
	14,690
Change in Net Position - Governmental Activities	\$ 402,871
	<hr/>

The accompanying notes are an integral part of the financial statements.

**FRIANT WATER AUTHORITY
STATEMENT OF NET POSITION
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>OM&R Fund</u>
ASSETS	
Current Assets	
Cash and investments	\$ 4,790,636
Restricted cash and investments	1,544,558
Accounts receivable	1,971,989
Prepays	715,245
Interest receivable	<u>33,118</u>
Total Current Assets	<u>9,055,546</u>
Noncurrent Assets	
Capital assets (net of accumulated depreciation)	<u>2,205,565</u>
Total Noncurrent Assets	<u>2,205,565</u>
Total Assets	<u>11,261,111</u>
LIABILITIES	
Current Liabilities	
Accounts payable	2,044,052
Compensated absences, current	275,698
OM&R refund liability	<u>2,426,991</u>
Total Current Liabilities	4,746,741
Noncurrent Liabilities	
Compensated absences, noncurrent	<u>215,409</u>
Total Liabilities	<u>4,962,150</u>
DEFERRED INFLOWS OF RESOURCES	
Advanced receipts	<u>4,324,688</u>
NET POSITION	
Net investment in capital assets	2,205,565
Restricted	1,544,558
Unrestricted	<u>(1,775,850)</u>
Total Net Position	<u>\$ 1,974,273</u>

The accompanying notes are an integral part of the financial statements.

**FRIANT WATER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	OM&R Fund
OPERATING REVENUES	
OM&R charges	\$ 20,968,065
Federal assistance	3,020,345
Total Operating Revenues	<u>23,988,410</u>
OPERATING EXPENSES	
SLDMWA OM&R expenses	11,208,647
FWA OM&R expenses:	
Maintenance	9,668,380
Operations	1,557,408
Administrative	2,032,407
Total Operating Expenses	<u>24,466,842</u>
Operating Income (Loss)	<u>(478,432)</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment earnings (loss)	<u>104,070</u>
Total Non-operating Revenues (Expenses)	<u>104,070</u>
OM&R Revenue Refund	<u>982,948</u>
Change in Net Position	(1,357,310)
Net Position, Beginning of Year	<u>3,331,583</u>
Net Position, End of Year	<u><u>\$ 1,974,273</u></u>

The accompanying notes are an integral part of the financial statements.

**FRIANT WATER AUTHORITY
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	OM&R Fund
Cash Flows from Operating Activities	
Cash received from customers	\$ 24,935,791
Cash payments to suppliers	(13,926,818)
Cash payments to employees	(10,679,013)
Other operating	<u>1,762,096</u>
Net cash provided (used) by operating activities	<u>2,092,056</u>
Cash Flows from Capital and Related Financing Activities	
Proceeds from sale of property and equipment	8,350
Acquisition of capital assets	<u>(505,925)</u>
Net cash provided (used) by capital and related financing activities:	<u>(497,575)</u>
Cash Flows from Investing Activities	
Investment income	<u>104,070</u>
Net cash provided (used) by investing activities	<u>104,070</u>
Net change in cash and investments	1,698,551
Cash and Investments, Beginning of Year	<u>4,636,643</u>
Cash and Investments, End of Year	<u><u>\$ 6,335,194</u></u>
Reconciliation of cash and investments to Statement of Net Position:	
Unrestricted assets - cash and investments	\$ 4,790,636
Restricted assets - cash and investments	<u>1,544,558</u>
Total cash and investments	<u><u>\$ 6,335,194</u></u>

The accompanying notes are an integral part of the financial statements.

**FRIANT WATER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>OM&R Fund</u>
Reconciliation of Operating Income	
(Loss) to Net Cash Provided (Used)	
by Operating Activities	
Operating income (loss)	\$ (478,432)
Adjustments to reconcile operating	
income (loss) to net cash provided	
(used) by operating activities:	
Depreciation	504,366
Changes in assets and liabilities:	
Accounts receivable	947,381
Prepays	(81,725)
Due to other funds	(44,599)
Accounts payable	(542,299)
Accrued vacation and sick leave	25,268
Deferred inflows	<u>1,762,096</u>
 Net cash provided (used)	
by operating activities	 <u><u>\$ 2,092,056</u></u>

The accompanying notes are an integral part of the financial statements.

**FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The Authority is a joint powers authority created for the purpose of operating and maintaining the Friant-Kern Canal, which is a conveyance feature of the Friant Division of the federally owned Central Valley Project (CVP) located in the California San Joaquin Valley. The Authority also provides information on water supply, water distribution and operation, and management issues affecting its members and endeavors to preserve and protect the rights and benefits of its members. The Authority was created in January 19, 2004. Effective July 1, 2004, the operation, maintenance and replacement (OM&R) was transferred from Friant Water Users Authority (FWUA) and a consulting agreement existed whereby FWUA contracted with the Authority to provide necessary services to FWUA for its remaining non-OM&R activities.

As of March 1, 1998, the "Agreement to Transfer the Operation, Maintenance and Replacement (OM&R) and Certain Financial and Administrative Activities Related to the Friant-Kern Canal and Associated Works, (Transfer Agreement) became effective for FWUA. The Transfer Agreement was assigned to Friant Water Authority on June 30, 2004. Under the Transfer Agreement, FWUA operated and maintained the Friant-Kern Canal. The Transfer Agreement provides for direct funding from CVP Friant Division water contractors as opposed to the monthly cash advances from the U.S. Bureau of Reclamation (USBR) under the Cooperative Agreement.

As the January 20, 2011, FWUA Board of Directors' meeting, the Board voted to dissolve and terminate the FWUA. The resolution appointed the Authority as its agent and successor and was assigned to hereafter take any remaining actions necessary that may have been required of FWUA. An amendment to the FWUA Joint Powers Agreement (JPA) was filed with the Secretary of State on February 22, 2011, terminating the JPA.

An agreement also exists between the Authority and the San Luis & Delta-Mendota Water Authority (SLDMWA) that defines how the Authority is to compensate the SLDMWA for the water delivered to Settlement (Exchange) Contractors from their project facilities. Settlement contractors receive their water without charge from those facilities and Friant Division Contractors are responsible for the OM&R costs incurred by the SLDMWA in delivering Settlement water.

At the end of the fiscal year, the Authority's board consisted of fourteen appointed representatives, one from each of the fourteen-member districts. Based on the criteria set forth under Generally Accepted Accounting Principles (GAAP), the authority is a stand-alone governmental entity and has been classified as a non-equity joint venture. This determination was based on the following factors: the Authority is not a component unit of another governmental entity; the authority was created as a special purpose governmental entity, the member districts retain an ongoing financial responsibility for the Authority, and the member districts maintain joint control wherein each district has an equal influence on the Authority.

Measurement Focus, Basis of Accounting and Financial Statement Presentation: The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the Authority's activities. The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

**FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued):

Separate financial statements are provided for governmental funds. Major individual governmental funds and individual enterprise funds are reported as separate columns in the fund financial statements.

- **Government-Wide Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met.

- **Governmental Fund Financial Statements**

Governmental fund financial statements (i.e., Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues susceptible to accrual are property taxes, interest on investments, and intergovernmental revenues. Property taxes are recorded as revenues in the fiscal year in which they are levied, provided they are collected in the current period or within sixty days thereafter. A one-year availability period is used for all other revenues. Interest on invested funds is recognized when earned. Intergovernmental revenues that are reimbursements for specific expenditures are recognized when all eligibility requirements are met. Expenditures generally are recorded when a liability is incurred, as under accrual accounting; however, debt service expenditures are recorded only when payment is due.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

- **Proprietary Fund Financial Statement**

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows for each major proprietary fund and non-major funds aggregated.

Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the cost and expenses of providing goods or services to its customers be financed or recovered primarily through users charges; or where the governing body has decided that periodic determination of revenue earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation(continued): Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The Authority reports one major governmental fund:

The General Fund

The General Fund is the primary operating fund of the Authority and always classified as a major fund, it is used to account for all activities except those legally or administratively required to be accounted for in a separate fund.

The Authority reports one major enterprise fund:

Operation, Maintenance and Replacement (OM&R) Fund

The OM&R fund is used to account for the activities of operation, maintenance and repair of the Friant-Kern Canal and its related systems, structures, and equipment.

Budgets and Budgetary Accounting: An annual budget is normally adopted for the General Fund on a modified accrual basis consistent with Generally Accepted Accounting Principles (GAAP). The Budgetary Comparison Schedule for the General Fund is included in the required supplementary Information on page 29.

An annual budget is also adopted for the Enterprise – OM&R Fund, on a GAAP basis. The Budgetary Comparison Schedule for the Enterprise Fund is included in the supplementary information on page 30.

Formal budgetary integration is employed as a management control device during the year for the Enterprise - OM&R Fund. Annually the board of directors approves, by resolution, budget appropriations for the fiscal year commencing the following October 1st. Expenses are controlled by normal internal control processes and user rate reviews.

Cash and Investments: The Authority considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash and cash equivalents.

For the purpose of the Statement of Cash Flows, the Authority considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents, along with all pooled deposits and investments in the Local Agency Investment Fund (LAIF), which are available upon demand.

Accounts Receivable: Accounts Receivable arise from billings and include an estimate for unbilled revenues earned from the dates the customers were last billed to the end of the year. Uncollectible accounts included in receivables are considered immaterial. Therefore, no allowance for uncollectible accounts has been established.

**FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Prepaid Expenses: Payments made before the receipt of services are recorded as prepaid expenses. The prepaid expenses recorded on the Government-Wide Statement of Net Position and the Statement of Net Position for the enterprise fund are for health insurance premiums, chemical inventory at year end, training, web hosting fees, phone and copier charges, and dues. The prepaid expenses recorded for the governmental fund are for health insurance premiums, consulting, rent, rent deposits and parking expenses.

Capital Assets: Capital assets which include property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial cost of more than \$1,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost. Donated assets are recorded at estimated fair market value as of the date of the donation.

The costs of normal maintenance and repairs that do not add to the value or capacity of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives.

The estimated useful lives of the various assets of the Authority are as follows:

Vehicles and heavy equipment:	20 years
Tools and Other:	3-5 years

Accounts Payable: Certain costs are incurred by the Authority during the current reporting period but are not paid until after the beginning of the next fiscal period. These costs are reported as payables in the financial statements. The Authority's account payable balance as of September 30, 2019 is \$2,159,668.

Compensated Absences: Full-time, permanent employees are granted vacation benefits in specified maximums depending on tenure with the Authority. Sick leave is granted to employees, and, upon separation of service, employees may be entitled to compensation for any unused portion. The Authority's compensated absences balance as of September 30, 2019 is \$575,272.

Deferred Outflows and Inflows of Resources: In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the Authority that is applicable to a future reporting period.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the Authority that is applicable to a future reporting period. Deferred inflows reported by the Authority consist of unearned deferred assessments that have been billed as of year-end, but not yet collected.

OM&R Revenue Refunds: The Board of Directors has authorized Friant Division contractors to be refunded annually if revenues for the fiscal year are collected in excess of costs or to be billed for any costs in excess of revenues, after taking into account any necessary reserve balances and cash flow adjustments. The amount of the refund for contractors as of September 30, 2019 is \$2,426,991.

**FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position: Net position represents the residual interest in the Authority's assets after liabilities are deducted. In accordance with GASB Statement No. 63, the fund equity section on the Statement of Net Position was combined to report total net position and present it in three broad components:

- *Net investment in capital assets* – Amount consists of capital assets, including infrastructure, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – Amount consists of net position restricted by external creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabled legislature.
- *Unrestricted* – Amount consists of all net position that does not meet the definition "net investment in capital assets" or "restricted" net position.

When both restricted and unrestricted net position are available, restricted resources are depleted first before unrestricted resources are used.

Fund Balance: In the fund financial statements, in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the Authority is bound to honor constraints on how specific amounts can be spent.

- *Nonspendable* – Amounts that are not in spendable form (such as inventory) or are required either legally or contractually to be maintained intact.
- *Restricted* – Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional or enabling legislation.
- *Committed* – Amounts constrained to specific purposes by the Authority itself, using its highest level of decision-making authority (the Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the Authority takes the same highest-level action to remove or change the constraint. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- *Assigned* – Amounts the Authority *intends* to use for a specific purpose. Intent can be expressed by the Authority or by an official or body to which the Board of Directors delegates the authority.
- *Unassigned* – The residual classification for the Authority's governmental fund that includes amounts not contained in the other classifications.

The Authority establishes and modifies or rescinds fund balance commitments by passage of an ordinance or policy. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget as a designation or commitment of the fund, such as approved contracts. Assigned fund balance is established by the Authority through adoption or amendment of the budget, or future year budget, plan as intended for a specific purpose.

When both restricted and unrestricted resources are available for use, it is the Authority's policy/practice to use restricted resources first, followed by the committed, assigned, and unassigned resources as they are needed.

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Governmental Accounting Standards Update: During the year ended September 30, 2019, the Authority implemented the following standards with no financial impact on the financial statements:

GASB Statement No. 83 – *Certain Asset Retirement Obligations*. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.

Released GASB Statements to be implemented in future financial statements are as follows:

GASB Statement No. 84 – *Fiduciary Activities*. The requirements of this statement are effective for reporting periods beginning after December 15, 2018.

GASB Statement No. 87 – *Leases*. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting periods beginning after June 15, 2021.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting periods beginning after December 15, 2020.

GASB Statement No. 90 – *Majority Equity Interests- an amendment of GASB Statements No. 14 and No 61*. The requirements of this statement are effective for reporting periods beginning after December 15, 2018. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting periods beginning after December 15, 2019.

GASB Statement No. 91 – *Conduit Debt Obligations*. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting periods beginning after December 15, 2021.

GASB Statement No. 92 – *Omnibus 2020*. The requirements of this statement are effective for reporting periods beginning after June 15, 2020. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to June 15, 2021.

GASB Statement No. 93 – *Replacement of Interbank Offered Rates*. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Subsequent to issuance, GASB Statement No. 95 postponed the certain requirements of this statement to reporting periods beginning after June 15, 2022.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

**FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Governmental Accounting Standards Update (continued): GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*. The requirements of this statement are effective as of May 2020.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The requirements of this statement are effective for reporting periods beginning after June 15, 2021

Subsequent Events: In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in the financial statements. Management has determined that no events require disclosure in accordance with accounting standards. These subsequent events have been evaluated through September 10, 2021, which is the date the financial statements were available to be issued.

NOTE 2 – CASH AND INVESTMENTS

A summary of cash and investments at September 30, 2019 is as follows:

Cash in bank	\$ 451,992
Local Agency Investment Fund	<u>6,939,941</u>
Total cash and investments	<u>\$ 7,391,933</u>

Investments Authorized by the California Government Code: The Authority's investment policy authorizes investments only in the Local Agency Investment Fund (LAIF), which is a local government investment pool administered by the State of California and in a bank or saving association account fully insured by the Federal Deposit Insurance Corporation (FDIC). The Authority's investment policy does not contain any specific provisions intended to limit the Authority's exposure to interest rate risk, credit risk, and concentration of credit risk.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires California banks and savings and loan associations to collateralize deposits by pledging government securities. The market value of the pledged securities must equal at least 110 percent of deposits. California law also allows financial institutions to collateralize an Authority's deposits by pledging first trust deed mortgage notes having a value of 150 percent of a Authority's total deposits. The Authority may waive collateral requirements for deposits on interest bearing accounts which are fully insured by Federal Deposit insurance up to \$250,000.

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2 – CASH AND INVESTMENTS (continued)

Investment in State Investment Pool: The Authority is a voluntary participant in the LAIF that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relate to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintain by LAIF, which are recorded on an amortized cost basis.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. No investments held by the Authority are greater than 12 months.

Fair Value Measurement: The Authority categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Valuation techniques have not changed from the prior year.

The LAIF is valued on an amortized cost basis, and not applicable for fair value level measurement.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for business-type activities for the year ended September 30, 2019 is as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ 471,523	\$ -	\$ (471,523)	\$ -
Total capital assets not being depreciated	471,523	-	(471,523)	-
Capital assets being depreciated:				
Vehicles and heavy equipment	2,870,136	86,946	-	2,957,082
Tools and other	2,359,497	890,220	(83,887)	3,165,830
Total capital assets being depreciated	5,229,633	977,166	(83,887)	6,122,912
Less accumulated depreciation	3,488,800	504,366	(75,819)	3,917,347
Total capital assets being depreciated, net	1,740,833	472,800	(8,068)	2,205,565
Total capital assets, net	\$ 2,212,356	\$ 472,800	\$ (479,591)	\$ 2,205,565

Depreciation expense for the year ended September 30, 2019 is \$504,366.

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4 – DEFERRED COMPENSATION PLAN

The Authority provides retirement benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan and investment earnings. Employees are eligible to participate from the date of hire. The plan requires the Authority to contribute an amount equal to 8% of the employee's wages plus an amount equal to the first 4% of gross wages contributed to the deferred compensation plan by the employee. The Authority's contributions for each employee (and interest allocated to the employee's account) are fully vested after three years of continuous service. The plan permits employees to defer a portion of their salary until future years, the Authority is required to make contributions to the plan for eligible employees and employer contributions are immediately vested. The Authority's contribution expense for the year ended September 30, 2019 was \$230,394.

Effective January 1, 2018 the Authority established a Nonqualified 457(f) Retirement Plan in accordance with Internal Revenue Code Section 457. The non-qualified 457(f) arrangement allows a tax-exempt employer, such as the Authority, to provide deferred income to a select management group by contributing to a plan that will be paid out at retirement or upon a select management group by contributing to a plan that will be paid out at retirement or upon a specified vesting event. The only authorized participant currently is the Authority's Chief Executive Officer. The plan enacted on his behalf includes two vesting events. The first occurs after three years of continuous service on December 31, 2020. The second occurs after two more years of continuous service on December 31, 2022.

NOTE 5 – RESTRICTED NET POSITION

Restricted for Emergency: Under the Transfer Agreement, the Authority is required to establish an "Emergency Reserve Fund," for purposes of funding extraordinary operations and maintenance activities. The Emergency Reserve Fund may also be used for short-term working capital needs. The Emergency Reserve Fund is required to reach 15% of the average of the three immediately preceding years' operation and maintenance costs of the Friant-Kern Canal. The year the Authority used the operations and maintenance costs that were incurred in the Authority for the fiscal years September 2017-2019 to calculate the restricted amount of \$1,544,558.

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Joint Powers Insurance Authority (JPIA): The Authority has entered into a joint powers agreement along with other members of the Association of California Water Agencies (ACWA) to form a self-insuring pool for liability coverage up to \$2 million is collectively purchased through an umbrella policy covering all included members. The excess insurance is for \$58 million per occurrence for a total coverage of \$60 Million with no aggregate limitation. Premiums are based on the ultimate cost of the claims experience of the Authority and the group under a retrospectively rated policy. The Authority's retrospective allocation point is \$25,000.

The Authority also participated in a self-insuring pool for property coverage up to \$500 Million with the JPIA pooling the first \$100,000. Insurance up to a total of \$150 million in excess of \$50,000 is collectively purchased by the JPIA. The Authority has a \$25,000 deductible for property coverage.

The JPIA is governed by a board elected by district members. The governing board controls the operation of the JPIA, independent of any influence by the Authority beyond the Authority's representation on the governing board.

The relationship between the Authority and the JPIA is such that the JPIA is not a component unit of the Authority for financial reporting purposes. ACWA/JPIA prepares separate annual financial statements, which may be obtained from ACWA/Joint Powers Insurance Authority, 602 Brookwood Rd., Roseville, CA 95661-9082.

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 5 – COMMITMENTS AND CONTINGENCIES (continued)

Joint Powers Insurance Authority (JPIA) (continued): Condensed financial information of the JPIA's most recent audited year is as follows:

	September 30, 2019
Total assets	\$ 212,099,851
Deferred outflows of resources	553,790
Total liabilities	112,046,920
Deferred inflows of resources	1,672,219
Net position	<u>\$ 98,934,502</u>
Total revenues	\$ 181,825,144
Total expenditures	169,356,246
Net increase in net position	<u>\$ 12,468,898</u>

Special District Risk Management Authority (SDRMA): The Authority has also entered into a joint powers agreement along with other members of the California Special Districts Association (CSDA) to form a self-insuring pool for workers' compensation coverage up to California statutory limits per occurrence. Included in the workers' compensation coverage is \$5,000,000 for employers' liability.

SDRMA is governed by a board elected from within the membership of both the property and liability and workers' compensation programs. The governing body controls the operation of the SDRMA, independent of any influence by the Authority.

SDRMA is independently accountable for its fiscal matters. SDRMA maintains its own accounting records. The budget is not subject to any approval other than that of the respective governing board.

The relationship between the Authority and the SDRMA is such that the SDRMA is not a component unit of the Authority for financial reporting purposes. SDRMA prepares separate annual financial statements, which may be obtained from Special District Risk Management Authority, 1112 I Street, Suite 300, Sacramento, CA, 95814. Condensed financial information from the SDRMA's most recent audited year was not available at issuance.

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 5 – COMMITMENTS AND CONTINGENCIES (continued)

Litigation: The Authority is involved in various lawsuits in the normal course of business. Management cannot predict the outcome of the lawsuits or estimate the amount of any loss that may result. Accordingly, no provision for any contingent liabilities that may result has been made in the financial statements. Management believes that losses resulting from these matters, if any, would be covered under the Joint Powers Insurance Authority or would not have a material effect on the financial position of the Authority.

NOTE 6 – DEFICIENCY OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2019, expenditures exceeded appropriations as follows:

Expenditures	Amount
General Fund - General Member	
City of Fresno vs USA (JDA)	(975)
GM Administrative Costs	(62,207)
Water Supply Management	(15,029)
Friant Supply, Tracking, Policies & Defense	(2,758)
Delta Supply, Tracking, Policies & Defense	(47,071)
San Joaquin Settlement	(14,838)
Reconsultation	(6,705)
Friant Sustainability Plan	(24,996)
Upstream Storage	(4,569)
Special Projects	(453)
NASA Airborne Snow Observatory	(7,258)
Organization & Governance	(1,842)
Annual Strategic Planning	(91)
Friant Member & Grower Coordination	(17,229)
Grants & Funding Development	(578)
Outreach & Engagement	(11,906)
Legislative Affairs	(44,418)
State Regulatory Affairs	(11,249)
External Affairs	(26,244)
SJV Blue Print	(38,067)
Communications & Media Relations	(3,745)
Employee holiday, sick, vacation & jury	(30,971)
Travel Expense	(4,720)
Retirement, Health Ins & Payroll taxes	(31,079)
Enterprise Fund-OM&R Fund	
Canal maintenance	(6,073,740)
Water operations	(342,818)

**FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)**

NOTE 7 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$98,855 was recorded to the general fund beginning fund balance due to compensated absences liability which was incorrectly recorded into the governmental funds general fund balance. Compensated absences are a long-term liability by nature and are not to be recorded in the modified accrual basis of accounting in governmental funds.

NOTE 8 – COVID-19 CONTINGENCY

On March 4, 2020, Governor Newsom issued an emergency proclamation declaring a State of Emergency in California due to the novel Coronavirus (COVID-19). The COVID-19 outbreak is ongoing. Actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate impact of COVID-19 on the Authority is unknown.

FRIANT WATER AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amount</u>	<u>Final Budget</u>
Revenues				
Membership assessment	\$ 2,354,500	\$ 2,354,500	\$ 2,961,000	\$ 606,500
Airborne snow observatory	148,000	148,000	10	(147,990)
Miscellaneous	125,000	125,000	26,597	(98,403)
Total Revenues	<u>2,627,500</u>	<u>2,627,500</u>	<u>2,987,607</u>	<u>360,107</u>
Expenditures				
City of Fresno vs USA (JDA)	5,100	5,100	6,075	(975)
GM administrative costs	325,406	325,406	387,613	(62,207)
Administration allocation	135,000	135,000	127,772	7,228
Water supply management	78,615	78,615	93,644	(15,029)
Friant supply, tracking, policies & defense	14,425	14,425	17,183	(2,758)
Delta supply, tracking, policies & defense	246,238	246,238	293,309	(47,071)
San Joaquin Settlement	77,616	77,616	92,454	(14,838)
Consultation	35,075	35,075	41,780	(6,705)
Friant sustainability plan	130,800	130,800	155,796	(24,996)
Upstream storage	22,773	22,773	27,342	(4,569)
Special projects	3,501	3,501	3,954	(453)
NASA airborne snow observatory	37,968	37,968	45,226	(7,258)
Organization & governance	9,639	9,639	11,481	(1,842)
Annual strategic planning	475	475	566	(91)
Friant member & grower coordination	90,107	90,107	107,336	(17,229)
Grants & funding development	3,019	3,019	3,597	(578)
Outreach & engagement	62,277	62,277	74,183	(11,906)
Legislative affairs	232,347	232,347	276,765	(44,418)
State regulatory affairs	58,846	58,846	70,095	(11,249)
External affairs	137,286	137,286	163,530	(26,244)
SJV blue print	26,075	26,075	64,142	(38,067)
Communications & media relations	192,627	192,627	196,372	(3,745)
Employee holiday, sick, vacation & jury	85,168	85,168	116,139	(30,971)
Travel expense	24,693	24,693	29,413	(4,720)
Retirement, health ins. & payroll taxes	162,580	162,580	193,659	(31,079)
Total Expenditures	<u>2,197,656</u>	<u>2,197,656</u>	<u>2,599,426</u>	<u>(401,770)</u>
Net Change in Fund Balance	<u>\$ 429,844</u>	<u>\$ 429,844</u>	388,181	<u>\$ 761,877</u>
Fund Balance, Beginning of Year			(169,659)	
Prior Period Adjustment			98,855	
Fund Balance, End of Year			<u>\$ 317,377</u>	

FRIANT WATER AUTHORITY

SUPPLEMENTARY INFORMATION

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
REVENUES				
FWA OM&R revenues	\$ 8,616,916	\$ 8,616,916	\$ 20,968,065	\$ 12,351,149
OM&R federal assistance	-	-	3,020,345	3,020,345
Interest	10,000	10,000	104,077	94,077
Miscellaneous	40,000	40,000	-	(40,000)
Total Revenues:	8,666,916	8,666,916	24,092,487	15,425,571
Expenses:				
Canal maintenance				
Vehicle and equipment acquisition	202,694	202,694	-	202,694
Vehicle and equipment service	665,912	665,912	519,953	145,959
Supervision	380,772	380,772	333,743	47,029
Weed and pest control	618,631	618,631	727,540	(108,909)
Friant Biological Opinion Imp	-	-	65,292	(65,292)
Road maintenance	180,306	180,306	340,922	(160,616)
Yard and building maintenance	320,268	320,268	249,943	70,325
Structure and gate maintenance	360,542	360,542	58,368	302,174
Right-of-way and structure cleaning	46,424	46,424	28,581	17,843
Bargate, guardrail and lock maintenance	64,849	64,849	36,359	28,490
Embankment maintenance	48,665	48,665	100,499	(51,834)
Bridge maintenance	73,048	73,048	55,497	17,551
Miscellaneous maintenance	40,746	40,746	65,500	(24,754)
Concrete lining repair	10,678	10,678	3,631	7,047
Drain ditch and channel maintenance	27,259	27,259	11,810	15,449
Fence maintenance	31,051	31,051	37,675	(6,624)
Mud jacking	13,484	13,484	19,349	(5,865)
Painting	63,546	63,546	31,410	32,136
Sump pump maintenance	35,967	35,967	-	35,967
Cross drainage and structure maintenance	9,870	9,870	-	9,870
Rip-rapping	20,461	20,461	-	20,461
USBR Pump-Back project	44,926	44,926	648,795	(603,869)
FKC subsidence pumping	55,942	55,942	4,349,136	(4,293,194)
FKC Capacity Correction (FWA)	-	-	268,907	(268,907)
FKC Title Transfer	-	-	80,501	(80,501)
GSA Engagement	-	-	10,491	(10,491)
Right of Way Management	89,943	89,943	59,844	30,099
Canal Patrol	-	-	293	(293)
Operations supervision	-	-	118,432	(118,432)

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
Misc.	\$ -	\$ -	\$ 178	\$ (178)
Water quality	-	-	35,077	(35,077)
Legal - direct	-	-	16,044	(16,044)
Safety and first aid training	-	-	22,772	(22,772)
Payroll preparation	-	-	686	(686)
Meeting expenses	-	-	69,378	(69,378)
Training and education	-	-	30,969	(30,969)
Procurement expense	-	-	1,763	(1,763)
Employee holiday, sick, vacation and jury duty	-	-	233,627	(233,627)
Travel	-	-	9,006	(9,006)
Personnel administration	-	-	6,695	(6,695)
Utilities	-	-	71,808	(71,808)
Telephone expenses	-	-	12,282	(12,282)
Dues and subscriptions	-	-	4,946	(4,946)
Budget preparation	-	-	5,063	(5,063)
Retirement, health ins, payroll ta	-	-	768,251	(768,251)
Outside services	-	-	1,248	(1,248)
Depreciation	188,656	188,656	156,116	32,540
Total canal maintenance	3,594,640	3,594,640	9,668,380	(6,073,740)
Water operations				
Vehicle and equipment	68,630	68,630	-	68,630
Vehicle and equipment service	-	-	1,314	(1,314)
Yard and building maintenance	-	-	47,606	(47,606)
Structure and gate maintenance	-	-	170,217	(170,217)
Bargate, guardrail and lock maintenance	-	-	11	(11)
FKC subsidence pumping	-	-	3,245	(3,245)
Communications and instrumentation	490,710	490,710	210,594	280,116
Meter repair and calibration	160,240	160,240	113,160	47,080
Canal patrol	175,267	175,267	274,400	(99,133)
Operations reports	87,798	87,798	134,799	(47,001)
Supervision	98,014	98,014	36,199	61,815
Water measurement	61,908	61,908	6,424	55,484
Miscellaneous	4,040	4,040	629	3,411
Ground water and seepage well measurement	4,107	4,107	1,734	2,373
Safety and first aid training	-	-	4,168	(4,168)
Meeting expenses	-	-	2,882	(2,882)
Training and education	-	-	1,085	(1,085)
Employee holiday, sick, vacation and jury duty	-	-	87,529	(87,529)
Utilities	-	-	27,109	(27,109)
Telephone expenses	-	-	55,216	(55,216)

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
Budget preparation	\$ -	\$ -	\$ 632	\$ (632)
Retirement, health ins, payroll taxes	-	-	300,933	(300,933)
Depreciation	63,876	63,876	77,137	(13,261)
Outside services	-	-	385	(385)
Total water operations	1,214,590	1,214,590	1,557,408	(342,818)
Administration				
Fixed Asset Acquisition	51,000	51,000	-	51,000
Communications and instrumentation	-	-	20,936	(20,936)
Administrative supervision	24,593	24,593	14,747	9,846
Safety and first aid training	104,796	104,796	16,550	88,246
Typing and filing	190,706	190,706	215,200	(24,494)
Payroll preparation	11,219	11,219	6,666	4,553
Meeting expense	172,406	172,406	207,869	(35,463)
Training and education	112,352	112,352	13,324	99,028
Miscellaneous	36,056	36,056	24,376	11,680
Procurement expense	9,832	9,832	-	9,832
Inventory and property management	10,093	10,093	-	10,093
Employee holiday, sick, vacation and jury duty	287,447	287,447	85,443	202,004
Data processing	197,990	197,990	177,339	20,651
Travel expense	16,800	16,800	4,185	12,615
Accounting and auditing	190,209	190,209	276,795	(86,586)
Personnel administration	32,077	32,077	92,455	(60,378)
Retirement administration	5,300	5,300	-	5,300
Liability insurance	150,399	150,399	122,464	27,935
Workers' compensation insurance	120,000	120,000	77,172	42,828
Legal services	15,708	15,708	2,900	12,808
Utilities	155,920	155,920	28,804	127,116
Telephone expense	60,425	60,425	25,214	35,211
Office supplies	32,803	32,803	60,009	(27,206)
Employee incentives and awards	21,318	21,318	-	21,318
Postage	4,488	4,488	3,864	624
Dues and subscriptions	69,162	69,162	110,008	(40,846)
Budget preparation	16,241	16,241	9,546	6,695
Lease office equipment	32,926	32,926	28,176	4,750
Retirement, health ins & payroll taxes	1,417,495	1,417,495	265,024	1,152,471
Depreciation	47,468	47,468	271,113	(223,645)
Administration allocated	(135,197)	(135,197)	(127,772)	(7,425)
Total administration	3,462,032	3,462,032	2,032,407	1,429,625
Total FWA OM&R expenses	\$ 8,271,262	\$ 8,271,262	\$ 13,258,195	\$ (4,986,933)

FRIANT WATER AUTHORITY

OTHER AUDITORS' REPORTS



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Friant Water Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities and major funds of the Friant Water Authority (the Authority) as of and for the years ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and we have issued our report thereon dated September 10, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed three instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, as noted in the accompanying schedule of findings and questioned costs as items No. 2019-001 through 2019-003.

Authority's Response to Findings

The Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HUDSON HENDERSON & COMPANY, INC.

Hudson Henderson & Company, Inc.

Fresno, California
September 10, 2021



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Directors
Friant Water Authority

Report on Compliance for Each Major Federal Program

We have audited the Friant Water Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2019. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we did identify during the course of the audit three instances of significant deficiencies that are required to be reported in accordance with the Uniform Guidance, and which are described in the accompanying schedule of findings and questioned costs as items No. 2019-001 through 2019-003. Our opinion on each major federal program is not modified with respect to these matters.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

HUDSON HENDERSON & COMPANY, INC.

Hudson Henderson & Company, Inc.

Fresno, California
September 10, 2021

**FRIANT WATER AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<u>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA No.</u>	<u>Grant Number</u>	<u>Pass- Through to Sub- recipients</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF THE INTERIOR</u>				
Direct Programs				
<i>FKC Capacity Correction Project</i>				
San Joaquin River Restoration Settlement	15.555	R19AC00013	\$ -	\$ 2,095,461
Water Infrastructure Improvements for the Nation	15.555	R19AC00013	-	844,315
<i>Subtotal- FKC Capacity Correction Project</i>			-	2,939,776
<i>FKC Reverse Flow Pump-Back Project</i>				
Water Infrastructure Improvements for the Nation	15.555	R16AC00106	-	80,569
<i>Subtotal- FKC Reverse Flow Pump-Back Project</i>			-	80,569
TOTAL U.S. DEPARTMENT OF INTERIOR			-	3,020,345
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 3,020,345

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

**FRIANT WATER AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Authority and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 2 – INDIRECT COST RATE LIMITATION

Indirect costs are charged to the program at the 10% de minimis indirect cost rate.

NOTE 3 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related periodic federal financial reports.

NOTE 4 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA)

The CFDA numbers included in the accompanying Schedule of Expenditures of Federal Awards were determined based on the program name, review of the grant or contract information and the Office of Management and Budget's Catalog of Federal Domestic Assistance.

FRIANT WATER AUTHORITY

FINDINGS AND QUESTIONED COSTS

**FRIANT WATER AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting

- Material weakness identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes X No

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness identified? Yes X No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? X Yes No

Noncompliance material to federal awards? Yes X No

Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a). X Yes No

Type of auditors' report issued on compliance for major Federal programs: Unmodified

Identification of major programs:

<u>CFDA Number:</u>	<u>Name of Federal Program or Cluster</u>
15.555	San Joaquin River Restoration

Dollar threshold used to distinguish
Between Type A and B programs: \$750,000

Auditee qualified as a low risk auditee? Yes X No

**FRIANT WATER AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no findings to be reported in accordance with *Government Auditing Standards*.

SECTION III – FEDERAL AWARD FINDINGS

Finding 2019-001 – Significant Deficiency

Program: San Joaquin River Restoration

CFDA No.: 15.555

Federal Agency: U.S. Department of the Interior

Pass Through: N/A

Award Number: R19AC00013

Award Year: 2018/19

Compliance Requirement: Reporting

Questioned Costs: N/A

Criteria:

Per Uniform Guidance Subpart F section 200.512 the audit must be completed, and data collection form and reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports, or nine months after the end of the audit period.

Condition:

Management was not able to provide the necessary information needed to complete the audit by the required date.

Cause:

Management and accounting staff turnover leading to delays in the start and completion of the audit.

Effect:

Noncompliance may result in withholding of payments, denying both the use of funds and matching credit for all or part of the cost of the activity or action not in compliance, whole or partial suspension or termination of the Assistance Agreements, recovery of funds paid under the Assistance Agreements, withholding of future awards, or other legal remedies in accordance with 2 CFR §200.338.

Recommendation:

We recommend that the Friant Water Authority improve internal controls to ensure timely filing of the audit reports.

Management's Response:

The delays in completing the audit were due to unanticipated staff turnover in the accounting department which resulted in delays in soliciting and securing the services of a new independent audit firm. In June 2021, FWA contracted with Hudson, Henderson, & Co. to provide independent auditor services for Fiscal Years 2019 and forward. Based upon the delay in securing the services of a new independent auditor, completion FY 2019 and FY 2020 audit will extend beyond the 9-month timeframe set forth in 2 CFR 200. However, for FY 2021, FWA is confident that the audit will be completed and submitted to the Federal Audit Clearinghouse within 9 months of fiscal year end.

**FRIANT WATER AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Finding 2019-002 – Significant Deficiency

Program: San Joaquin River Restoration

CFDA No.: 15.555

Federal Agency: U.S. Department of the Interior

Pass Through: N/A

Award Number: R19AC00013

Award Year: 2018/19

Compliance Requirement: Procurement, Suspension & Debarment

Questioned Costs: N/A

Criteria:

Procurement standards found in 2 CFR§200.317 through §200.326 of the Uniform Guidance, establishes standards and guidelines for the procurement of supplies, equipment, and services for federal assistance programs. The Uniform Guidance requires nonfederal entities to have written policies and maintain written code of standard selection procedures for procurement transactions. Additionally, Uniform Guidance and Assistance Agreements require that all procurement transactions be conducted in a manner providing full and open competition while containing provisions covering the applicable federal guidelines presented in Appendix II to part 200 – Contract Provisions for Non-Federal Entity Contracts Under Federal Awards. They also require grantees to maintain records sufficient to detail the significant history of a procurement. These records will include, but not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

Condition:

We identified that the Authority did not have adequate written policies and did not maintain a written code of standard selection procedures for procurement transactions that included all the requirements of the Uniform Guidance or the procurement requirements stated in the Assistance Agreements.

Cause:

There was a lack of understanding of federal laws and regulations relating to this requirement prior to the issuance of the 2018 single audit report subsequent to year fiscal year 2019 end.

Effect:

The deficiency in internal control and non-compliance with the Uniform Guidance and Assistance Agreements may result in inadequate support for procurement transactions charged to federal award programs and may cause those costs to be disallowed. Noncompliance may result in withholding of payments, denying both the use of funds and matching credit for all or part of the cost of the activity or action not in compliance, whole or partial suspension or termination of the Assistance Agreements, recovery of funds paid under the Assistance Agreements, withholding of future awards, or other legal remedies in accordance with 2 CFR §200.338.

Recommendation:

We recommend that the Friant Water Authority improve internal controls to ensure timely filing of the audit reports.

Management's Response:

The Authority will amend current procurement policies to be consistent with the procurement standards found in 2 CFR§200.317 through §200.32 of the Uniform Guidance. The updated policies were distributed to all Authority staff responsible for the procurement of materials and services under grant contracts. Periodic monitoring by the Authority's Accounting Operations Administrator for compliance with the procurement policy and 2 CFR§200.317 through §200.326 will take place.

**FRIANT WATER AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Finding 2019-003 – Significant Deficiency

Program: San Joaquin River Restoration

CFDA No.: 15.555

Federal Agency: U.S. Department of the Interior

Pass Through: N/A

Award Number: R19AC00013

Award Year: 2018/19

Compliance Requirement: Reporting

Questioned Costs: N/A

Criteria:

Per the grant assistance agreement, the Authority is required to submit financial and performance reports within 30 days of each quarter end.

Condition:

Through testing performed over the Authority's reporting compliance, we noted that for one of the quarters tested, both the financial and performance reports were completed after the 30-day deadline.

Cause:

Per discussion with management, these reports were overlooked, as there were no other issues with the submission of the quarterly reports.

Effect:

Continued late submission of the quarterly reports could result in noncompliance with the grant requirements. Noncompliance could result in withholding of payments, disallowance of costs, suspend or terminate the federal award, initiate suspension or debarment proceedings, withhold further federal awards, or other remedies that may be legally available.

Recommendation:

We recommend that the Friant Water Authority improve internal controls to ensure timely filing of the financial and performance reports as required by the grant assistance agreement.

Management's Response:

FWA will institute internal procedures to ensure that required financial and performance reports are submitted timely.

**FRIANT WATER AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

SECTION II – FINANCIAL STATEMENT FINDINGS

Finding 2018-001 – Significant Deficiency

Preparation of Schedule of Expenditures of Federal Awards (SEFA):

Criteria:

Procedures should be in place to ensure the proper reporting of the federal expenditures on the SEFA.

Condition:

We identified an error in the reporting of federal awards expenditures in the SEFA. The schedule prepared included \$17,878 of expenditures of a prior period. The SEFA was corrected prior to issuance.

Cause of Condition:

There was a lack of understanding of federal laws and regulations relating to the preparation of the SEFA.

Effect of Condition:

Improper reporting of the amount of federal expenditures in the SEFA.

Recommendation:

We recommend a review of the requirements of the SEFA.

Management's Response:

We concur with the recommendation. The accounting staff will review the SEFA preparation requirements.

Current Year Status:

Implemented.

SECTION III – FEDERAL AWARD FINDINGS

Finding 2018-002 – Significant Deficiency

Audit Report Submission

U.S. Department of the Interior,

San Joaquin River Restoration Settlement, Title X, Subtitle A, Part III (CFDA #15.555)

Criteria:

Per Uniform Guidance Subpart F section 200.512 the audit must be completed and data collection form and reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports, or nine months after the end of the audit period.

Condition:

Management was not able to provide the necessary information needed to complete the audit by the required date..

Cause:

Management and accounting staff turnover.

Effect:

Noncompliance may result in withholding of payments, denying both the use of funds and matching credit for all or part of the cost of the activity or action not in compliance, whole or partial suspension or termination of the Assistance Agreements, recovery of funds paid under the Assistance Agreements, withholding of future awards, or other legal remedies in accordance with 2 CFR §200.338.

**FRIANT WATER AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Recommendation:

We recommend a review of the requirements of the SEFA.

Response:

Management will review internal controls and educate and train new staff on controls and audit filing guidelines.

Current Year Status:

See current year finding 2019-001.

Finding 2018-003 – Significant Deficiency

Procurement Standards

U.S. Department of the Interior,

San Joaquin River Restoration Settlement, Title X, Subtitle A, Part III (CFDA #15.555)

Criteria:

Procurement standards found in 2 CFR§200.317 through §200.326 of the Uniform Guidance, establishes standards and guidelines for the procurement of supplies, equipment and services for federal assistance programs. The Uniform Guidance requires nonfederal entities to have written policies and maintain written code of standard selection procedures for procurement transactions

Condition:

We identified that the Authority did not have adequate written policies and did not maintain a written code of standard selection procedures for procurement transactions that included all the requirements of the Uniform Guidance or the procurement requirements stated in the Assistance Agreements.

Cause:

There was a lack of understanding of federal laws and regulations relating to this requirement.

Effect:

The deficiency in internal control and non-compliance with the Uniform Guidance and Assistance Agreements may result in inadequate support for procurement transactions charged to federal award programs and may cause those costs to be disallowed. Noncompliance may result in withholding of payments, denying both the use of funds and matching credit for all or part of the cost of the activity or action not in compliance, whole or partial suspension or termination of the Assistance Agreements, recovery of funds paid under the Assistance Agreements, withholding of future awards, or other legal remedies in accordance with 2 CFR §200.338.

Recommendation:

Establish written procurement policies and procedures as required by the Uniform Guidance and the procurement requirements stated in the Assistance Agreements. The Authority should consider implementation of the following internal controls:

1. Review the Uniform Guidance and update the current policies and procedures to include all the requirements not part of the Authority's current policies.
2. Make available the updated policies and procedures to responsible management and employees.
3. Management should monitor compliance and performance with the policies and procedures..

FRIANT WATER AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Management Corrective Action Plan:

The Authority will amend current procurement policies to be consistent with the procurement standards found in 2 CFR§200.317 through §200.32 of the Uniform Guidance. Upon completion and adoption of amended procurement policies, which should be completed by December 2020, the document shall be distributed to all Authority staff responsible for the procurement of materials and services under grant contracts. Periodic monitoring by the Authority's Accounting Operations Administrator for compliance with the procurement policy and 2 CFR§200.317 through §200.326 will take place.

Response:

We agree with the response and actions to be taken by Friant Water Authority.

Current Year Status:

See current year finding 2019-002.

Finding 2018-004 – Other Matters

Contract Provisions

U.S. Department of the Interior,

San Joaquin River Restoration Settlement, Title X, Subtitle A, Part III (CFDA #15.555)

Criteria:

The Uniform Guidance and the Assistance Agreements require that the non-Federal entity's contracts must contain the applicable provisions described in Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards. In addition to other provisions required by the Federal agency or non-Federal entity, all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable.

- (A) Contracts for more than the simplified acquisition threshold currently set at \$150,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 U.S.C. 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
- (B) All contracts in excess of \$10,000 must address termination for cause and for convenience by the non-Federal entity including the manner by which it will be effected and the basis for settlement.
- (C) Equal Employment Opportunity. Except as otherwise provided under 41 CFR Part 60, all contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 must include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964- 1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and implementing regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."

FRIANT WATER AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Criteria (continued):

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. The non-Federal entity must place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation. The decision to award a contract or subcontract must be conditioned upon the acceptance of the wage determination. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency. The contracts must also include a provision for compliance with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled. The non-Federal entity must report all suspected or reported violations to the Federal awarding agency.

(E) Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708). Where applicable, all contracts awarded by the non-Federal entity in excess of \$100,000 that involve the employment of mechanics or laborers must include a provision for compliance with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, each contractor must be required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 U.S.C. 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

(F) Rights to Inventions Made Under a Contract or Agreement. If the Federal award meets the definition of "funding agreement" under 37 CFR §401.2 (a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that "funding agreement," the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

(G) Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended—Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

(H) Debarment and Suspension (Executive Orders 12549 and 12689)—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.

FRIANT WATER AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2018

Criteria (continued):

(I) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352)—Contractors that apply or bid for an award exceeding \$100,000 must file the required certification. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award. See §200.322 Procurement of recovered materials.

Condition:

We identified that the Authority enter into 4 contracts related to the Assistance Agreements. We selected all these contracts for testing and reviewed the 4 written contracts. Many of the requirements were not included in the contracts.

Cause:

There was a lack of understanding of federal laws and regulations relating to this requirement.

Effect:

Noncompliance may result in withholding of payments, denying both the use of funds and matching credit for all or part of the cost of the activity or action not in compliance, whole or partial suspension or termination of the Assistance Agreements, recovery of funds paid under the Assistance Agreements, withholding of future awards, or other legal remedies in accordance with 2 CFR §200.338.

Recommendation:

The Authority should implement policies and procedures to ensure the requirements are included in the contracts

Management Corrective Action Plan:

The Authority will rely upon the amended and updated procurement policies to ensure that provisions are included that are consistent with Appendix II to Part 200—Contract Provisions for non-Federal Entity Contracts Under Federal Awards. The Authority created an attachment with the clauses required for contracts. The attachment will be included with purchase orders and contracts as required.

Current Year Status:

See current year finding 2019-002.

**FRIANT WATER AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Finding 2018-005 – Significant Deficiency

Competition

U.S. Department of the Interior,

San Joaquin River Restoration Settlement, Title X, Subtitle A, Part III (CFDA #15.555)

Criteria:

The Uniform Guidance and Assistance Agreements require that all procurement transactions be conducted in a manner providing full and open competition. In addition, they require grantees to maintain records sufficient to detail the significant history of a procurement. These records will include, but not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

Condition:

We identified that the Authority entered into 4 procurement transaction related to the federal assistance program. We selected all these transactions for testing and reviewed the contractor selection procedures. The procurement history documentation was not sufficient for us to determine that procedures performed provide for full and open competition for the transactions.

Cause:

There was a lack of understanding of federal laws and regulations relating to this requirement.

Effect:

Noncompliance may result in withholding of payments, denying both the use of funds and matching credit for all or part of the cost of the activity or action not in compliance, whole or partial suspension or termination of the Assistance Agreements, recovery of funds paid under the Assistance Agreements, withholding of future awards, or other legal remedies in accordance with 2 CFR §200.338.

Recommendation:

The Authority should implement policies and procedures to insure the proper documentation of the contractor selection.

Management Corrective Action Plan:

The Authority will rely upon the amended and updated procurement policies to ensure that competition requirements comply with 43 CFR § 12.76. The Authority will outline and enforce the provisions, including the differentiation between construction and professional services.

Response:

We agree with the response and actions to be taken by Friant Water Authority.

Current Year Status:

See current year finding 2019-002.

**FRIANT WATER AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2018**

Finding 2018-006 – Significant Deficiency

Bonding Requirements

U.S. Department of the Interior,

San Joaquin River Restoration Settlement, Title X, Subtitle A, Part III (CFDA #15.555)

Criteria:

The Uniform Guidance and the Assistance Agreements require that, for construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold of \$150,000, the awarding agency has made a determination that the awarding agency's interest is adequately protected. If such determination has not been made, the minimum requirements shall be that a bond or bid guarantee be obtained.

Condition:

We identified that the Authority enter into 4 procurement transaction over \$150,000. We selected all these transactions for testing and reviewed the 1 contract meeting the requirement. The bond or bid guarantee was not obtained for that contract.

Cause:

There was a lack of understanding of federal laws and regulations relating to this requirement.

Effect:

Noncompliance may result in withholding of payments, denying both the use of funds and matching credit for all or part of the cost of the activity or action not in compliance, whole or partial suspension or termination of the Assistance Agreements, recovery of funds paid under the Assistance Agreements, withholding of future awards, or other legal remedies in accordance with 2 CFR §200.338.

Recommendation:

The Authority should implement policies and procedures to ensure the bonding requirements are met.

Management Corrective Action Plan:

The Authority will rely upon the amended and updated procurement policies to ensure that the Authority's interest or the awarding agency will be sufficiently protected. The Authority shall also ensure that the proper application of professional versus construction services be applied to ensure that the proper bonding requirements are enforced.

Response:

We agree with the response and actions to be taken by Friant Water Authority.

Current Year Status:

See current year finding 2019-002.

Agenda Report

No.3.C

DATE: September 23, 2021

TO: Board of Directors

FROM: Douglas DeFlitch, COO; Vivian Garcia, HR

SUBJECT: Cost-of-Living Adjustment for Fiscal Year 2022

SUMMARY:

In the past, the Friant Water Authority (FWA) Board of Directors has considered a recommendation from the Human Resources Committee for a Cost-of-Living Adjustment (COLA) for FWA employees, exempting those employees covered by employment agreements that incorporate scheduled increases.

Staff is recommending a Cost-of-Living Adjustment (COLA) of 5.6% effective October 9, 2021. The recommended rate is based West – Size Class B/C.

FISCAL IMPACT:

The 2022 Operations, Maintenance, & Replacement (OM&R) and General Membership (GM) budgets were prepared assuming a 3.0% COLA adjustment. The proposed 5.6% COLA is anticipated to have an overall \$107,141 budgetary impact, which is approximately .88% of the total anticipated FWA OM&R and GM budget for FY 2022.

RECOMMENDED ACTION:

The Board of Directors approve a 5.6% COLA adjustment effective on October 9, 2021.

SUGGESTED MOTION:

The Board of Directors approve a 5.6% COLA adjustment for Friant Water Authority employees to take effect on October 9, 2021, excepting those employees covered by employment agreements that incorporate scheduled increases.

ATTACHMENTS:

Consumer Price Indexes Pacific Cities and U.S. City Average schedule for August 2021.



CONSUMER PRICE INDEXES PACIFIC CITIES AND U. S. CITY AVERAGE August 2021

(All items indexes. 1982-84=100 unless otherwise noted. Not seasonally adjusted.)

MONTHLY DATA	All Urban Consumers (CPI-U)						Urban Wage Earners and Clerical Workers (CPI-W)					
	Indexes			Percent Change			Indexes			Percent Change		
				Year ending		1 Month ending				Year ending		1 Month ending
	Aug 2020	Jul 2021	Aug 2021	Jul 2021	Aug 2021	Aug 2021	Aug 2020	Jul 2021	Aug 2021	Jul 2021	Aug 2021	Aug 2021
U. S. City Average.....	259.918	273.003	273.567	5.4	5.3	0.2	253.597	267.789	268.387	6.0	5.8	0.2
West.....	276.443	289.863	290.393	5.2	5.0	0.2	268.075	282.738	283.286	5.9	5.7	0.2
West – Size Class A ¹	285.441	297.881	298.574	4.5	4.6	0.2	275.518	289.069	289.706	5.2	5.1	0.2
West – Size Class B/C ²	160.528	169.267	169.477	6.0	5.6	0.1	160.249	169.901	170.186	6.7	6.2	0.2
Mountain ³	107.719	113.562	113.807	5.6	5.7	0.2	107.934	114.427	114.777	6.3	6.3	0.3
Pacific ³	107.309	112.297	112.489	5.0	4.8	0.2	107.503	113.192	113.370	5.8	5.5	0.2
Los Angeles-Long Beach-Anaheim, CA.....	280.116	290.890	291.333	3.9	4.0	0.2	270.563	282.271	282.691	4.5	4.5	0.1
BI-MONTHLY DATA (Published for odd months)	Indexes			Percent Change			Indexes			Percent Change		
				Year ending		2 Months ending				Year ending		2 Months ending
	Jul 2020	May 2021	Jul 2021	May 2021	Jul 2021	Jul 2021	Jul 2020	May 2021	Jul 2021	May 2021	Jul 2021	Jul 2021
Riverside-San Bernardino-Ontario, CA ³	107.640	113.222	114.682	5.9	6.5	1.3	108.055	113.749	115.129	5.8	6.5	1.2
San Diego-Carlsbad, CA.....	305.611	317.141	323.906	5.3	6.0	2.1	288.956	300.413	307.737	5.6	6.5	2.4
Urban Hawaii.....	285.725	296.559	298.820	3.8	4.6	0.8	282.809	294.433	296.723	4.1	4.9	0.8
BI-MONTHLY DATA (Published for even months)	Indexes			Percent Change			Indexes			Percent Change		
				Year ending		2 Months ending				Year ending		2 Months ending
	Aug 2020	Jun 2021	Aug 2021	Jun 2021	Aug 2021	Aug 2021	Aug 2020	Jun 2021	Aug 2021	Jun 2021	Aug 2021	Aug 2021
Phoenix-Mesa-Scottsdale, AZ ⁴	146.395	153.672	153.931	5.4	5.1	0.2	145.127	152.744	153.035	5.8	5.4	0.2
San Francisco-Oakland-Hayward, CA.....	300.182	309.497	311.167	3.2	3.7	0.5	293.062	304.971	307.423	4.3	4.9	0.8
Seattle-Tacoma-Bellevue, WA.....	284.905	296.573	299.704	5.5	5.2	1.1	281.131	293.607	295.410	6.3	5.1	0.6
Urban Alaska.....	226.984	239.296	239.899	6.2	5.7	0.3	226.874	237.705	239.491	5.7	5.6	0.8

1 Population over 2,500,000

2 Population 2,500,000 and under, Dec 1996 = 100

3 Dec 2017=100

4 Dec 2001=100

NOTE: In January 2018, BLS introduced a new geographic area sample for the Consumer Price Index (CPI): www.bls.gov/regions/west/factsheet/2018cpirevisionwest.pdf

1967=100 base year indexes and tables with semiannual and annual average data are available at: www.bls.gov/regions/west/factsheet/consumer-price-index-data-tables.htm

Release date September 14, 2021. The next release date is scheduled for October 13, 2021. For questions, please contact us at BLSinfoSF@bls.gov or (415) 625-2270.

Agenda Report

No.3.D

DATE: September 23, 2021

TO: Board of Directors

FROM: Donald M. Davis, General Counsel

SUBJECT: Friant-Kern Canal Middle Reach Capacity Correction Project - Authorization to Enter into a Facilities Relocation Agreement with Southern California Edison

SUMMARY:

Phase 1 of the FKC Middle Reach Capacity Correction Project (Project) currently requires Southern California Edison (SCE) to relocate its facilities in 17 locations at an estimated cost of \$3,234,000 million. Due to the scope of the relocation work, SCE has requested that FWA and the Bureau of Reclamation enter into the proposed Facilities Relocation Agreement (Agreement). The Agreement addresses all aspects of the work from planning and scheduling to cost recovery. Because SCE generally requires the estimated costs to be incrementally deposited in advance (which is not a standard Reclamation practice), Reclamation has requested that FWA be solely responsible for the costs of the work, which costs will be credited towards FWA's 50% cost share contribution towards the Project.

The proposed Agreement reflects SCE's standard provisions as further negotiated by FWA and Reclamation. Reclamation also added a number of its standard provisions for this type of agreement. Overall, the Agreement reflects reasonable terms given the need for SCE to relocate its facilities as a result of the Project.

RECOMMENDED ACTION:

That the Board approve the Facilities Relocation Agreement and authorize the COO to execute the Agreement subject to final approval as to form by the General Counsel.

SUGGESTED MOTION:

"I move that Board approve the Facilities Relocation Agreement and authorize the COO to execute the Agreement subject to final approval as to form by the General Counsel."

BUDGET IMPACT:

The estimated costs of the SCE relocation work have been included in the Project budget for many months and it has also been anticipated for some time that FWA would need to incrementally advance the costs of the work, which is covered by the proposed Project invoicing.

ATTACHMENTS:

Facilities Relocation Agreement

FACILITIES RELOCATION AGREEMENT

This Facilities Relocation Agreement (“**Agreement**”) made this _____ day of _____, 2021 (“**Effective Date**”), pursuant to the Reclamation Act of 1902 (32 Stat. 388) and Acts amendatory thereof and supplemental thereto, including the Central Valley Project Act of 1937, the Water Infrastructure for Improvements to the Nation (WIIN) Act (Public Law 114-322, dated December 16, 2016) 130 Stat. 1863, and acts amendatory thereof and supplemental thereto, all of which are commonly known and referred to as Federal Reclamation Law, is made between the United States of America, acting by and through the Department of the Interior, Bureau of Reclamation (“**Reclamation**”), Southern California Edison Company, a California corporation (“**SCE**”), and the Friant Water Authority, a California joint powers authority (“**FWA**”). SCE, FWA, and Reclamation are sometimes individually referred to as a “**Party**” and collectively as the “**Parties**”.

RECITALS

WHEREAS, Reclamation, in partnership and coordination with FWA, proposes to develop the Friant-Kern Canal Middle Reach Capacity Correction Project (“**Project**”) consisting, in part, of the realignment of a segment of the existing Friant-Kern Canal (“**FKC**”) via a new parallel canal segment per plans provided to SCE dated _____ [insert description of plans].

WHEREAS, SCE currently operates and maintains certain overhead and underground utility facilities (collectively, the “**SCE Facilities**”) which cross the proposed realigned Friant-Kern Canal installation.

WHEREAS, Reclamation and FWA have determined that implementation of the Project will require the modification and relocation of portions of the SCE Facilities and, to that end, Reclamation/FWA have requested that SCE modify and relocate those portions of the SCE Facilities that will be affected by the Project.

WHEREAS, subject to the terms and provisions in this Agreement, SCE is willing and able to modify and relocate the affected portions of the SCE Facilities in order to accommodate the Project.

NOW, THEREFORE, IT IS MUTUALLY AGREED BY AND BETWEEN RECLAMATION, SCE, AND FWA AS FOLLOWS:

AGREEMENT

1. SCOPE OF WORK

This Project will require relocation, protection, and/or adjustment of certain SCE Facilities (“**Relocation Work**”) identified in Exhibit A, Utilities Conflict Matrix (“**Matrix**”), as indicated in the Revised Relocation Claim Letter Notice to Owner dated February 24, 2021 sent by FWA. Any changes in the Relocation Work or Matrix will result in updated Exhibits to this Agreement which shall be incorporated by and through an amendment to this Agreement as set forth in Section 2 below.

2. RELOCATION PLANS

a. Approved Relocation Plans. In furtherance of Reclamation's/FWA's request, SCE shall prepare plans/designs that identify (i) the SCE Facilities that will be impacted by the Project ("**Affected SCE Facilities**") and (ii) the relocation areas for the Affected SCE Facilities ("**Relocation Plans**"). SCE shall submit Relocation Plans to Reclamation/FWA for review and FWA/Reclamation approval. No approval will be unreasonably withheld, conditioned, or delayed. Approval from FWA/Reclamation is only valid if memorialized by letter executed by an authorized representative of FWA and Reclamation. The Parties acknowledge that modifications to the Relocation Plans may be needed before, during or after SCE's performance of the Relocation Work to address and eliminate conflicts not anticipated or otherwise foreseeable as of the Effective Date, or to address any Relocation Work not performed in accordance with the approved Relocation Plans. If such a need arises, the Parties agree to timely inform each other regarding the need for any refinements, modifications or revisions to the Relocation Plans to resolve any such unanticipated/unforeseen conflicts.

b. Revised Plans. In the event that modifications/revisions to the Relocation Plans are required in order to accommodate changes to the Project, to resolve conflicts with other non-SCE utilities within Reclamation's right of way ("**ROW**"), and other third party ROW such as the County of Tulare, or to address other changed circumstances, SCE must promptly prepare such modifications/revisions as are necessary to address said changes and shall present same to Reclamation/FWA for review and approval in accordance with subsection (a) above. FWA will be responsible for all costs and expenses reasonably incurred by SCE in relation to SCE's preparation of the modifications/revisions to the Relocation Plans, except for any modifications/revisions required as a result of SCE's failure to perform any Relocation Work in accordance with any approved Relocation Plans.

c. Project Delays. Reclamation and FWA expressly acknowledge that the preparation of modified and/or revised Relocation Plans may cause delays in SCE's performance of the Relocation Work, and that said delays could impact the development schedule for the Project. In addition, the Parties agree that SCE shall not have any liability or obligation to Reclamation or FWA (or others) to the extent of any reasonable delays in the Project arising out of SCE's Relocation Work but that SCE agrees to begin and prosecute its relocations within a reasonable period of time in accordance with the Relocation Work Schedule attached as Exhibit B.

3. ACQUISITION OF LAND RIGHTS

SCE shall not be required to commence physical construction of its relocation unless and until FWA or Reclamation, as appropriate and determined by Reclamation and FWA, has provided SCE with replacement real property rights acceptable for Affected SCE Facilities ("**SCE Land Rights**"). Such rights will at a minimum provide SCE with equivalent rights to SCE's Affected SCE Facilities as they previously existed.

Nothing in this Agreement is intended to waive or limit SCE's right to just compensation for all Project uses and/or their impacts on and to SCE's real or personal property.

The SCE Land Rights will also include rights of ingress/egress that allow SCE to gain reasonable, unimpeded, and non-escorted access to and from the Relocation Areas and the SCE Facilities located therein (whether over lands owned by Reclamation or otherwise), unless SCE deems that it has access to said SCE Facilities by some other means. Unless otherwise agreed (in writing) by SCE, the SCE Land Rights shall be granted directly to SCE.

4. RELOCATION WORK

Following (i) FWA's/Reclamation's approval of the final Relocation Plans and (ii) SCE's confirmation that SCE is in possession of all land rights which are necessary to allow SCE to relocate, construct and permanently operate and maintain the SCE Facilities on and within the Relocation Areas, SCE will cause the Affected SCE Facilities to be removed and relocated to the Relocation Areas in accordance with the Relocation Plans. SCE must perform the Relocation Work in accordance with all applicable federal, state, and local laws, rules, and regulations. FWA/Reclamation retain the right to inspect, in part or in full, the Relocation Work to ensure compliance with the approved Relocation Plans.

5. COSTS AND EXPENSES OF WORK

As shown in the estimate attached as part of Exhibit A, FWA will responsible for the estimated costs of the Relocation Work subject to process set forth below. To the extent additional Relocation Work is required by SCE, the Parties shall meet and confer to negotiate an amendment to this Agreement as to the scope of such work and cost liability. Cost liability will be determined, in part, by the nature of SCE's real property rights. Where SCE has supportive real property rights such as an easement, prescriptive claim of easement, Joint Use Agreement, License, or Lease, FWA will be responsible for 100% of the cost.

Not more frequently than once a month, but at least quarterly, SCE will prepare and submit progress bills for costs incurred not to exceed SCE's recorded cost as of the billing date less estimated credits applicable to completed Relocation Work directly to FWA for reimbursement. Payment of progress bills not to exceed the amount of this Agreement may be made under the terms of this Agreement. Payment of progress bills which exceed the amount of this Agreement may be made after receipt and approval by FWA/Reclamation of documentation supporting the cost increase and after an Amendment to this Agreement has been executed by the Parties to this Agreement.

SCE acknowledges and agrees that Reclamation is not financially liable for any costs incurred by SCE prior to or post completion of all Relocation Work and related activities done by SCE pursuant to this Agreement, and that all such costs are the liability and the sole responsibility of FWA.

6. PAYMENTS AND RECONCILIATION

a. Advance Payment. SCE shall use the "**Advance Payment**" in connection with its preparation of the Relocation Plans. SCE has previously received from FWA in the amount of \$100,000.00, which has been applied toward the total Rough Order of Magnitude amount. Thus, the total remaining Rough Order of Magnitude at this time is **\$[ROM Amount less \$100,000]** ("**Outstanding Balance**").

b. Payment of Outstanding Balance. The final billing shall be in the form of an itemized statement of the total costs charged to the Project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, FWA will not pay final bills which exceed the estimated cost of this Agreement without documentation of the reason for the increase of such cost from SCE and approval of documentation by FWA. Such approval by FWA shall not be unreasonably withheld, conditioned or delayed.

If the final bill exceeds 125% of the estimated cost of this Agreement, an Amended Agreement shall be executed by the Parties prior to the payment of SCE's final bill. FWA's/Reclamation's approval and execution of such an amendment solely for the purpose of reflecting the overage of cost shall not be unreasonably withheld, conditioned, or delayed. Any and all increases in costs that are the direct result of deviations from the work described in Section 1 of this Agreement shall have prior concurrence of the FWA/Reclamation (such concurrence not to be unreasonably withheld, conditioned, or delayed).

c. Reconciliation. Upon completion of the Relocation Work (or cancellation of the Project or termination of this Agreement), FWA will be responsible for paying the total costs and expenses actually incurred by SCE in relation to implementation of the Relocation Plans. Thus, at the completion of the Relocation Work (or upon cancellation of the Project or termination of this Agreement), SCE will calculate the total actual costs and expenses for which FWA is responsible hereunder, and FWA will be provided with a final invoice identifying said costs and expenses. FWA will be billed or refunded, as applicable, for any difference between the amounts paid by FWA hereunder and the actual costs and expenses incurred by SCE. Any amount owed to SCE shall be paid no later than sixty (60) days after FWA's receipt of the final invoice. Similarly, any amount owed by SCE to FWA shall be refunded by SCE to FWA within sixty (60) days following SCE's preparation and delivery of the final invoice. If FWA fails to pay the final invoice within ninety (90) days of receipt, FWA is responsible for paying to SCE, in addition to the invoiced amount, any and all costs incurred by SCE to collect the past due amount, including but not limited to, collection agency fees and court costs, but excluding attorneys' fees. To the extent of a cancellation, FWA shall be required to reimburse SCE for the cost of restoring SCE's facilities to their prior locations or new locations if FWA's work rendered it impossible to utilize such prior areas and such other costs as may be required in Section 13 below.

d. Records Retention; Audit. SCE shall retain detailed records from which the billing is compiled for a period of three years from the date of the final payment and will make such records available for audit by State, Federal, and/or FWA auditors.

7. PROJECT SCHEDULING

The Parties acknowledge and agree that completion of the Relocation Work is contingent upon mutually acceptable schedules, available resources, the timely obtaining of permits, licenses, real property rights, and other documents, outages or other key items and not being delayed by those forces described in Section 8, below. The Parties shall work cooperatively and in good faith to timely meet the Relocation Work Schedule attached as Exhibit B and to minimize delays.

8. NO RESPONSIBILITY FOR REASONABLE DELAYS OR FORCE MAJUERE EVENTS DELAYS.

SCE shall not be responsible or liable to FWA/Reclamation (or others) for any reasonable delay in its performance hereunder, or for any delays in the Project, due to any reason beyond its reasonable control including, but not limited to: shortage of labor or materials, delivery delays, major equipment breakdown, load management, strikes, labor disturbances, war, riot, insurrection, civil disturbance, weather conditions, epidemic, quarantine restriction, sabotage, act of public enemy, earthquake, governmental rule, regulation or order, including orders of judgments of any court or commission, requirement of additional or separate Environmental Impact Reports requested by the California Public Utilities Commission (“CPUC”), delay in receiving a Certificate of Public Convenience and Necessity from the CPUC, delay in obtaining necessary rights of way, act of God, or any cause or conditions beyond the control of SCE or FWA or Reclamation (all such events are collectively referred to as a “**Force Majeure Event**”). FWA/Reclamation expressly waive and release any and all claims for damages against SCE arising out of any delays in the Project under this Section 8, including any delays arising from a Force Majeure Event.

9. COMPLIANCE WITH NEPA, CEQA, AND OTHER ENVIRONMENTAL LAWS

FWA/Reclamation represent that an environmental impact statement/environmental impact report was prepared and certified by FWA acting as the lead agency under CEQA and Reclamation acting as the lead agency under NEPA for the Project (the "EIS/EIR"). FWA and Reclamation represents that each has considered the EIS/EIR and that the Relocation Work is covered by such EIS/EIR. FWA/Reclamation further represents that, in addition to complying with NEPA and CEQA, FWA/Reclamation have obtained (or will obtain) all other environmental clearances, permits and approvals necessary in relation to the Project (generally) and the Relocation Work (specifically). FWA and Reclamation covenant and agree that (i) SCE shall not be obligated or required to obtain any separate environmental clearances, permits or approvals in relation to the Relocation Work and (ii) FWA/Reclamation are solely responsible for satisfying all mitigation requirements and conditions specified in the EIS/EIR, which are attendant to or otherwise necessitated by SCE's performance of the Relocation Work. FWA/Reclamation expressly acknowledge that SCE is relying on the foregoing representations, covenants and agreements.

10. COOPERATION BY BOTH PARTIES; TIMELY COMMUNICATION

The Parties shall work cooperatively and in good faith to timely implement their respective duties and obligations set forth herein. To that end, the Parties shall timely communicate with one another regarding the status of the Project, the status of the Relocation Work, and ways that the Parties may work together to facilitate the completion of this Agreement. Notwithstanding any provision herein to the contrary, failure by either Party to timely respond to requests for information or to otherwise work together as set forth herein shall be considered a default of this Agreement.

11. INDEMNIFICATION

FWA agrees, for itself and for its agents, contractors, directors, and employees, to save harmless, defend, and indemnify SCE, its officers, agents, contractors, employees, successors and assigns from and against all claims, loss, damage, actions, causes of action, expense and/or liability arising from or growing out of loss or damage to property, including SCE's own personal property, or injury to or death of persons, including employees of SCE, resulting in any manner whatsoever, directly or indirectly, by reason of the Project which necessitates the Relocation Work. FWA's duty to indemnify SCE includes, without limitation, claims against SCE regarding approvals given by FWA for SCE's plans, claims against SCE pertaining to the location and/or underlying real property rights for SCE's facilities in new locations (as may be applicable), and claims against SCE for the removal and/or remediation of pre-existing environmental contamination (provided such contamination was not caused by SCE). FWA shall be excused of its duty to indemnify SCE for any such claims, losses, or damages to the extent such matters are attributable to SCE's negligence, gross negligence or willful misconduct.

SCE agrees, for itself, and for its agents, contractors, and employees, to save harmless, defend, and indemnify FWA and Reclamation, and their respective directors, agents, contractors, employees, successors and assigns from and against all claims, loss, damage, actions, causes of action, expense and/or liability arising from or growing out of loss or damage to property, including FWA/Reclamation's own personal property, or injury to or death of persons, including employees of FWA and Reclamation and their contractors, resulting directly from the performance of SCE's construction activities related to the Relocation Work under this Agreement. SCE shall be excused of its duty to indemnify FWA/Reclamation for any such claims, losses, or damages to the extent such matters are attributable to FWA's or Reclamation's negligence, gross negligence, or willful misconduct.

RECLAMATION, as an agency of the United States of America, agrees to indemnify, defend, and hold harmless SCE and FWA, including their officers, agents, employees, consultants and independent contractors, from and against any and all claims, demands, losses, damages, causes of action, suits and liabilities of every kind for injury to or death of a person or for loss of or damage to any property, resulting from any negligent act or omission of any officer, employee, consultant, or independent contractor of the United States in the course of his or her employment arising under or related to RECLAMATION'S obligations under this Agreement as limited and determined through the Federal Torts Claims Act (FTCA) claim process. Under the FTCA, the federal government acts as a self-insurer, and recognizes liability for the negligent or wrongful acts or omissions of its employees acting within the scope of their official duties. The United States is liable to the same extent an individual would be in like circumstances. The statute substitutes the United States as the defendant in such a suit and the United States – not the individual employee – bears any resulting liability.

12. NOTICES, CORRESPONDENCE, AND PAYMENT ADDRESS

a. Notices and Correspondence. Any notices and correspondence provided for in this Agreement, *other than payments*, to be given by either Party hereto to the other shall be deemed to have been duly given when made in writing and deposited in the United States mail, registered or certified and postage prepaid, addressed as follows:

To SCE:

Attn: Don Chhun
Southern California Edison
300 N. Pepper, Bldg. B
Rialto, California

To FWA:

Douglas DeFlitch, COO
854 N. Harvard Avenue
Lindsay California, 93247

To Reclamation:

Adam Nickels
Resources Management Division, CGB-400
2800 Cottage Way
Sacramento, CA 95825

b. Payments: Any payments provided for in this Agreement shall be forwarded to the addresses below.

To SCE:

If paying by check, please follow instructions on bill stub below

Instructions for wire or ACH payments:
JP Morgan Chase Bank
New York, NY
ABA#: 021000021 Acct#: 323-394434
SCE Taxpayer ID No. 95-1240335
Ref: Customer# 10150821 - Document# (this is the invoice number)

To FWA:

Wilson Orvis, CFO
854 N. Harvard Avenue
Lindsay California, 93247

13. TERMINATION

a. Reclamation and FWA's Right to Terminate Agreement. Reclamation and FWA have the right to terminate this Agreement at any time upon written notice to SCE. If this Agreement is terminated by Reclamation and FWA, FWA shall be responsible to SCE for all costs and expenses actually incurred by SCE in connection with SCE's preparation of the Relocation Plans, performance of the Relocation Work, and any other actions/activities under

this Agreement. Moreover, FWA shall be responsible for any additional costs and expenses incurred by SCE as a result of the termination, including but not limited to, restoring the SCE Facilities to a permanent operational state; all costs for equipment and/or materials; and all costs or expenses (such as wind-down costs) related to the cancellation of contracts, purchase orders, or other commitments or agreements entered into up to and including the date of the notice of termination, between SCE and all parties furnishing labor, materials, and services in connection with this Agreement. SCE shall prepare and deliver to FWA an invoice that describes/identifies the costs and expenses thus incurred by SCE and all supporting documentation of the invoiced costs and expenses. Within forty-five (45) days following SCE's delivery of said invoice, FWA shall pay to SCE the amounts specified in the invoice. Payments made after such date shall accrue interest at the legal rate.

b. Termination Due to Party Default. If any Party is in default of any of the terms, provisions, conditions, limitations and covenants of this Agreement, the non-defaulting Party shall give the defaulting Party written notice of default ("**Default Notice**") at the address provided for in Section 12 above, which Default Notice shall describe the default and a reasonable time in which to cure the default (if such default is curable). If the defaulting Party does not cure such default within the time specified in the Default Notice, the non-defaulting Party has the right, but not the obligation, to terminate this Agreement upon thirty (30) days written notice to the defaulting Party (or such lesser time as may be appropriate under the circumstances). Should the non-defaulting Party exercise such right of termination and such exercise is ultimately determined by the Parties or through legal action to be in accordance with this Agreement, the non-defaulting Party shall be entitled to payment or reimbursement (as applicable) for all payments made, costs and expenses for materials, services, labor, overhead, and any other expenses related to the performance and termination of this Agreement actually incurred by the non-defaulting Party, up to and including the date of termination. In the event that SCE is the non-defaulting Party and elects to terminate this Agreement pursuant to the provisions of this Section 13(b), SCE's reimbursable costs and expenses for termination of this Agreement include, but are not limited to: all costs and expenses pertaining to the restoration of the SCE Facilities to a permanent operational state; all costs for equipment and/or materials; and all costs and expenses related to the cancellation of contracts, purchase orders, commitments or other agreements for the Relocation Work entered into up to and including the date of the notice of termination, between SCE and all parties furnishing labor, materials, and services in connection with this Agreement. Upon termination of the Agreement pursuant to the provisions of this Section 13(b), the non-defaulting Party shall prepare and deliver to the defaulting Party an invoice that describes/identifies the costs and expenses thus incurred by the non-defaulting Party and documentation supporting such costs and expenses. Within forty-five (45) days following the non-defaulting Party's delivery of said invoice, the defaulting Party shall pay to the non-defaulting Party the amounts specified in the invoice. Payment made after such date shall accrue interest at the legal rate.

14. CHANGES BY GOVERNMENTAL AGENCIES

This Agreement and the Relocation Work shall at all times be subject to such changes or modifications as the CPUC, and FWA/Reclamation may, from time to time, direct in the exercise of its/their lawful jurisdiction and authority over the Agreement and/or the Relocation Work. FWA and Reclamation expressly acknowledge and agree that in the event that (i) the foregoing

agencies require changes or modifications to this Agreement and/or the Relocation Work and (ii) SCE's compliance with said changes or modifications requires SCE to incur any additional costs or expenses beyond the Initial Estimate, SCE may invoice FWA for such additional costs and expenses and FWA shall reimburse SCE for such additional costs and expenses within forty-five (45) days following SCE's delivery of the invoice.

15. AMENDMENTS

The provisions of this Agreement shall not be altered or amended by any representations or promises of any Party unless agreed to in a writing executed by the Parties.

16. GOVERNING LAW

This Agreement shall be subject to and construed according to the laws of the State of California and the federal laws of the United States of America, as appropriate.

FWA/Reclamation represent and warrant that this Agreement is not subject to any Buy America provision, including but not limited to 23 USC 313, 49 USC 5323(j), and 49 U.S.C. Section 24405(a) (collectively referred to as "Buy America"). FWA/Reclamation further acknowledge and agree that if any federal entity later determines for any reason that Buy America applies to any portion of the Relocation Work, then FWA shall be responsible for all costs, expenses and liabilities incurred by SCE as a result of this determination.

17. HEADINGS

The captions and headings used in this Agreement are strictly for convenience and are not intended to and shall not affect the Parties' rights and obligations, or the construction or interpretation of this Agreement.

18. THIRD PARTY BENEFICIARIES

Nothing herein is intended to create any third-party benefit, right, cause of action, or otherwise.

19. NO AGENCY, PARTNERSHIP OR JOINT VENTURE

Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent or of partnership or of joint venture by and between the Parties hereto.

20. WAIVER

No waiver of any default or breach hereunder shall be implied from any omission to take action on account thereof, notwithstanding any custom and practice or course of dealing. No waiver by any Party of any provision under this Agreement shall be effective unless in writing and signed by such Party, and no waiver shall affect any default other than the default specified in the waiver and then said waiver shall be operative only for the time and to the extent therein stated. Waivers of any covenant shall not be construed as a waiver of any subsequent breach of the same.

21. DUPLICATE ORIGINALS AND ELECTRONIC SIGNATURES

This Agreement may be executed in duplicate originals, each of which, when so executed and delivered, shall be an original but such counterparts shall together constitute one instrument and agreement. The exchange of copies of this Agreement and of signature pages by facsimile transmission, Portable Document Format (*i.e.*, PDF) or by other electronic means constitutes effective execution and delivery of this Agreement as to the Parties and may be used in lieu of the original Agreement for all purposes. This Agreement may be executed by SCE by way of an electronic signature, in which case, said electronic signature shall have the same force and effect as a written signature.

22. DISCOVERY OF CULTURAL RESOURCES

The SCE shall immediately provide an oral notification to Reclamation's authorized official of the discovery of any and all antiquities or other objects of archaeological, cultural, historic, paleontological or scientific interest on Reclamation lands. SCE shall follow up with a written report of their finding(s) to Reclamation's authorized official within forty-eight (48) hours. Objects under consideration include, but are not limited to, historic or prehistoric ruins, human remains, funerary objects, and artifacts discovered as a result of activities under this Agreement. SCE shall immediately cease the activity in the area of the discovery, make a reasonable effort to protect such discovery, and wait for written approval from the authorized official before resuming the activity. Protective and mitigative measures specified by Reclamation's authorized official shall be the responsibility of the SCE.

23. HAZARDOUS MATERIALS

SCE, its employees, contractors, or agents agree as follows:

- a. SCE may not allow contamination or pollution of Federal lands, waters or facilities by its employees or agents and shall take reasonable precautions to prevent such contamination or pollution by third parties. Substances causing contamination or pollution shall include but are not limited to hazardous materials, thermal pollution, refuse, garbage, sewage effluent, industrial waste, petroleum products, mine tailings, mineral salts, misused pesticides, pesticide containers, or any other pollutants.
- b. SCE shall comply with all applicable Federal, State, and local laws and regulations, and Reclamation policies and directives and standards, existing or hereafter enacted or promulgated, concerning any hazardous material that will be used, produced, transported, stored, released, or disposed of on or in Federal lands, waters or facilities.
- c. "Hazardous material" means any substance, pollutant, or contaminant listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. § 9601, et seq., and the regulations promulgated pursuant to that Act.
- d. Upon discovery of any event which may or does result in contamination or pollution of Federal lands, waters or facilities, SCE shall initiate any necessary emergency measures

to protect health, safety and the environment and shall report such discovery and full details of the actions taken to the Area Manager. Reporting may be within a reasonable time period. A reasonable time period shall mean within twenty-four (24) hours of the time of discovery if it is an emergency or by the first working day if it is a non-emergency. An emergency is any situation that requires immediate action to reduce or avoid endangering public health and safety or the environment.

- e. Violation of any of the provisions of this Article, as determined by the Area Manager, may constitute grounds for termination of this Agreement. Such violations require immediate corrective action by SCE and shall make the SCE liable for the cost of full and complete remediation and/or restoration of any Federal resources or facilities that are adversely affected as a result of the violation.
- f. SCE agrees to include the provisions contained in subsections (a) through (e) of this Section in any subcontract or third-party contract it may enter into pursuant to this Agreement.
- g. Reclamation agrees to provide information necessary for SCE, using reasonable diligence, to comply with the provisions of this Article.

24. SEVERABILITY

Each provision of this Agreement shall be interpreted in such a manner as to be valid under applicable law, but if any provision of this Agreement shall be deemed or determined by competent authority to be invalid or prohibited hereunder, such provision shall be ineffective and void only to the extent of such invalidity or prohibition, but shall not be deemed ineffective or invalid as to the remainder of such provision or any other remaining provisions, or of the Agreement as a whole.

25. OFFICIALS NOT TO BENEFIT

No Member of Congress shall be admitted to any share or part of any contract or agreement made, entered into, or accepted by or on behalf of the United States, or to any benefit to arise thereupon.

[THIS SPACE INTENTIONALLY LEFT BLANK; SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, this Agreement and each and every term herein is agreed to by and between the undersigned.

FRIANT WATER AUTHORITY, a California joint powers agency

BY: _____ DATE: _____

Douglas DeFlitch
Chief Operating Officer

SOUTHERN CALIFORNIA EDISON COMPANY, a California corporation

BY: _____ DATE: _____

Name
Title

UNITED STATES OF AMERICA

By: _____ DATE: _____

Adam M. Nickels
Regional Resources Manager
California-Great Basin Region
U.S. Department of the Interior
Bureau of Reclamation

EXHIBIT A

UTILITIES CONFLICT MATRIX AND COST ESTIMATE

See Attached

DRAFT



2021 STRATEGIC PLAN UPDATE

OFFICERS OF THE BOARD

Cliff Loeffler, Chairman
Edwin Camp, Vice Chairman
Jim Erickson, Secretary-Treasurer

CHIEF EXECUTIVE OFFICER

Jason Phillips

854 N. Harvard Avenue Lindsay, CA 93247



(559) 562-6305



www.friantwater.org

Board of Directors

Edwin A. Camp – Arvin-Edison Water Storage District

Brock Buche – City of Fresno

Kole Upton – Chowchilla Water District

George Porter – Fresno Irrigation District

Loren Booth – Hills Valley Irrigation District

Christopher Tantau – Kaweah Delta Water Conservation District

Kent H. Stephens – Kern-Tulare Water District

Michael Brownfield – Lindmore Irrigation District

Clifford R. Loeffler – Lindsey-Strathmore Irrigation District

Josh Pitigliano – Lower Tule River Irrigation District

Jim Erickson – Madera Irrigation District

David Brown – Orange Cove Irrigation District

Eric L. Borba – Porterville Irrigation District

Steven Kisling – Saucelito Irrigation District

Matthew Leider – Tea Pot Dome Water District

Edwin L. Wheaton – Terra Bella Irrigation District

Rick Borges – Tulare Irrigation District

FWA Leadership Team

Jason Phillips – Chief Executive Officer

Douglas DeFlitch – Chief Operating Officer

Wilson Orvis – Chief Financial Officer

Johnny Amaral – Chief of External Affairs

Ian Buck-Macleod – Water Resources Manager

Alexandra Biering – Government Affairs and Communications Manager

Chris Hickernell – General Superintendent

Christopher Hunter – Director of Technology

Consultant

Tierah Chorba – Managing Consultant

FRIANT WATER AUTHORITY - 2021 STRATEGIC PLAN UPDATE

INTRODUCTION

Focus on the most critical issues only. Given the critical water supply challenges facing Friant Water Authority (FWA), the Board of Directors determined at its June 2021 Strategic Planning Workshop that the 2021 update of the strategic plan should focus only on the most critical strategic issues facing the organization: water supply (availability, reliability, and cost), organizational governance and processes, and external communications. Extensive notes, as well as financial and operational goals that were included in the previous strategic plans, were revisited to determine or reaffirm their importance, and new goals, objectives, and desired outcomes were analyzed and discussed to enhance the focus on the critical issues identified.

Similarly, it was decided that this should be a working document with only the necessary components: updated mission, vision, goals and objectives, as well as information about how staff is implementing the goals and objectives of the Plan, and guidance for monitoring and tracking progress.

The mission, vision, and goals and objectives in this document incorporates input received at the June 2021 Board Strategic Planning Workshop.

MISSION

On behalf of the Friant Division, the Friant Water Authority (FWA) provides leadership and collective representation for its members and to preserve and enhance the quantity, quality, reliability, operational flexibility, and affordability of Central Valley Project (CVP) water supplies, defends Friant Division water rights and operates and maintains the Friant-Kern Canal safely and efficiently while protecting its capacity.

VISION FOR THE FUTURE

- *FWA is a leader and authority in prioritizing and implementing actions that provide water supply reliability and sustainability for the Friant Division.*
- *FWA works to build consensus within the Friant Division, then strategically implements and manages effective long-term water policies and projects.*
- *FWA member agencies recognize, through proven successes, that working, advocating, and speaking on behalf of the Friant Division is beneficial to the entire region.*
- *FWA is engaged at all levels – local, state and federal – and is recognized as a trusted and influential partner.*
- *FWA internal governance, administration, advocacy, and operations are effective and efficient.*

GOALS AND OBJECTIVES

GOAL 1: WATER SUPPLY MANAGEMENT

Protect Rights & Agreements and Develop a Sustainable Water Supply

Identify, prioritize, and provide leadership in implementing actions across the region to protect and restore existing water rights and supplies, and ensure available water supplies to meet long-term demands.

#	Objectives
1.1	<p>Prioritize and execute regulatory, legal, and political actions to protect and restore existing water rights and supplies. For example:</p> <ul style="list-style-type: none"> ○ Resolution on interpretation of existing Reclamation permits for the Friant Division and required action (near-term and long-term). ○ Resolve issues caused by the Bureau of Reclamation's (Reclamation) interpretation of the Exchange Contract. ○ Ensure that Friant Division contract priorities are appropriately met relative to other CVP obligations. (i.e.: refuges, Westside, accounting for water that goes to state and CVP) ○ Protect water rights and prevent additional losses; for example, potential unintended consequences of the California WaterFix permitting process. ○ Protect against new water right applications that could impact Friant Division existing and future beneficial use, including the defense of the Fully Appropriated Stream (FAS) designation on the San Joaquin River. ○ Ensure State Board enforcement on illegal diversions in the Sacramento-San Joaquin River Delta watershed. ○ Protect current water allocated to the Restoration Program and plan for a potential dispute resolution process on the San Joaquin River Settlement. ○ Identify and develop working relationships with key appointees and staff at the SWRCB, Department of Water Resources, Reclamation, and Department of the Interior.

1.2	<p>Assure the long-term average annual risk of an Exchange Contractor call on the Friant Division is less than 2%. For example:</p> <ul style="list-style-type: none"> ○ Defend the 2019 Biological Opinions, Coordinated Operations Agreement, and SWRCB Water Quality Control Plan. ○ Ensure Delta water is accounted for and allocated in a transparent manner and consistent with water rights and contract priorities. ○ Evaluate risks to reliability under future hydrologic variability. ○ Develop operations agreement with Reclamation and Exchange Contractors to quantify shortfall to Exchange Contract. ○ Develop operations agreement with Exchange Contractors to reduce call on Friant and/or impact to Friant should call be eminent. ○ Develop partnerships for exchanges of San Luis Reservoir supply during critical years. ○ Resolve concerns with Exchange Contractor transfer program.
1.3	<p>Develop and implement a long-term, equitable plan for ensuring acceptable water quality for the Friant-Kern Canal.</p>
1.4	<p>Become the trusted knowledge base for accurate and up-to-date data needed to manage water supplies through modeling and data collection. Use this information to create a common understanding about reliability of the region's water supply, what should be water supply priorities, etc.</p> <p>NOTE: This will involve developing expertise at modeling and analysis and ensuring FWA has staff and other support to respond rapidly to changing needs.</p>
1.5	<p>Conduct effective monitoring of and participate in the implementation of San Joaquin River Restoration Program Activities to ensure its success and protect Friant's interest.</p>

GOAL 2: GOOD GOVERNANCE

Ensure Effective Internal FWA and External Friant Division Governance

The Board of Directors (Board) will govern lawfully, with an emphasis on (a) outward vision, (b) strategic leadership, (c) maintaining a clear distinction between board, staff and manager roles, and (d) promotes effective and collaborative governance with the rest of the Friant Division.

#	Objectives
2.1	The Board will consider the effectiveness of the organizational governance at the annual Board Offsite planning session.
2.2	<p>When urgent decisions must be made that do not fit into the standard decision-making timeline, FWA will work to disseminate information quickly to Board members and managers, obtain input and address comments, to enable the Board to take action.</p> <p>Decision-making process:</p> <p><i>Managers Meeting → Homeboards/Homeboard Legal Counsel → Executive Committee</i></p> <p><i>Board of Directors ←</i></p>
2.3	Ensure that there are clear distinctions between board, staff and member manager roles, and that each group is able to contribute effectively to the governance of FWA.

GOAL 3: OUTREACH AND ENGAGEMENT

Become a Leader and Valued Resource on Water Issues

Maintain a strong and unified organization with clear policies and a single voice that can communicate to achieve its goals in the public, among its peers, and in the legislative and regulatory arenas.

#	Objectives
3.1	When engaging with others, seek collaboration and strategic partnerships, win-win solutions, and settlements over litigation or other dispute resolution processes.
3.2	<p>Develop practical, useful, and regular communication methods. At a minimum, have regular communication to the FWA Board and managers, as well as Friant Division Homeboards.</p> <ul style="list-style-type: none"> ○ Ultimately, FWA depends on the understanding and support of the Homeboards and as such, FWA will actively engage with Homeboards. ○ To achieve improved collaboration, FWA will engage with districts throughout the Friant Division, which can include direct communication between Board members. In addition, the FWA Leadership team will work with agencies, elected officials, and governments from throughout the Friant Division.
3.3	Continue efforts that maintain FWA as the leader in water policy and a valued resource for agencies, elected officials, and governments from throughout the Friant Division and beyond, to consult with on water issues.
3.4	Enhance and continue processes to proactively identify legislation that should be tracked, initiated, and/or supported by FWA, and educate agencies in advance of decisions to influence outcomes that are favorable to FWA.
3.5	Identify opportunities and support growers and trade groups to engage productively in legislative and regulatory issues to further FWA's interests.

GOAL 4: WATER SUPPLY AFFORDABILITY

Ensure Cost-Effective Operations and Maximize Investment

Identify, prioritize, and implement actions to promote cost-effective FWA operations, ensure water supply affordability for Friant Division Contractors, and align investments in required Federal and State regulatory obligations with Friant Division priorities.

#	Objectives
4.1	<p>Reduce long-term average cost of water to Friant Division by 5% over five years. For example:</p> <ul style="list-style-type: none"> ○ Develop baseline for the cost of water to Friant Division Contractors inclusive of all cost components up to the points of diversion. ○ Ensure costs allocated to the Friant Division for Exchange Contractor deliveries are accurate, equitable, and appropriate. ○ Ensure that costs allocated to the Friant Division for Central Valley Project and Central Valley Project Improvement Act (CVPIA) by Reclamation are allocated appropriately and equitably. ○ Continually improve the efficiency, effectiveness, and accuracy of the of the Friant Water Authority's budget process from formulation through to execution to ensure transparency.
4.2	<p>Ensure that funds provided by the Friant Division for existing Federal and State regulatory obligations are aligned with FWA Priorities.</p> <ul style="list-style-type: none"> ○ Continually engage to ensure that San Joaquin River Restoration Project (SJRRP) Settlement Funds are allocated to projects that promote the primary objectives of the Water Management and Restoration goals of the Program ○ Engage with the CVPIA Program to ensure that the annual obligation plan prioritizes funding to complete outstanding actions under the CVPIA and the habitat restoration initiatives under the Biological Opinions. ○ Ensure funding provided under the Voluntary Agreements funds the highest priority projects based upon objective criteria leveraging the latest science.

MONITORING AND ENSURING RESULTS

To ensure that the Strategic Plan is implemented, and results are achieved, the Authority plans to take the following steps:

- The CEO will lead and direct the staff on the plan implementation and incorporate the Goals and Objectives into Leadership Team workflow.
- The CEO and Leadership Team performance will be evaluated in part based on the implementation of the Strategic Plan Goals and Objectives.
- Staff will reference Strategic Plan items on Board meeting agendas as appropriate.
- Staff and the Executive Committee will provide an annual report on the progress of the Strategic Plan implementation.
- The Board, with staff support, will review and update the Strategic Plan annually.

AGENDA REPORT

NO.4.A

DATE: September 23, 2021

TO: Board of Directors

THROUGH: Douglas DeFlicht, Chief Operating Officer

FROM: Janet Atkinson, Stantec; Lindy Lee, BRI

SUBJECT: Friant-Kern Canal Middle Reach Capacity Correction Project Update

SUMMARY OF KEY DEVELOPMENTS: The following is a summary of the key developments this month:

- Tulare County Memorandum of Understanding (MOU) is now fully executed and the County lands necessary for ROW are being conveyed to Reclamation.
- 3 parcels have closed escrow, BRI has actual or tentative agreements with 11 owners (for a total of 17 APNs out of 28 APNs)
- The 30-percent submittal for the Replacement Pump Stations was issued for review in June; review comments were completed and meetings conducted to reach consensus to move forward with design.
- A total of 9 relocation designs have been prepared by Southern California Edison (SCE), and a near final draft of the Master Facilities Relocation Agreement is being presented to the Board.
- Southern California Gas work authorization for Terra Bella Avenue has been fully executed.
- Completed preparation of conformed engineering drawings and technical specifications to document modifications made during the solicitation phase.

DISCUSSION/UPDATE: The table below provides a summary update on the Project schedule. Following the schedule update is a summary update for the land acquisition process.

Schedule Update –Upcoming milestones related to the construction of the Phase 1 Project are the Notice of Award and Notice to Proceed to the selected contractor.

Milestone	Date
Notice of Award to Construction Contractor	October 26, 2021
Notice to Proceed to Construction Contractor	November 9, 2021
Replacement Pump Stations Design Completion	March 11, 2022
Canal and Turnout Tie-ins	January 26, 2024
Construction Completion	September 1, 2024

Land Acquisition Summary - The FWA and Reclamation land acquisition team is jointly progressing the land acquisition process. The parcels are being purchased by either FWA or Reclamation, with all the parcels ultimately being transferred to Reclamation for construction of the Phase 1 Project.

Description	Summary Data
Number of APNs and owners	28 APNs, 19 owners
Number of parcels in escrow	10 APNs
Number of signed agreements received (by owner)	6 APNs
Number of parcels closed (by owner)	2 owner (3 APNs)

Phase 1 Project Construction Contractor Solicitation -

- Reclamation is currently conducting the “Best Value” evaluations on the proposals received on July 14th with the estimated date for construction contract award stated in the above schedule table.
- Completed preparation of conformed engineering drawings and technical specifications to document modifications made during the solicitation phase.

Environmental Compliance, Cultural Resources and Permitting – Completed cultural memorandums to clear a ROW parcel. Continued preparation of the Biological Resources Management and Monitoring Plan for use during construction. Received Reclamation’s approval for the location of the FKC photographs associated with the execution of the Historic Treatment Properties Plan and coordinated access for photography.

Engineering and Design

- Supported specialty utility relocation firm in providing utility relocation materials requested by utility companies.
- Completed review of several utility relocation designs prepared by impacted utility companies.
- Supported the land acquisition team as needed. Activities included preparation of materials for landowners and addressing items as they arise.
- Conducted several coordination calls with Reclamation and Friant Division Contractors on the replacement pump stations.
- Engineering designs initiated for the 60-percent submittal.
- Prepared responses to CALTRANS comments on SH 190 (outside of the Phase 1 work limits).

Land Acquisition for Phase 1 Project

- BRI has closed two (2) escrows (3 APNs out of 28).
- Seven (7) signed agreements and deeds have been received (10 APNs).
- BRI has tentative agreements with 3 property owners (3 APNs out of 28 APNs) and continues to negotiate as needed and 1 owner has become unresponsive, alternatives to acquisition are being discussed (this parcel will not delay construction as it is an access easement only).
- Eminent domain complaints have been filed against 11 APNs, but negotiations are moving forward.
- SCE delivered 9 relocation plans through OPC.

- The SCE Master Facilities Relocation Agreement is being presented to the Board for approval subject to final review by the General Counsel and Reclamation's Solicitor.
- Ducor completed construction of their temporary relocation adjacent to Road 192.

FUTURE ACTIVITIES PLANNED. The following activities are planned for the next reporting period.

- Phase 1 Project Construction Contractor Solicitation –Initiate planning for modifications needed to incorporate changes needed as a result of landowner negotiations and other items.
- Environmental Compliance, Cultural Resources and Permitting – Prepare revised project description for the environmental compliance needs for the replacement pump stations. Continue preparation of the HPTP per Reclamation guidance received. Prepare environmental plans described in the EIR/S mitigation measures including the Biological Resources Management and Monitoring Plan for use during construction.
- Engineering and Design – Continue to support the utility relocation coordination and review designs prepared by others. Continue to support the land acquisition team. Coordinate with Friant Division Contractors and Reclamation on the replacement pump stations and continue preparation of the 60-percent design submittal including a preliminary construction schedule and construction sequencing. Support Caltrans encroachment permit for the SH190 crossing as needed.
- Land Acquisition:
 - BRI will continue completing Preliminary Title Report Opinions for submittal to Reclamation, these are completed for the solicitor's office on each First Written Offer submittal to BOR for review.
 - BRI will continue to work with the owners to complete the purchases.
 - BRI will continue to prepare administrative settlements.
 - OPC will continue to work with all utility companies to find solutions to the relocation issues based on the phasing of construction.
 - SCE to deliver preliminary relocation plans for all conflicts in Phase 1.
 - OPC will finalize permit/easement/Joint Use Agreement process and necessary documentation required by BOR.
- Landowner Coordination and Outreach: Anticipated activities include continued facilitation of Right-of-Way team meetings, and facilitation of coordination meetings with Tulare County staff. Provide as-needed website management.

Agenda Report

No.4.B

DATE: September 23, 2021

TO: Board of Directors

FROM: Ian Buck-Macleod, Water Resources Manager

SUBJECT: Water Operations Update

SUMMARY:

CVP allocations have remained unchanged from May 26th, and the CVP allocation for Friant remains at 20% for Class 1. Updated CVP operations projections were made available last week, which includes an outlook for fall operations under a 90% exceedance probability hydrology. A significant debt in CVP project supply in Federal San Luis needs to be repaid before CVP Project supply can begin accumulating for use next year. At this time, Friant Division water supplies (50 TAF of unallocated CVP water) are being used to meet Exchange Contractor demands via exchanges between Reclamation, DWR, AEWS, DEID, and MWD. Upstream reservoirs have been aggressively reducing releases over the last few weeks as system demands are decreasing.

DISCUSSION:

Inflow Forecasts

Warm and dry conditions have continued through the summer, with most locations in the State seeing well above average temperatures. The first storm of the season affected the northern half of the State over this past weekend. Precipitation ranged from trace amounts to nothing in the Sacramento Valley, while up to one inch fell in the northern and parts of the central Sierra. Long-range forecasts show little to no chance for any precipitation over the next few weeks and a likely chance of continued above-average temperatures.

Table 1 shows the unimpaired inflow forecasts for Shasta and Millerton from the California Nevada River Forecast Center (CNRFC) and California Department of Water Resources' (DWR) Bulletin 120 (B-120). The final water year volume for Lake Shasta is expected to be the driest unimpaired water year inflow in the 100-year record. The final water year volume for Millerton Lake is expected to result in the 6th driest.

Table 1. Unimpaired Inflow Forecasts for WY 2021

Item	Exceedance		
	90%	50%	10%
CNRFC Shasta Unimpaired Inflow (TAF) ¹	2470	2470	2470
DWR Shasta Unimpaired Inflow (TAF) ²	2440	2525	2625
CNRFC Millerton Unimpaired Inflow (TAF) ¹	526	526	526
DWR Millerton Unimpaired Inflow (TAF) ²	505	545	585

SCCAO Blended Millerton Unimpaired Inflow (TAF) ³	518	533	561
--	-----	-----	-----

Notes:

¹ As of September 20.

² As of June 2.

³ As of June 10, using modified blend of CNRFC (30%) and DWR (70%) exceedance.

Figures 1 and 2 show the projected Shasta Lake and Millerton Lake storage through November based off the most recent CVO and SCCAO projections, respectively, as compared to actuals to date. Shasta storage has trended near or slightly above the 90% exceedance from CVO for most of the past few months. Higher than forecasted releases have resulted in end of September Shasta storage ending up below the 1.25 MAF carryover target identified in the Final Sacramento River Temperature Management Plan. Millerton Lake storage has trended at or slightly below the current forecast primarily due to upstream reservoir releases and the resulting inflows have been lower than predicted, but anticipated to significantly increase.

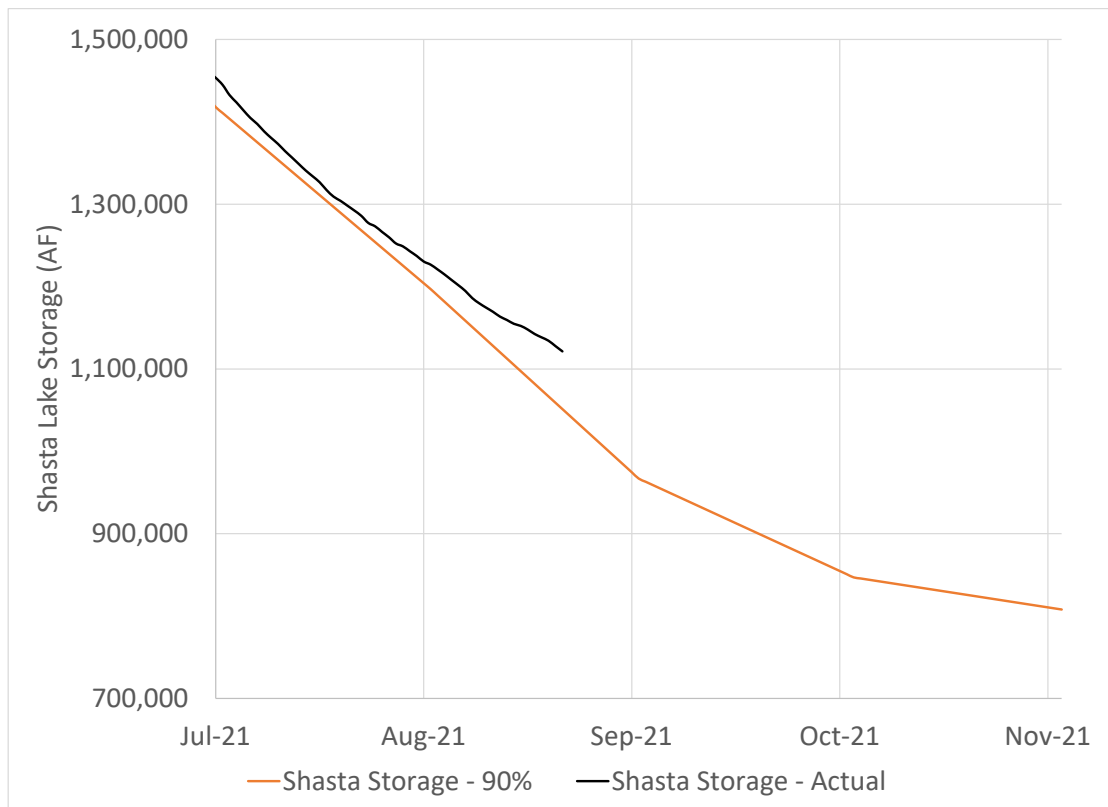


Figure 1. Shasta Lake Storage – August Exceedance Projections Compared to Actuals

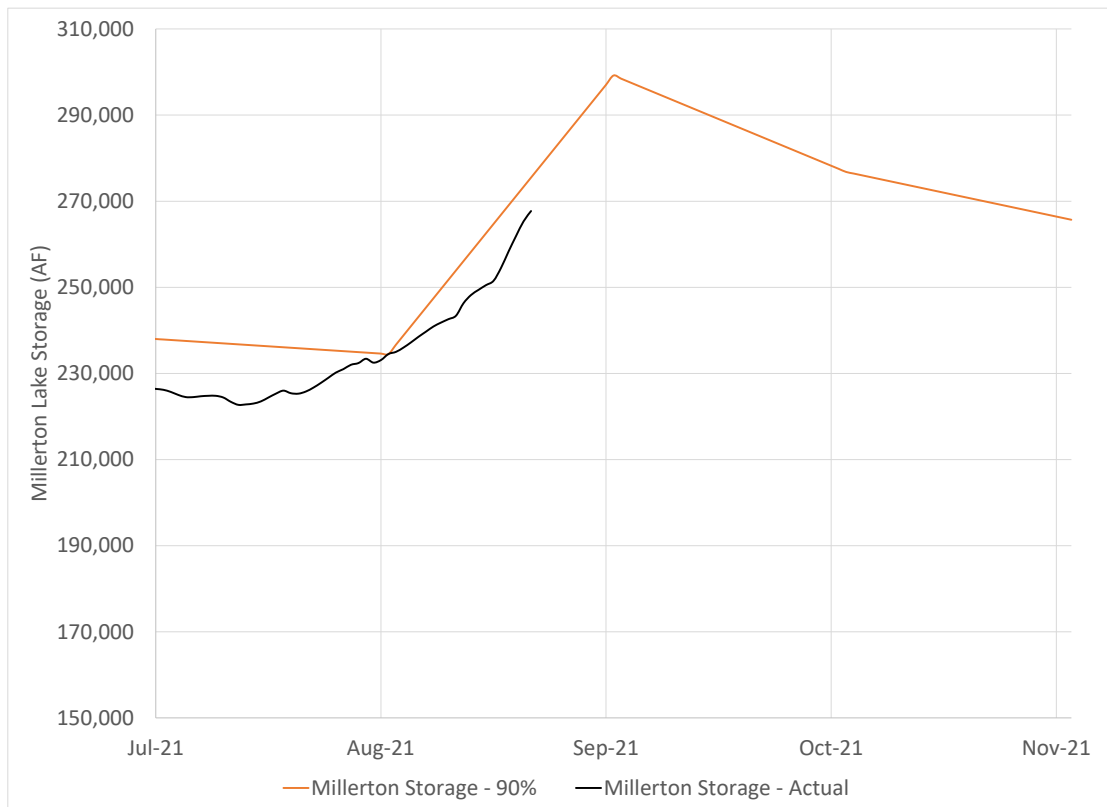


Figure 2. Millerton Lake Storage – August Exceedance Projections Compared to Actuals

CVP SOD Operations

Delta Operations

Overall CVP North-of-Delta Reservoirs are below-normal storage levels for this week based on their 15-year average – Trinity, Shasta, and Folsom are 56%, 48%, and 52% of average, respectively. Shasta reservoir releases were dramatically reduced over the course of August, but have been held at around 6,800 cfs over the last few weeks as transfer water is being released. Transfer releases are expected to conclude in mid-October, at which time Shasta releases are likely to be reduced to 3,250 cfs, which is the minimum flow requirement. Temperature management targets had generally been met through most of August. However, in late-August temperature control at Shasta was lost as limited cold water pool volumes remain. River temperatures have been on a gradual rise, which is likely to continue until sometime in October. Oroville releases were also reduced during August as downstream demands were drastically reduced. Releases have been at 1,250 cfs since mid-August and are likely to remain at that level for the near future. In early August, Oroville storage dropped below the lowest observed volume (880 TAF in September 1977) since filling, and on August 5th, below the minimum elevation for the operation of Hyatt Powerplant. Folsom releases have been reduced to 550 cfs, which is the minimum flow requirement. Folsom operations are targeting an end of September storage target of 200 TAF to protect Sacramento area public health and safety demands. Exports began increasing in late-August as additional supplies (mostly transfer water) became available in the Delta.

Figure 3 shows the projected daily Jones pumping through November as compared to actuals to date (please note volumes include expected pumping of transfer supplies). Pumping has trended near the

current forecast. Over the past week, CVP pumping has been about 2,500 to 2,750 cfs as CVP exports have increased in response to the available supply in the Delta mostly due to transfers. Current CVP pumping is likely to continue through mid-October, and then will be dependent on available natural supply. As part of the exchange agreement between DWR and Reclamation, Reclamation has first priority on any potentially available supply in the Delta this fall, at least until COA accounting is resolved.

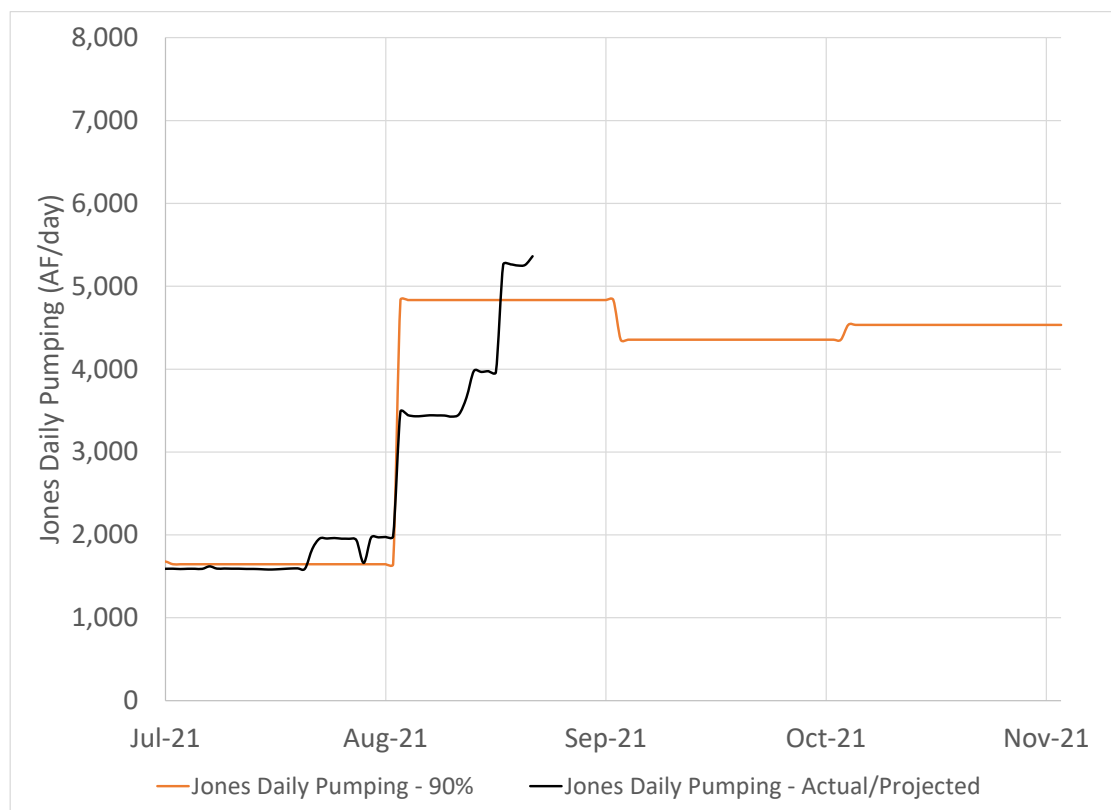


Figure 3. Daily Jones Pumping – August Exceedance Projections Compared to Actuals

On June 15th, the SWRCB began mailing notices of water unavailability to all water rights holders in the Sacramento and San Joaquin Delta watershed, indicating that water was unavailable for all post-1914 appropriative water right holders. These were not formal curtailments, but indicated to the right holder in most instances that water was not available under their priority of right besides previously stored water. Supplemental notices were sent to senior (riparian and pre-1914 appropriative) water right holders on July 23rd, which indicated that additional curtailment actions were expected to be taken in the coming weeks. On August 20th, the SWRCB issued water right curtailments for all post-1914 appropriative water right holders and many pre-1914 appropriative water right holders in the Sacramento-San Joaquin Delta watershed. Most curtailments in the Sacramento watershed ended September 1st, other than on some individual tributaries. Most curtailments in the San Joaquin watershed remain in effect, at least through September and potentially further depending on hydrologic conditions.

One objective of the curtailments is to protect the use and transportation of stored water (particularly Project water) as it moves through the system, as well as to prevent the unauthorized diversion of Project water. Unfortunately, these actions have come very late in the season and will produce much less benefit if they had occurred in May. Earlier action could have allowed for reduced upstream reservoir releases,

and/or additional Delta exports, which may have reduced the need for Friant to help meet Exchange Contractor demands.

San Luis Operations

CVP San Luis Reservoir storage is at 29 TAF—11% of its 15-year average. Figure 4 shows the projected San Luis Federal storage through November as compared to actuals to date. Three “actual” lines are shown, including the actual physical storage (green), the actual “project” storage (black), and the cumulative Federal San Luis debt (yellow, with the dash indicating the forecast). Actual physical storage has been trending near or just slightly below the forecasted level. The Federal debt includes contractor carryover supplies (rescheduled, transfer, and non-project supplies) that were used by the CVP to meet SOD Project demands from San Luis this summer. This debt needs to be paid back (i.e. the yellow line back to zero) before project supply can begin accumulating supply for the coming year (i.e. the black line going positive). Based off current forecasts (including deliveries and transfer pumping), this is not expected to occur until sometime in early-December. The second, 50 TAF exchange in late-August with SWP San Luis is visible in the actual physical and project storage lines. This followed a 50 TAF exchange with the SWP in mid-July, which brings the total to 100 TAF of water exchanged in San Luis. The “payback” of these exchanges is likely to be resolved through COA accounting adjustments between the CVP and SWP. No additional exchanges are expected to be necessary this year.

Additional detail on the forecasted San Luis reservoir accounting is provided in Table 2, below. Similar to Figure 4, Table 2 demonstrates that current estimated Project exports are insufficient to meet existing SOD Project demands. As such, SOD Project demands are being met through exported and existing carryover/transfer/non-Project supplies in San Luis. This is expected to continue until sometime in October, at which time the accumulated “debt” will begin to be repaid. As noted above, actual CVP Project supply will not begin to be stored in San Luis until this debt is repaid.

At this time, Friant Division water supplies are being exchanged with SWP supplies in San Luis Reservoir to support Reclamation deliveries for CVP purposes to avoid Friant Dam releases down the San Joaquin River to meet Exchange Contractor demands. FWA and Reclamation have agreed that approximately 50 TAF of unallocated CVP water is available in the watershed of the San Joaquin River above Friant Dam that could be exchanged to meet CVP purposes in San Luis Reservoir. The exchange is executed under a separate agreement between Arvin-Edison Water Storage District (Arvin-Edison) and the Metropolitan Water District (MWD) and has also been approved by the SWRCB. Up to 50 TAF of Friant Division water supplies will be delivered from Millerton Lake to Arvin-Edison via the Friant-Kern Canal for use by Arvin-Edison. In lieu of providing previously banked water to MWD, Arvin-Edison will deliver up to 50 TAF of Friant supply (subject to up to 13% for losses and exchange operating costs) to MWD through the Friant-Kern Canal and Cross Valley Canal (CVC) to the California Aqueduct (at Tupman). In exchange, California Department of Water Resources (DWR) will make a like amount of MWD SWP supply available to Reclamation in San Luis Reservoir. To date, Friant deliveries to the CVC are estimated to be 24 TAF, and 21 TAF in San Luis Reservoir considering estimated losses; however, preliminary estimates from KCWA are indicating higher losses.

In addition to this exchange, Delano-Earlimart ID has exchanged 2,523 AF of its 2020 SJRRP Recapture water in San Luis Reservoir for a like amount in Millerton Lake to support meeting CVP purposes from San Luis Reservoir.

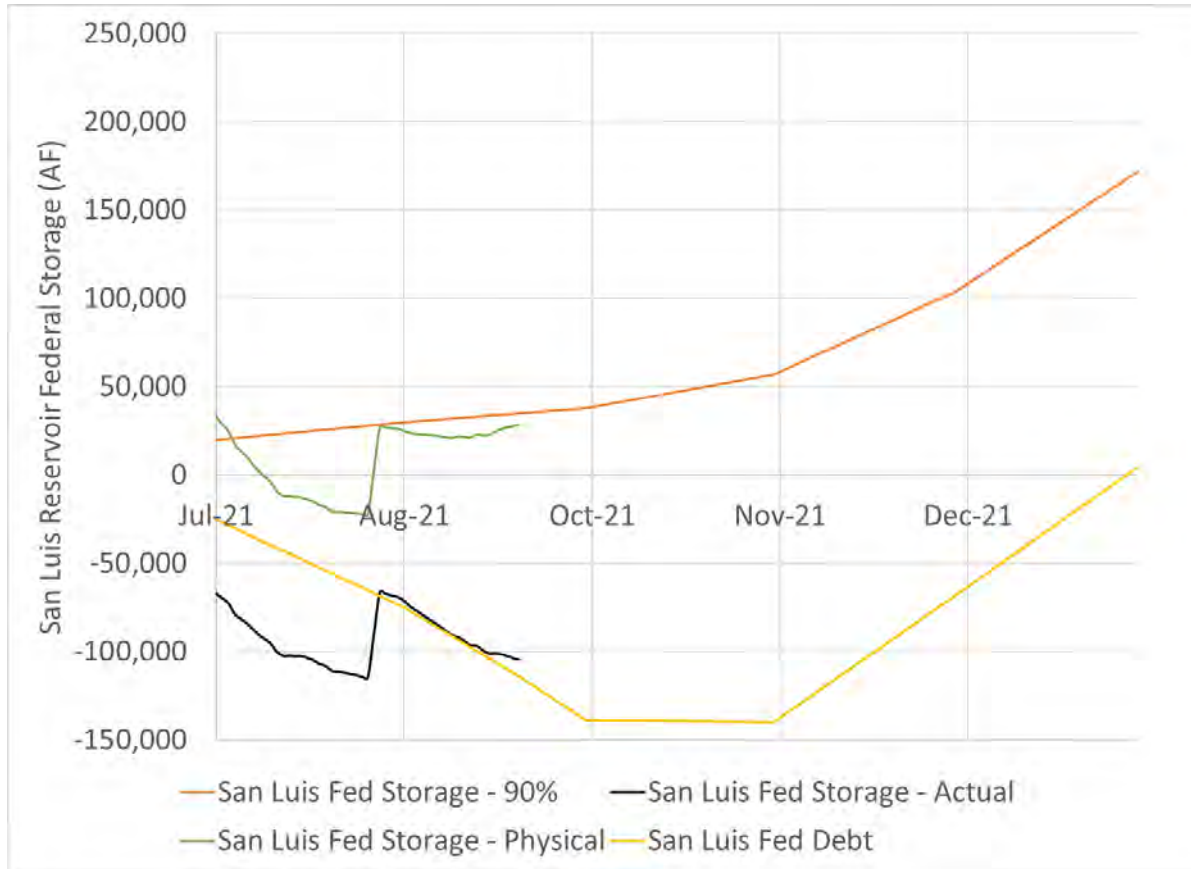


Figure 4. San Luis Federal Storage – August Exceedance Projections Compared to Actuals

Table 2. Forecasted San Luis Reservoir Accounting

	Aug	Sep	Oct	Nov	Dec	Total
Transfer Export	20	97	48	0	0	164
Project Export	34	33	92	135	124	417
Total Export	53	130	140	135	124	581
DMC/Pool	107	72	69	45	31	323
Dos Amigos	21	31	12	9	9	83
Pacheco	9	8	9	6	6	37
CVP SL Evap	8	4	3	3	3	21
Total Use	144	115	93	63	50	465
CVP SL Storage	-75	-62	-16	56	131	
Transfer Use	20	20	0	0	0	40
Reschdl / other use	40	40	10	8	0	98
Project Use	84	55	83	55	50	327
Transfer export-use	0	77	48	0	0	124
Project export-use	-50	-22	9	80	74	91
SL transfer storage	0	76	124	124	124	
Deficit (tot SL - transf)	-75	-139	-140	-68	7	

Friant Division Allocation

Friant Division Contractors

The initial CVP Friant allocation of 20% of Class 1 supplies (160 TAF) has remained unchanged.

San Joaquin River Restoration Allocation

An updated and final allocation was released on June 25th, with the allocation remaining at a Critical-High level of 70,919 AF. On June 1st, the RA submitted a revised schedule, which called for zero Restoration flow releases from June 3rd through September 10th, with the intent of preserving cold-water pool in Millerton Reservoir. No additional Buffer Flows are incorporated into the recommendation. The Restoration Administrator has indicated his intent to extend the period of zero to low Restoration Flows through the end of September. The RA is expected to submit a revised written recommendation around October 1st.

San Joaquin River Restoration Recapture

WY 2021 recapture and conveyance agreements with PID and BCID have been approved by the FWA Board and both district boards. The agreements are effective March 1, 2021 through February 28, 2022. The SWRCB approved a one-year recapture permit on April 30. No recapture had occurred prior to the halting of restoration flows due to lack of capacity at both PID and BCID. It is uncertain at this time how much capacity will be available when Restoration flows resume. If all available flows can be recaptured after September, then total recapture could be close to 6 TAF.

AGENDA REPORT

NO.4.C

DATE: September 23, 2021

TO: Board of Directors

FROM: Alex Biering, Government Affairs and Communications Manager
Johnny Amaral, Chief of External Affairs

SUBJECT: External Affairs Update

SUMMARY:

Update on State and Federal affairs and communications activities.

RECOMMENDED ACTION:

None; informational only.

SUGGESTED MOTION:

None; informational only.

DISCUSSION:

State Affairs

Conveyance Funding/SB 559

On Sept. 8, Senator Melissa Hurtado moved Senate Bill (SB) 559 into the Assembly's "inactive" file after it received substantial amendments in the Assembly Appropriations Committee, which passed it on Aug. 26. If enacted with the committee's amendments, the bill would have severely jeopardized the ability of the bill's sponsors to receive any funding for their canal repairs. Senator Hurtado and the bill's sponsors, including FWA, State Water Contractors, and San Luis & Delta-Mendota Water Authority, released statements expressing disappointment in the amendments (attached).

FWA staff have been working with DWR to plan for how to disburse grants from the \$100 million included in the 2021/2022 State Budget for conveyance as quickly as possible and with minimal additional bureaucratic headaches involved. They have also been very clear that they anticipate the second \$100 million the Governor proposed in May 2021 for this effort will be included in his budget next January.

End of Session

The Governor has one month from the end of the legislative session to act on any bill the Legislature has passed. Session ended on Sept. 10, which means that he'll have until October 10 to veto or sign any bill. Among the more than 800 bills the Legislature took action on in the final days of session were two budget trailer bills related to natural resources, SB 155 and SB 170. A few interesting items of note in SB 170:

- \$265 million that appears to support Voluntary Agreement implementation (sec. 10, 11, and 54).
- \$50 million to support the multibenefit land repurposing program proposed in AB 252 (sec. 44).
- \$20 million in for an “Aqueduct Solar Panel Pilot Study,” (sec. 79).
- An additional \$120 million (for a total of \$180 million) for SGMA implementation, \$60 million of which is for use specifically and only in the San Joaquin Valley (sec. 80).

Water Funding Initiative

Currently, an effort is underway to place an initiative on the November 2022 statewide ballot that would dedicate “Water Infrastructure Funding Act of 2022.” The draft language submitted to the Secretary of State (attached) intends to enact a state constitutional amendment requiring that 2% of each year’s General Fund budget be dedicated to water supply projects until the State can certify that a minimum increase of 5,000,000 AF of additional water supply has been created for human use. This would represent a substantial funding source for water projects; for reference, if this requirement was in place for the 2021/2022 budget, California would have dedicated \$3.9 billion to water infrastructure. Projects eligible for this funding could include surface or groundwater storage, desalination, recycling and water treatment, and delivery system improvements, among others. A group of state legislators has signed a statement of support for the measure (attached).

Federal Affairs

The Senate was in session last week while the House was in recess. However, several House committees held virtual/hybrid markups and hearings.

The Senate will consider several judicial and executive nominations made by President Joe Biden, including: James Kvaal to be Under Secretary of Education; David Estudillo to be a U.S. District Judge for the Western District of Washington; Angel Kelley to be a U.S. District Judge for the District of Massachusetts; and Veronica Rossman to be a U.S. Circuit Judge for the Tenth Circuit. The Senate will also consider the motion to invoke cloture on a new compromise version of the For the People Act of 2021 (S. 2093), which makes changes to voting and campaign finance rules, including addressing a national requirement for voter identification, partisan gerrymandering, and the disclosure of “dark” campaign money. The bill is unlikely to overcome a 60-vote filibuster. Several Senate committees also met to advance executive nominations to the full Senate, including the Environment and Public Works Committee’s consideration of former Deputy Secretary of the Interior Michael Connor to be Assistant Secretary of the Army for Civil Works (responsible for overseeing the U.S. Army Corps of Engineers).

Eight House committees marked-up of their parts of congressional Democrats’ \$3.5 trillion budget reconciliation package, which incorporates large swaths of President Biden’s proposed American Jobs and Families Plans unveiled earlier this year. On 9/13, the House Agriculture; Judiciary; Energy and Commerce; Financial Services; and Veterans Affairs Committees held their markups. On 9/14, the House Transportation and Infrastructure and Homeland Security Committees held their markups. And on Tuesday and Wednesday, the House Ways and Means Committee completed its markup “to combat the climate crisis, create jobs, encourage economic and affordable housing development, extend tax cuts for workers and families, lower health care costs, and reinstate key tools to help states and localities finance investments, as well as measures on funding these priorities.” Five House committees have already

completed their markups: Oversight and Reform; Natural Resources; Small Business; Science, Space and Technology; and Education and Labor. The House committees face a Wednesday, September 15 deadline to markup their sections and send them to the House Budget Committee for a final markup. The earliest the House will consider the legislation is during the week of September 20, however, this timeline could easily slip to the week of September 27 or early October.

During the week of September 20, the House will vote on the \$778 billion National Defense Authorization Act for Fiscal Year 2022 (H.R. 4350), which the House Armed Services Committee approved by a vote of 57-2 on September 2. The annual NDAA authorizes the appropriation of budget authority for the Department of Defense (DoD), in addition to containing provisions governing the number of military personnel, rates of their compensation, DoD organization, weapons acquisition policy, and other aspects of U.S. national security policy. The FY22 bill includes \$549 million in dedicated funding for the cleanup of per- and polyfluoroalkyl substances (PFAS) at DoD sites, where the chemicals are used in firefighting foams.

The House and Senate will also need to pass a short-term spending bill (Continuing Resolution [CR]) by Thursday, September 30 to temporarily fund the federal government and avoid a shutdown beginning the first day of Fiscal Year 2022 on October 1. The House will likely vote on the CR during the week of September 20, and the CR will likely last through either December 3, or 10, 2021. Additional items that will very likely be part of the CR include: a suspension or increase of the federal debt limit; a short-term extension of the federal surface transportation programs included in the 2015 FAST Act; a short-term extension of the National Flood Insurance Program (NFIP); a short-term extension of the Temporary Assistance for Needy Families (TANF) block grant authorization and other related programs; and emergency supplemental appropriations to address Hurricane Ida and other storms and natural disasters in 2020 and 2021. In a blog post last week, White House Office of Management and Budget (OMB) Acting Director Shalanda Young wrote that the Biden Administration is requesting the short-term CR include over \$30 billion in emergency funds for disaster relief and aid for Afghan refugees, in addition to funding “anomalies,” or deviations from simple extensions of funding provided in appropriations last year for FY 2021.

BUDGET IMPACT:

None.

ATTACHMENTS:

Sen. Hurtado’s news release on SB 559 (Sept. 8, 2021); Joint statement from bill sponsors on SB 559 being pulled into the inactive file (Sept. 8, 2021); Draft initiative language for the “Water Infrastructure Funding Act of 2022”; Endorsement letter from state legislators on water infrastructure initiative (Sept. 10, 2021); Family Farm Alliance Executive Director’s Report for September 2021.

Hurtado Releases Statement on Decision to Hold SB 559--The State Water Resiliency Act of 2021--in Assembly

September 8, 2021



For Immediate Release: September 8, 2021

Media Contact: Michelle.Sherwood@sen.ca.gov

HURTADO RELEASES STATEMENT ON DECISION TO HOLD SB 559—THE STATE WATER RESILIENCY ACT OF 2021--IN ASSEMBLY

SACRAMENTO, CA – Today, Senator Melissa Hurtado (D-Sanger) released the following statement after making the decision to hold her bill, Senate Bill 559—The State Water Resiliency Act of 2021--on the Assembly Floor:

“Western States are at war with climate change driven drought,” said Senator Hurtado. “The situation continues to worsen, and solutions for us to adapt are clear. The cries for help from communities that are running out of water and from struggling farmers wasn’t enough to stop forced Assembly amendments to a sound solution. It is unfortunate, but I will not add further pain to struggling farmworkers and communities. For this reason—I am withholding SB 559 for a vote this session. I’m disappointed, but will keep pushing to secure adequate funding for water infrastructure, and I hope to further inform my colleagues on the consequences of drought—namely food insecurity and water shortages as I chair hearings on the Select Committee on Human Security.”

Senate Bill 559—The State Water Resiliency Act of 2021—as introduced would have created a blueprint for fully funding the repair of our vital water delivery systems that provide drinking water to communities throughout California and water to sustain the state’s leading agricultural economy. The bill outlined a funding path to fix the Friant-Kern Canal, the Delta-Mendota Canal and major portions of the California Aqueduct, all of which have degraded and are losing water as a result of subsidence – the actual shrinking of land. Congressman Jim Costa and U.S. Senator Dianne Feinstein have companion legislation in Congress.

In his May Revise, Governor Gavin Newsom proposed \$200 million to help repair the canals. In the budget ultimately adopted by the Legislature and signed by the Governor, \$100 million was allocated to fixing the canals.

Senate Bill 559 passed out of the Appropriations Committee on August 26, with amendments that would place fund administration under the Department of Water Resources in consultation with the Department of Fish and Wildlife. Under these amendments, the departments would have to follow various guidelines and conduct studies in order for funding to be released and allocated. These requirements will further complicate the process and the fund disbursement, slowing construction on the State's water conveyance canals. Assembly Appropriations amendments also deleted the specific funding allotments planned for in SB 559 as introduced.

About Senator Melissa Hurtado

Senator Melissa Hurtado represents a new generation of Latina leaders as the youngest woman ever elected to the California State Senate and a product of immigrant parents. Senator Hurtado represents the 14th Senate District and focuses on rural community issues that often go unheard — access to clean air and water, food insecurity and poverty, inequities in environmental policies, agriculture and access to health care. In July 2020, she was appointed to the national Biden Latino Leadership Committee alongside former Labor Secretary and current Los Angeles County Supervisor Hilda Solis — the only two California Latinas on the Committee.

For more information, visit Senator Hurtado's Website [here](#) or find her on Twitter at [@Senator_Hurtado](#)

###



FOR IMMEDIATE RELEASE:

September 8, 2021

CONTACT:

San Luis & Delta-Mendota Water Authority

Scott Peterson

(209) 597-0232

Friant Water Authority

Alexandra Biering

(916) 628-0431

State Water Contractors

Ian Anderson

(818) 268-6488

**Assembly Amendments Force Senator to Pull Vote on Critical
Infrastructure Repair, Sponsors Pledge to Continue Work with Senator
Hurtado**

*California's Water Conveyance Systems Remain in Dire Need of Repair to Secure the State's Limited
Water Resources and Deliver on the Promise of Safe and Reliable Water for All*

Sacramento, CA – Today, Senator Melissa Hurtado's SB 559 – The State Water Resiliency Act of 2021 – was moved to the Assembly Inactive File and will not proceed this year to a full vote of the Assembly. While the bill's sponsors are disappointed that SB 559 will not move forward this session, they support Senator Hurtado's decision to make SB 559 a two-year bill and remain committed to working with Senator Hurtado to re-engage on the bill during the next legislative year.

SB 559 represents a golden opportunity to support climate change resilience by facilitating the movement of significant amounts of water when it's wet to storage and for use during droughts. California's water conveyance systems identified in SB 559 provide drinking water to over 31 million people in Southern California, the Bay Area and Central Valley, including disadvantaged communities, as well as irrigation water to over 3 million acres of farmland.

SB 559 offers a holistic, statewide approach to restore the conveyance capacity of California's major critical water delivery infrastructure by creating a fund to provide up to \$785 million to repair canals, roads and bridges that have been damaged by decades of subsidence. The fund would advance repairs to the Friant-Kern Canal, Delta-Mendota Canal, San Luis Canal and California Aqueduct – California's main state and regional water conveyance infrastructure. The state fund SB 559 would create represents a third of the total cost for repairs as part of a three-way state/federal/local cost sharing arrangement. In fact, millions of federal dollars have already been secured, including \$250 million for the Friant-Kern Canal, \$3 million for the Delta-Mendota Canal, and the local cost share from the State Water Project is guaranteed. While the one-time \$100 million appropriation approved as part of the 2021-22 State Budget, along with a promise of another \$100 million next year, represents the Governor's commitment to getting these repairs done for California, additional state funding is necessary for the state to maintain parity with its local agency and federal partners.

“We are disappointed that SB 559 did not proceed to a full vote this year, however we support Senator Hurtado’s decision in light of the most recent amendments she was forced to accept. Ignoring California’s water infrastructure needs by delaying action on repairs has devastating effects on our economy, quality of life, climate resiliency, food security, ecosystem health and public safety. Just imagine if we had completed these repairs prior to this current drought, California would be in a much better place than we are now. Securing California’s water future by repairing and updating the infrastructure that 31 million people and 3 million acres of farmland rely on isn’t a choice, we must get it done. We look forward to continuing our work with Senator Hurtado next year on a bill that will secure much-needed state funding for canal repairs.”

Jennifer Pierre, General Manager of the State Water Contractors
Federico Barajas, Executive Director of the San Luis & Delta-Mendota Water Authority
Jason Phillips, Chief Executive Officer of Friant Water Authority

###

California Action
PO Box 730
Hilmar, CA 95324

RECEIVED

August 26, 2021

AUG 26 2021

Anabel Renteria
Initiative Coordinator
Office of the Attorney General
State of California
PO Box 994255
Sacramento, CA 94244-25550

INITIATIVE COORDINATOR
ATTORNEY GENERAL'S OFFICE

Re: Request for Title and Summary for Proposed Initiative

Dear Initiative Coordinator:

With this letter I submit a proposed statewide ballot measure in accordance with Article II of Section 10(d) of the California Constitution. I am the proponent of the measure and a registered voter in the State of California. Please prepare a circulating title and summary of the measure as provided by law.

Enclosed with this letter and text of the proposed measure is a check in the amount of \$2,000 and the affidavits required by the Elections Code.

Thank you for your time and attention processing my request.

Sincerely,



Edward Arthur Ring

Shawn Dewane

August 20, 2021

Anabel Renteria
Initiative Coordinator
Office of the Attorney General
State of California
PO Box 994255
Sacramento, CA 94244-25550

Re: Request for Title and Summary for Proposed Initiative

Dear Initiative Coordinator:

With this letter I submit a proposed statewide ballot measure in accordance with Article II of Section 10(d) of the California Constitution. I am a proponent of the measure and a registered voter in the State of California. Please prepare a circulating title and summary of the measure as provided by law.

Enclosed with this letter and text of the proposed measure is a check in the amount of \$2,000 and the affidavits required by the Elections Code.

Thank you for your time and attention processing my request.

Sincerely,



Shawn Dewane

Wayne Western Jr

August 20, 2021

Anabel Renteria
Initiative Coordinator
Office of the Attorney General
State of California
PO Box 994255
Sacramento, CA 94244-25550

Re: Request for Title and Summary for Proposed Initiative

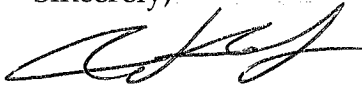
Dear Initiative Coordinator:

With this letter I submit a proposed statewide ballot measure in accordance with Article II of Section 10(d) of the California Constitution. I am a proponent of the measure and a registered voter in the State of California. Please prepare a circulating title and summary of the measure as provided by law.

Enclosed with this letter and text of the proposed measure is a check in the amount of \$2,000 and the affidavits required by the Elections Code.

Thank you for your time and attention processing my request.

Sincerely,

A handwritten signature in black ink, appearing to read 'Wayne Western Jr', written in a cursive style.

Wayne Western Jr

Stephen Rex Sheldon

August 20, 2021

Anabel Renteria
Initiative Coordinator
Office of the Attorney General
State of California
PO Box 994255
Sacramento, CA 94244-25550

Re: Request for Title and Summary for Proposed Initiative

Dear Initiative Coordinator:

With this letter I submit a proposed statewide ballot measure in accordance with Article II of Section 10(d) of the California Constitution. I am a proponent of the measure and a registered voter in the State of California. Please prepare a circulating title and summary of the measure as provided by law.

Enclosed with this letter and text of the proposed measure is a check in the amount of \$2,000 and the affidavits required by the Elections Code.

Thank you for your time and attention processing my request.

Sincerely,

A handwritten signature in black ink that reads "Stephen Rex Sheldon". The signature is written in a cursive, flowing style.

Stephen Rex Sheldon

Geoffrey Todd Vanden Heuvel

August 20, 2021

Anabel Renteria
Initiative Coordinator
Office of the Attorney General
State of California
PO Box 994255
Sacramento, CA 94244-25550

Re: Request for Title and Summary for Proposed Initiative

Dear Initiative Coordinator:

With this letter I submit a proposed statewide ballot measure in accordance with Article II of Section 10(d) of the California Constitution. I am a proponent of the measure and a registered voter in the State of California. Please prepare a circulating title and summary of the measure as provided by law.

Enclosed with this letter and text of the proposed measure is a check in the amount of \$2,000 and the affidavits required by the Elections Code.

Thank you for your time and attention processing my request.

Sincerely,



Geoffrey Todd Vanden Heuvel

Water Infrastructure Funding Act of 2022

SECTION 1. TITLE

This measure shall be known and may be cited as the “Water Infrastructure Funding Act of 2022.”

SECTION 2. STATEMENT OF FINDINGS AND DECLARATION OF PURPOSE AND INTENT

The People of the State of California find and declare all of the following:

- (A) Pure, plentiful and affordable water is fundamental to our quality of life and key to the economic development of our community. Previous Constitutional Amendments have prioritized spending for public education, public safety and transportation.
- (B) It is long-past time for Californians to prioritize spending to increase California’s storage and supply of clean, safe drinking water for homes and businesses, water for agricultural use, and treatment, purification, reclamation of stormwater and wastewater, while responsibly protecting the environment. The answer to the drought is to increase the supply of water, through surface and subsurface storage, waste water treatment, and desalination, including ocean and inland brackish water.
- (C) Water projects can take years to permit, and, once issued, those permits can be subject to lengthy litigation, delaying the realization of new water supplies.
- (D) Therefore, the people of the State of California hereby enact the “Water Infrastructure Funding Act of 2022” (the “Act”) to:
 - (1) Require the transfer of two percent (2%) of the State’s General Fund Revenue each and every year into a trust account until the State certifies that water projects funded, in whole or in part, have created a minimum increase of five million acre-feet (5,000,000 AF) of additional annual water supply that can be reliably delivered to Californians every year thereafter;
 - (2) Provide “pay-as-you-go” funding for certain water projects ready for immediate construction while also authorizing the issuance of general obligation bonds which may be repaid using up to half of the revenue transferred into the trust account each year for larger, longer-term water projects, all for the purpose of creating a minimum of five million acre-feet (5,000,000 AF) of additional annual water supply;
 - (3) Require that such projects include new or increased storage capacity in reservoirs and aquifers, desalination, recycling and treatment of waste and stormwater, repair and upgrade to water systems for the delivery of clean, safe drinking water for homes and businesses, and water for agricultural uses, and other projects designed to increase the safe and affordable supply of water to all Californians;
 - (4) Except as necessary to repay any outstanding bonds issued pursuant to this Act, this annual minimum funding requirement shall become inoperative upon the State’s certification that a

minimum of five million acre-feet (5,000,000 AF) of additional annual water supply capacity has been created and is being delivered to California's urban and agricultural consumers; and

(5) Provide for streamlined administrative processing and judicial review of water projects funded, in whole or in part by this Act.

SECTION 3. MINIMUM FUNDING GUARANTEE FOR WATER INFRASTRUCTURE PROJECTS

Section 2.5 is added to Article X of the Constitution to read:

SEC 2.5(a) The Treasurer shall annually transfer an amount equal to two percent (2%) of all state revenues which may be appropriated pursuant to Article XIII B, from the General Fund to the Water Supply Infrastructure Trust Account, which is hereby created in the State Treasury. The first annual transfer shall occur in the first fiscal year following the effective date of this section.

(b) Moneys in the trust account are hereby continuously appropriated, notwithstanding Section 13340 of the Government Code, to the California Water Commission for allocation to eligible projects that will help achieve the creation of a minimum of five million acre-feet (5,000,000 AF) of additional annual water supply capacity, including, and limited to, the following project categories:

(1) Development or expansion of groundwater aquifer storage, remediation, and recovery projects;

(2) Recycling, purification, and treatment of stormwater and wastewater to water reuse standards, including but not limited to current drinking water standards;

(3) Expansion, repair, or replacement of existing surface reservoirs, and construction of new surface reservoirs;

(4) Desalination plants;

(5) Water conveyance development, maintenance, or expansion, for the delivery of clean, safe drinking water for homes and businesses, and water for agricultural uses;

(6) Other projects designed to increase the clean, safe and affordable supply of water to all Californians with emphasis on California's disadvantaged communities, and other projects designed to increase conservation; and

(7) Research and development of new technologies designed to increase the clean, safe and affordable supply of water to all Californians, subject to an annual limit of no more than two percent (2%) of available funds.

(c) The Commission shall allocate and provide funding or, where applicable, additional funding in an amount necessary to complete a project that will begin delivery of water to California's urban and agricultural consumers from the Trust Account, based on the following priorities:

(1) Projects approved by the Commission as submitted pursuant to Section 79750(b) and (c) of the Water Code, on or before July 1, 2021;

(2) The applicant is a public agency, joint powers authority, or a public-private partnership for the entitlement, design, construction, operation, and maintenance of the project, and the project will be owned, in whole or in part, by the applicant;

(3) The applicant is ready and able to commence the project immediately upon issuance of all necessary construction permits and will complete the project and begin delivery of water to California's urban and agricultural consumers within three years from the allocation; and

(4) The applicant is ready and able to commence the project immediately upon issuance of all necessary construction permits and will complete the project and begin delivery of water to California's urban and agricultural consumers within a reasonable period of time.

(d) One or more of the following must apply to any project allocated funding from the Trust Account:

(1) the project is a public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code;

(2) the applicant certifies, to the Commission's satisfaction, that all contracts for the performance of the work shall ensure that all construction workers employed on project construction will be paid at least the general prevailing rate of per diem wages for the type of work and geographic area, as determined by the Director of Industrial Relations pursuant to Sections 1773 and 1773.9 of the Labor Code, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate; or

(3) the applicant certifies, to the Commission's satisfaction, that all contracts for the project shall ensure that a skilled and trained workforce will be used to perform all project construction work, including every contractor and subcontractor at every tier.

(e) Except as necessary to repay any outstanding bonds issued pursuant to this Act, this section shall become inoperative upon the State's certification that a minimum of five million acre-feet (5,000,000 AF) of additional annual water supply capacity has been created after the effective date of this section by the projects specified in subdivision (b) and is being delivered to California's urban and agricultural consumers. For purposes of this section, "additional annual water supply capacity" shall be measured as follows:

(1) For water storage projects funded by this Act, the amount of additional annual water supply capacity shall be calculated based on the average annual yield the projects produce instead of their storage capacities.

(2) For water recycling, treatment, purification to drinking water standards, desalination, and other projects funded by this Act, the amount of new annual water supply capacity shall be calculated based on average annual output capacity.

(3) For projects partially funded under this section, the amount of new annual water supply capacity shall be calculated based on their average annual yield prorated in accordance with the percent of funding provided under this section compared to total project funding.

(4) For projects designed to increase water conservation, up to one million acre-feet (1,000,000 AF) of water conserved annually may count towards the five million acre-feet (5,000,000 AF) of additional annual water supply capacity as required in subdivision (b).

(5) If the State, or any public agency, eliminates any water producing infrastructure, or by regulation reduces the supply of water from existing infrastructure, that existed prior to the effective date of this Act and provided water for urban and agricultural consumers, the Commission shall increase the minimum requirement of creating five million acre-feet (5,000,000 AF) of additional annual water supply capacity by the same amount of water supply reduced by the elimination of such infrastructure or reduction of supply from such infrastructure.

(f) The projects funded or partially funded by this section, including projects identified in subdivision (c)(1), shall be deemed to be for the reasonable and beneficial use of the state's water resources and such uses are in the interest of the people, and for their public welfare as provided in Section 2 of this article.

(g) The Commission may enact regulations pursuant to the Administrative Procedures Act to implement this section.

(h) Notwithstanding any other provision of law, the Commission is prohibited from utilizing or developing any beneficial use rating when allocating funding from the Trust Account to projects pursuant to this section.

(i) Within the Trust Fund, the Commission shall establish an account for the legal defense of the Act and of projects approved pursuant to the Act, including the Water Supply Infrastructure Bond Act of 2022. The Commission shall allocate money in the Trust Fund to the account, as necessary to provide money to any public agency requesting assistance to reimburse the necessary and actual legal defense costs associated with the agency's project, and shall reimburse the Department of Justice, if the Department undertakes the legal representation of the State or the Commission.

(j) This Act is intended to supplement, and not supplant, existing funding for water infrastructure projects. Thus, any funding for such a project by this Act shall not preempt, nullify, or in any way impede, any existing funding for these projects, to the extent work has begun or will be performed on the projects on or after the effective date of this section.

(k) On or before June 30 of each fiscal year, the Chair of the California Water Commission shall certify, under penalty of perjury, the amount, by acre-feet, of additional annual water supply capacity that has been created after the effective date of this section by the projects specified in subdivision (b) and is being delivered to California's urban and agricultural consumers. When the Chair determines that a minimum of five million acre-feet (5,000,000 AF) of additional annual water supply capacity has been created after the effective date of this section by the projects specified in subdivision (b) and is being delivered to California's urban and agricultural consumers, such certification shall be reviewed by the State Auditor. If the State Auditor confirms the Chair's certification, the Chair shall notify the Governor, the Treasurer, and the Legislature.

(l) After the State certifies that a minimum of five million acre-feet (5,000,000 AF) of additional annual water supply capacity has been created after the effective date of this section by the projects

specified in subdivision (b) and is being delivered to California's urban and agricultural consumers pursuant to subdivision (k), any funds remaining in the Trust Fund shall be used to pay down any remaining bond debt authorized by this Act.

SECTION 4. WATER SUPPLY INFRASTRUCTURE BOND ACT OF 2022

Division 26.8 (commencing with Section 79800) is added to the Water Code to read:

DIVISION 26.8. WATER SUPPLY INFRASTRUCTURE BOND ACT OF 2022

Chapter 1. Title/Definitions

Sec. 79800(a) This division shall be known, and may be cited, as the Water Supply Infrastructure Bond Act of 2022.

(b) As used in this division, the following definitions apply:

(1) "Committee" means the Water Supply Infrastructure Finance Committee created pursuant to Section 79806.

(2) "Fund" means the Water Supply Infrastructure Fund created pursuant Section 79801.

(3) "Public agency" means a board, commission, county, city and county, city, regional agency, district, federally recognized Indian tribe, other public entity, or public-private partnership.

(4) "State General Obligation Bond Law" means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), as it may be amended from time to time.

(5) "Water Supply Infrastructure Trust Account" means the Water Supply Infrastructure Trust Account created pursuant to Section 2.5 of Article X of the Constitution.

Chapter 2. General Provisions

Sec. 79801. The proceeds of bonds, excluding those issued in accordance with Section 79813, issued and sold pursuant to this Bond Act, shall be deposited in the Water Supply Infrastructure Fund, which is hereby created in the State Treasury. All moneys in the fund, notwithstanding Section 13340 of the Government Code, are hereby continuously appropriated without respect to fiscal years for the purposes of this Bond Act.

Sec. 79802. An eligible applicant that is allocated funds for a water supply infrastructure project pursuant to this Bond Act, shall not use more than five percent (5%) of the funds allocated for the project to pay the administrative costs of the project.

Sec. 79803(a) The bonds issued pursuant to Section 79804 shall be available for the construction and acquisition of capital asset water supply infrastructure projects that will help achieve the creation of a minimum of five million acre-feet (5,000,000 AF) of additional water supply, as provided in Section 2.5 of Article X of the Constitution.

(b) Water supply infrastructure projects eligible for funding pursuant to this Bond Act shall be approved by the California Water Commission based on the priorities stated in subdivision (c) of Section 2.5 of Article X of the Constitution and allocated to eligible projects that will help achieve the creation of a minimum of five million acre-feet (5,000,000 AF) of additional water supply per year, including:

- (1) Development or expansion of groundwater aquifer storage, remediation, and recovery projects;
- (2) Recycling, purification, and treatment of stormwater and wastewater to water reuse standards, including but not limited to current drinking water standards;
- (3) Expansion, repair, or replacement of existing surface reservoirs, and construction of new surface reservoirs;
- (4) Desalination plants;
- (5) Water conveyance development, maintenance, or expansion, for the delivery of clean, safe drinking water for homes and businesses, and water for agricultural uses; and
- (6) Other projects designed to increase the clean, safe and affordable supply of water to all Californians with emphasis on California's disadvantaged communities, and other projects designed to increase conservation.

Chapter 3. Fiscal Provisions

Sec. 79804(a) Bonds, equal to an amount wherein principal and interest payments do not exceed fifty percent (50%) of the amount annually transferred from the General Fund pursuant to Section 2.5 of Article X of the Constitution, not including the amount of any refunding bonds issued in accordance with Section 79813, shall be issued and sold for the purposes expressed in Sections 79802 and 79803, inclusive, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The committee shall annually estimate the allowable amount of bonds that may be issued, and the bonds shall be retired within fifty (50) years of the time of contracting. The bonds, when sold, issued, and delivered, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) The Treasurer shall issue and sell the bonds authorized in subdivision (a) in the amount determined by the committee pursuant to Section 79807. The bonds shall be issued and sold upon the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 16731 of the Government Code.

Sec. 79805(a) The bonds authorized by this Bond Act shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law apply to the bonds, and this Bond Act, and are hereby incorporated as though set forth in full in this Bond Act.

(b) For purposes of this Bond Act, the references to “committee” in the State General Obligation Bond Law shall mean the Water Supply Infrastructure Finance Committee created in Section 79806, and the references to “board” in the State General Obligation Bond Law shall mean the California Water Commission.

Sec. 79806(a) Solely for the purpose of authorizing the issuance and sale pursuant to the State General Obligation Bond Law of the bonds authorized by this Bond Act, the Water Supply Infrastructure Finance Committee is hereby created.

(b) The committee consists of the Controller, the Treasurer, the Director of Finance, and the Chair of the California Water Commission. Notwithstanding any other law, any member may designate a representative to act in the member’s place for all purposes, as though the member were personally present.

(c) The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

Sec. 79807. The committee shall determine by resolution the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

Sec. 79808. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds becoming due each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

Sec. 79809(a) Notwithstanding Section 13340 of the Government Code, there is hereby continuously appropriated from the Water Supply Infrastructure Trust Account, for the purposes of this Bond Act, and without regard to fiscal years, an amount that equals the total of both of the following:

(1) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this Bond Act, as the principal and interest become due and payable.

(2) The sum necessary to carry out Section 79811.

(b) If there is insufficient funding in the Water Supply Infrastructure Trust Account to pay the amounts described in subdivision (a), any excess amount is, notwithstanding Section 13340 of the Government Code, hereby continuously appropriated from the General Fund in the State Treasury to pay the amounts described in subdivision (a).

Sec. 79810. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this Bond Act, less any amount withdrawn pursuant to Section 79811 and not yet returned to the Water Supply Infrastructure Trust Account. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution,

authorized to be sold for the purpose of carrying out this Bond Act, excluding any refunding bonds authorized pursuant to Section 79813, less any amount loaned pursuant to this section and not yet repaid and any amount withdrawn from the Water Supply Infrastructure Trust Account pursuant to Section 79811 and not yet returned to the Water Supply Infrastructure Trust Account. The board shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this Bond Act.

Sec. 79811. For the purposes of carrying out this Bond Act, the Director of Finance may authorize the withdrawal from the Water Supply Infrastructure Trust Account of an amount not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this Bond Act, excluding any refunding bonds authorized pursuant to Section 79813, less any amount loaned pursuant to Section 79810 and not yet repaid, and any amount withdrawn from the Water Supply Infrastructure Trust Account pursuant to this section and not yet returned to the Water Supply Infrastructure Trust Account. Any amounts withdrawn shall be deposited in the fund. Any moneys made available under this section shall be returned to the Water Supply Infrastructure Trust Account from proceeds received from the sale of bonds for the purpose of carrying out this Bond Act.

Sec. 79812. All moneys deposited in the fund that are derived from premium and accrued interest on bonds sold pursuant to this Bond Act, shall be reserved in the fund and shall be available for transfer to the Water Supply Infrastructure Trust Account as a credit to expenditures for bond interest, except those amounts derived from premium may be reserved and used to pay the cost of bond issuance before any transfer to the Water Supply Infrastructure Trust Account.

Sec. 79813. The bonds issued and sold pursuant to this Bond Act, may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state of the measure adding this division to the Water Code includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this Bond Act, or any previously issued refunding bonds. Any bond refunded with the proceeds of refunding bonds as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing that refunded bond.

Sec. 79814. Notwithstanding any other provision of this Bond Act, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this Bond Act, that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions or is otherwise entitled to any federal tax advantage, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment of earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds or earnings required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

Sec. 79815. The proceeds from the sale of bonds authorized by this Bond Act, are not “proceeds of taxes” as that term is used in Article XIII B of the Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

SECTION 5. CALIFORNIA ENVIRONMENTAL QUALITY ACT COMPLIANCE AND STREAMLINED REVIEW

Article 7 (commencing with Section 21159.50) of Chapter 4.5 of Division 13 of the Public Resources Code is added to read:

Sec. 21159.50(a) Except as provided in Section 21159.51, the provisions of the California Environmental Quality Act (“CEQA”) shall apply to water projects allocated funding in whole or in part by Section 2.5 of Article X of the Constitution or the Water Supply Infrastructure Bond Act of 2022.

(b) Notwithstanding subdivision (a), the Water Commission’s determination to allocate funding pursuant to Section 2.5 of Article X of the Constitution or the Water Supply Infrastructure Bond Act of 2022 shall not constitute a “project” pursuant to Section 21065 of the Public Resources Code and shall be exempt from CEQA.

Sec. 21159.51(a) Projects allocated funding in whole or in part by Section 2.5 of Article X of the Constitution or the Water Supply Infrastructure Bond Act of 2022 may elect to be subject to streamlined review of an agency’s compliance with the California Environmental Quality Act (“CEQA”) as follows:

(1) For projects electing to be governed by the provisions of this section, within 10 days of the project’s allocation of funding as described in subdivision (a), the lead agency shall issue a public notice providing the following:

“THE APPLICANT HAS ELECTED TO PROCEED UNDER PUBLIC RESOURCES CODE SECTION 21159.51, WHICH PROVIDES, AMONG OTHER THINGS, THAT ANY JUDICIAL ACTION CHALLENGING AN AGENCY’S COMPLIANCE WITH CEQA OR THE APPROVAL OF THE PROJECT DESCRIBED IN THE ENVIRONMENTAL DETERMINATION IS SUBJECT TO THE PROCEDURES SET FORTH IN PUBLIC RESOURCES CODE SECTION 21159.51. A COPY OF PUBLIC RESOURCES CODE SECTION 21159.51 IS INCLUDED BELOW.”

(2) The public notice shall be distributed by the lead agency as required for public notices issued pursuant to paragraph (3) of subdivision (b) of Section 21092.

(b) Notwithstanding any other law, the procedures set forth in this section shall apply to any action or proceeding brought to attack, review, set aside, void, or annul the certification or approval of any environmental determination or granting of project approvals for a project electing to be governed by the provisions of this section.

(c) Rules 3.2220 to 3.2237, inclusive, of the California Rules of Court, as may be amended by the Judicial Council, shall apply to any action or proceeding brought to attack, review, set aside, void, or annul the certification or approval of any environmental determination or granting of project approvals for a project electing to be governed by the provisions of this section, to require the action or proceeding, including any potential appeals therefrom, to be resolved, to the extent

feasible, within two hundred seventy (270) days of the filing of the certified record of proceedings with the court.

(d) Notwithstanding any other law, in connection with any environmental review following allocation of funding for a project electing to be governed by the provisions of this section, the preparation and certification of the administrative record shall be performed in the following manner at the applicant's expense:

(1) The lead agency or responsible state agency (for purposes of this section, the "Agency") shall prepare the record of proceedings pursuant to this division concurrently with the administrative process.

(2) All documents and other materials placed in the record of proceedings after the project's allocation of funding under Section 2.5 of Article X of the Constitution or the Water Supply Infrastructure Bond Act of 2022 shall be posted on, and be downloadable from, an Internet Web site maintained by the Agency commencing with the date of the release of the project's draft environmental impact report or other environmental determination.

(3) The Agency shall make available to the public in a readily accessible electronic format the project's draft environmental impact report or other environmental determination and all other documents submitted to, or relied on by, the Agency in the preparation of the project's draft environmental impact report or other environmental determination.

(4) A document prepared by the Agency or submitted by the applicant after the date of the release of the project's draft environmental impact report or other environmental determination that is a part of the record of the proceedings shall be made available to the public in a readily accessible electronic format within five (5) business days after the document is released or received by the Agency.

(5) The Agency shall encourage written comments on the project to be submitted in a readily accessible electronic format, and shall make any comment available to the public in a readily accessible electronic format within five (5) business days of receipt.

(6) Within seven (7) business days after the receipt of any comment that is not in an electronic format, the Agency shall convert that comment into a readily accessible electronic format and make it available to the public in that format.

(7) Notwithstanding paragraphs (2) to (6), inclusive, documents submitted to or relied on by the Agency that were not prepared specifically for the project and are copyright protected are not required to be made readily accessible in an electronic format. For those copyright-protected documents, the Agency shall make an index of these documents available in an electronic format no later than the date of the release of the project's draft environmental impact report or other environmental determination, or within five business days if the document is received or relied on by the Agency after the release of the project's draft environmental impact report or environmental determination. The index shall specify the libraries or Agency offices in which hardcopies of the copyrighted materials are available for public review.

(8) The Agency shall certify the final record of proceedings within five days of its approval of the project.

(9) Any dispute arising from the record of proceedings shall be resolved by the Superior Court. Unless the Superior Court directs otherwise, a party disputing the content of the record shall file a motion to augment the record at the time it files its initial brief.

(10) The contents of the record of proceedings shall be as set forth in subdivision (e) of Section 21167.6.

(e) (1) In granting relief in an action or proceeding subject to this section, the court shall not stay or enjoin the construction or operation of any project described in subdivision (a) unless the court finds either (i) that the continued construction or operation of the project presents an imminent threat to public health and safety, or (ii) that the project site contains unforeseen important Native American artifacts or unforeseen important historical, archaeological, or ecological values that would be materially, permanently, and adversely affected by the continued construction or operation of the project unless the court stays or enjoins the construction or operation of the project.

(2) If the court finds that either (i) or (ii) of subsection (1) is satisfied, the court shall only enjoin those specific activities associated with the project that present an imminent threat to public health and safety or that materially, permanently, and adversely affect unforeseen important Native American artifacts or unforeseen important historical, archaeological, or ecological values.

(f) For a period of five years after the certification or adoption of the project's most recent environmental determination, subdivisions (b) and (c) of Section 21166 of the Public Resources Code shall not apply and "substantial changes" as used in subdivision (a) of Section 21166 of the Public Resources Code shall only mean changes to the project that result in more than a five percent (5%) increase in the project's total floor area and/or production capacity, beyond the scope of the project analyzed in the project's environmental determination.

(g) This section applies prospectively and retroactively to any approvals by a lead agency or a responsible agency for a project electing to proceed pursuant to this section. This section also applies prospectively and retroactively to any such project with any causes of action and claims that are pending as of the effective date of this section and for which no final nonappealable judgment has been entered prior to the effective date of this section.

SECTION 6. CALIFORNIA COASTAL COMMISSION REVIEW

Section 30412.5 of the Public Resources Code is added to read:

Sec. 30412.5(a) Notwithstanding any other provision of law, with respect to any project allocated funding in whole or in part by Section 2.5 of Article X of the Constitution or the Water Supply Infrastructure Bond Act of 2022, the Secretary of the Natural Resources Agency shall have the authority to review, approve, deny, and/or issue any Coastal Commission action or inaction for such project, including without limitation any coastal development permits or denials arising out of an appeal of an approval or a denial by a local government pursuant to a local coastal program or part thereof certified under Chapter 6 of Division 20 of the Public Resources Code, pursuant to the procedures set forth in this section. For purposes of this section, any project meeting the requirements of this subdivision (a) shall be referred to as a "funded water project." For purposes of this section, an appeal of an approval or a denial by a local government of a funded water project pursuant to a local coastal program or part thereof certified under Chapter 6 of Division 20 of the

Public Resources Code, including all local implementing ordinances and regulations related thereto, shall be referred to as a “local coastal program appeal.”

(b) The Secretary of the Natural Resources Agency shall have the authority to review the Coastal Commission action or inaction with respect to any funded water project subject to subdivision (a) as set forth herein:

(1) Notwithstanding Article 5 of Chapter 4.5 of Division 1 of Title 7 of the Government Code, the Coastal Commission shall render a final decision on any coastal development permit application, and/or local coastal program appeal(s) for a funded water project subject to subdivision (a) within ninety (90) days after submission of the application and/or local coastal program appeal or the Coastal Commission determines the application and/or local coastal program appeal is complete, whichever may occur first. If the Coastal Commission fails to act within such ninety-day (90 day) time period, the coastal development permit application and/or local coastal program appeal(s) shall be transferred to the Secretary of the Natural Resources Agency, who shall render a final decision on such application and/or local coastal program appeal(s).

(2) Within thirty (30) days following any decision by the Coastal Commission on a funded water project subject to subdivision (a), a project applicant may appeal the Coastal Commission’s decision to the Secretary of the Natural Resources Agency.

(3) For any Coastal Commission decision related to any funded water project subject to subdivision (a) issued subsequent to September 1, 2021, but before the effective date of this section, the project applicant may appeal any such decision to the Secretary of the Natural Resources Agency within thirty (30) days of the effective date of this section.

The Secretary may grant or deny any appeal filed pursuant to this subdivision, and shall render a final decision on any such appeal within ninety (90) days of the filing of such appeal. Should the Secretary approve any coastal development permit(s) for the funded water project, or grant any appeal filed hereunder, the Secretary may direct the Commission to issue the coastal development permit(s) or take any other action, on those terms and conditions that the Secretary may determine, in the Secretary’s sole discretion, are appropriate. In issuing such approval or direction regarding any such coastal development permit, the Secretary shall rely upon the project’s previous environmental determination(s) and no further environmental review shall be required under Division 13 (commencing with Section 21000) of the Public Resources Code. The Secretary shall adopt findings that reflect the action of the Secretary based upon prior environmental review. In reviewing the coastal development permit application and/or local coastal program appeal(s), or any other decision, the Secretary shall consider the State’s interest in diverse and resilient water supplies and mitigating the effects of drought on such supplies, and may conclude that such interests require modification of any decision of the Coastal Commission, or any condition imposed by the Coastal Commission on the funded water project.

(c) Notwithstanding the Secretary of the Natural Resources Agency’s certification of the regulatory program of the Coastal Commission dealing with the consideration and granting of coastal development permits pursuant to Section 21080.5 of the Public Resources Code, in

assessing the conformity of a funded water project with Chapter 3 (commencing with Section 30200) of the Public Resources Code and, if applicable, the local government's certified local coastal program for those portions of the project on appeal to the Coastal Commission, the Coastal Commission shall rely exclusively upon any environmental impact report or other environmental review document previously certified or adopted by the lead agency (and any responsible state agency, if applicable) pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code, and the Coastal Commission shall not require any new or revised environmental review pursuant to the California Environmental Quality Act prior to acting on such.

(d) Notwithstanding any other provision of law, including but not limited to Chapter 4, Article 3, and Chapter 5, Article 1, of Division 20 of the Public Resources Code, the Secretary of the Natural Resources Agency is designated as a state agency charged with implementation of Section 307 of the Federal Coastal Zone Management Act of 1972 (16 U.S.C. § 1456), and any regulations promulgated thereunder, with respect to decisions made by the Secretary pursuant to this section. In exercising such authority, the Secretary shall interpret and apply the applicable policies set forth in the certified California Coastal Management Program, including, but not limited to, the applicable policies set forth in Chapter 3 of Division 20 of the Public Resources Code, and shall determine the consistency of such funded water project with such policies. This section shall be submitted by the Governor to the United States Secretary of Commerce for certification as part of the California Coastal Management Program consistent with the requirements of 16 U.S.C. § 1455, subdivision (e) and 15 C.F.R. Part 923, subpart H.

(e) This section applies prospectively and retroactively to any approvals or denials of permits for a funded water project under Division 20 of the Public Resources Code or any local coastal program or part thereof approved by a local government lying, in whole or in part, within the coastal zone and certified under Chapter 6 of Division 20 of the Public Resources Code.

(f) The Coastal Commission may provide comment to the Water Commission during the Water Commission's funding allocation process.

SECTION 7. MANDATORY AUDITS

Article 5 (commencing with Section 8549.50) of Chapter 6.5 of Division 1 of Title 2 of the Government Code is added to read:

Sec. 8549.50(a) The California State Auditor shall annually conduct a programmatic review and an audit of expenditures from the Water Supply Infrastructure Fund and the Water Supply Infrastructure Trust Account.

(b) Notwithstanding Section 10231.5 of the Government Code, the California State Auditor shall report its findings under subdivision (a) annually on or before March 1 to the Governor, and to the Legislature in compliance with Section 9795 of the Government Code, and shall make the findings publicly available.

(c) If an audit of an entity that receives funding under this article is conducted pursuant to state law and reveals any impropriety, the California State Auditor or the Controller may conduct a full audit of any or all of the activities of that entity. If the audit reveals erroneous or inappropriate

spending of funding received under Section 2.5 of Article X of the California Constitution or the Water Supply Infrastructure Bond Act of 2022 by a public agency, the public agency shall, if the California Water Commission determines the erroneous or inappropriate spending was intentional, repay the moneys to the California Water Commission for deposit into the Water Supply Infrastructure Trust Account or the Water Supply Infrastructure Fund, as applicable.

SECTION 8. GENERAL PROVISIONS

(A) The provisions of this Act are severable. If any provision of this Act, or any part thereof, or its application, is for any reason held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision shall not affect any other provision or application that can be given effect without the invalid provision or application. The People of the State of California hereby declare that they would have adopted this Act and each and every portion, section, subdivisions, paragraph, clause, sentence, phrase, word, and application not declared invalid or unconstitutional irrespective of whether any portion of this Act or application thereof are subsequently declared invalid or unconstitutional.

(B) This Act is intended to be comprehensive. It is the intent of the people that in the event this Act and acts relating to the same subject appear on the same statewide election ballot, the provisions of the other act or acts (each, a "Conflicting Act") shall be deemed to be in conflict with this Act. In the event that this Act and one or more Conflicting Acts are adopted by the voters in the same election, and this Act receives a greater number of affirmative votes, the provisions of this Act shall prevail in their entirety, and all provisions of the Conflicting Acts shall be null and void.

(C) (1) Except as provided in paragraph (2), the Attorney General shall defend against any action challenging, in whole or in part, the validity of this Act, and shall have an unconditional right to intervene in any action to defend the validity of this Act.

(2) If the Attorney General declines to defend the validity of this Act in any action, the Attorney General shall nonetheless file an appeal from, or seek review of, any judgment of any court that determines that the Act is invalid, in whole or in part, if necessary or appropriate to preserve the state's standing to defend the law in conformity with the Attorney General's constitutional duty to see that the laws of the state are adequately enforced.

(3) The official proponent(s) of this Act have an unconditional right to participate, either as interveners or real parties in interest, in any action affecting the validity or interpretation of this Act. Where the Governor and Attorney General have declined to defend the validity of the Act, the official proponents are also authorized to act on the state's behalf in asserting the state's interest in the validity of this Act in any such action and to appeal from any judgment invalidating this Act.

(4) Nothing in this section precludes other public officials from asserting the state's interest in the validity of this act.

(5) This Act must be broadly construed, interpreted, and implemented in order to achieve the purposes in Section 1.

Assembly California Legislature



DEVON J. MATHIS
ASSEMBLYMEMBER, TWENTY-SIXTH DISTRICT

Water Infrastructure Funding Act of 2022

We, the undersigned members of the California State Legislature, pledge our support to the “Water Infrastructure Funding Act of 2022,” a citizens’ constitutional amendment, filed for title and summary on August 26th.

This act, when approved by the voters, will accomplish the following objectives:

- 1 – Provide ample funds for water infrastructure by allocating two percent of the state’s general fund to support projects that increase California’s annual supply of water to cities, farms, and unserved regions.
- 2 – Unlock immediate access to tens of billions of dollars that will be invested in water projects by permitting up to half of the two percent allocation which/ that will be used to pay principal and interest on construction bonds.
- 3 – Give priority to underfunded projects approved by voters in Prop. 1 (2014) that are also already approved by the California Water Commission.
- 4 – Prioritize the maintenance, repair and upgrading of projects to deliver abundant and affordable drinking water to underserved communities.
- 5 – Funding does not expire until the supply capacity of new projects provides five-million-acre feet of new water for California consumers, with surplus water used to protect California’s ecosystems.
- 6 -- Eligible projects include funding for conservation programs and will result in up to one-million-acre feet of water saved.
- 7 -- Allocate funds based on an all-of-the-above strategy, allowing Californians to repair and upgrade aqueducts, dams, water treatment plants, build off-stream reservoirs, expand existing reservoirs, invest in wastewater reuse and desalination plants, runoff capture, and aquifer recharge and recovery.
- 8 – Streamline the bureaucratic process so projects can be designed and built in a reasonable period of time.

We support this initiative to improve our aging water infrastructure and to construct new means to capture and deliver water to all parts of our state. The challenges of a growing population in conjunction with climate change and prolonged droughts have exposed the serious flaws within our water infrastructure. The funding allocated within this proposal will ensure the state achieves water resilience and adequately provide clean, safe, and affordable drinking water to all Californians.

Devon Smith's AD26

Printed Name

[Signature]

Signature

[Signature]

Printed Name

HEATH FLORA AD12

Signature

RUDY SALAS

Printed Name

R. SALAS AD32

Signature

James Ramos

Printed Name

[Signature] AD40

Signature

TIMOTHY S. GRAYSON

Printed Name

[Signature] AD14

Signature

Carlos Villapudua

Printed Name

[Signature] AD13

Signature

Adam Gray

Printed Name

[Signature] AD21

Signature

KEN COOLEY

Printed Name

[Signature] AD8

Signature

Phillip Chen

[Signature] AD55

Kevin Kiley AD 6
Printed Name

KL-K
Signature

Thurston E. Smith
Printed Name

Thurston E. Smith
Signature

TOM LACKEY
Printed Name

Thomas Lackey
Signature

REDACTED AD 71
Printed Name

RANDY DEPEL
Signature

Suzie Valladros
Printed Name

Suzie Valladros
Signature

AD 35
Printed Name

[Signature]
Signature

Steven Choi
Printed Name

Steve Choi
Signature

JIM PATTERSON AD 23
Printed Name

[Signature]
Signature

Frank Bigelow AD 05
Printed Name

Frank Bigelow
Signature

M SD8
Printed Name

Debra AD 3
Signature

Melina Hurtado SD14
Printed Name

Signature

Boys
Printed Name

Chet Mayer
Signature

Vince Fong
Printed Name

Vince Fong AD-34
Signature

Marie Waldron
Printed Name

Marie Waldron AD 75
Signature

Laurie Davis
Printed Name

Laurie Davis
Signature

Bruce Ickle SD1
Printed Name

Signature

Kelly Seyarto
Printed Name

Kelly Seyarto
Signature

Janet Nguyen
Printed Name

Janet Nguyen
Signature



MEMORANDUM

TO: FRIANT WATER AUTHORITY BOARD OF DIRECTORS
FROM: DAN KEPPEL, EXECUTIVE DIRECTOR
SUBJECT: EXECUTIVE DIRECTOR'S REPORT
DATE: SEPTEMBER 20, 2021

This memo is intended to keep you apprised as to what is happening behind the scenes on policy issues the Family Farm Alliance is engaged in. In the past month, much of our efforts have focused on engaging in Biden Administration rulemaking efforts, tracking and influencing water legislative developments in Congress, working on drought messaging and public outreach, and influencing Western water infrastructure provisions in Congress. These issues and other matters important to our members are further discussed in this memo.

BIDEN ADMINISTRATION DEVELOPMENTS

1. Appointments

Several Senate committees met last week to advance executive nominations to the full Senate, including the Environment and Public Works Committee's [consideration](#) of former Deputy Secretary of the Interior [Michael Connor](#) to be Assistant Secretary of the Army for Civil Works (responsible for overseeing the U.S. Army Corps of Engineers). The confirmation hearing for Camille Touton as the new Commissioner of Reclamation has been set for 10:00 a.m. Eastern, September 21, before the Senate Energy and Natural Resources Committee.

2. White House Council on Environmental Quality (CEQ): NEPA Regulations

The Biden Administration has laid out a three-step plan to overhaul the Trump National Environmental Policy Act (NEPA) regulations, with CEQ advancing the first step recently when it sent to the White House Office of Information and Regulatory Affairs (OIRA) a proposal that would make a "narrow set of changes" to the Trump rules. In a second step, CEQ has extended a deadline by two years to 2023 for agencies to comply with procedural requirements mandated by

the Trump regulations. The third step would be to replace the regulations altogether. CEQ is charged with coordinating the NEPA process across dozens federal agencies. The NEPA regulations help guide agencies on environmental review for some of the nation’s biggest projects, like highways, bridges, water infrastructure, and electric transmission lines. Environmental groups are complaining the Trump regulations are still being implemented by the Biden Administration and should have been withdrawn first.

The often slow and cumbersome federal regulatory process is a major obstacle to realization of projects and actions that could enhance Western water supplies. NEPA implementation, in particular, can have a direct bearing on the success or failure of critical water supply enhancement projects. The Trump Administration adopted changes that reduced review times, cut page counts, limited public input, cut out “cumulative impacts” analyses, and expanded projects that could be excluded entirely from NEPA review. The Alliance in March 2020 prepared a detailed comment letter on those proposed regulations, and believed they would help modernize the Federal environmental review process, which would lead to improvements in Western water resource development and management. We very much appreciated the Trump CEQ’s effort to reform the regulations, which had not seen a significant update since 1978. In our view, many of the changes the Trump Administration made regarding implementation of decades-old federal environmental laws like NEPA helped bring them into the modern era.

3. Environmental Protection Agency (EPA) / Corps of Engineers: WOTUS Rulemaking

a. EPA and Corps Pull Trump-era Clean Water Act (CWA) Rule

EPA and the Corps of Engineers last week halted the Trump-era CWA rule after a federal judge in Arizona ruled that the regulation was too harmful to remain in place. EPA [announced](#) the decision on its website, pointing to an order from the U.S. District Court for the District of Arizona last week that brought a swift end to the Navigable Waters Protection Rule (NWPR), which took effect last year. Judge Rosemary Márquez said in that case that the Trump rule, which replaced the Obama administration's 2015 Clean Water Rule, was too flawed to keep in place.

EPA and the Corps of Engineers said they will revert to pre-2015 regulations, including implementing a 1986 rule as interpreted by the George W. Bush administration to determine what qualifies for federal protection as “waters of the United States” (WOTUS) under the CWA. The agencies said they will continue to review the order and consider next steps, including “working expeditiously to move forward with the rulemakings” announced on June 9 “in order to better protect our nation’s vital water resources that support public health, environmental protection, agricultural activity, and economic growth.” EPA and the Army Corps in recent weeks have conducted several webinars / “listening sessions” to inform their efforts to revise the Trump Administration’s definition of WOTUS to “better ensure clean and safe water for all”.

b. Alliance Actions

The Alliance has made engagement on WOTUS – which now spans three presidential administrations- a top priority. During the Trump Administration era, working with a team of Western attorneys and water managers, the Alliance developed detailed comment letters to EPA and the Corps, urging them to repeal the 2015 rule, and providing guidance as to how the new rule should look. We thought the Trump rule repeal and replacement was actually a good thing for the West, despite what many media outlets reported. On September 3, we transmitted a formal letter to EPA and the Corps that reiterates this message, and outlines the concerns we will address in the upcoming rulemaking process.

The Alliance letter advocates for guidance that sustains, recognizes, and implements the CWA provisions in Sec. 404(f) that exempt the construction, operation, maintenance, repair, and rehabilitation of man-made ditches and canals and maintenance of drains from CWA Section 404 jurisdiction. Earlier this month, Alliance representatives met with Radhika Fox, the head of EPA’s Office of Water, to directly appeal to her and her staff on this matter. Our WOTUS letter also insists that the new rule ensures that Congressionally-approved permitting exemptions for point source regulation of agricultural stormwater discharges and irrigation return flows are acknowledged and protected. We will continue to advocate for clearly written exclusions of dry washes, arroyos, and other ephemeral features, as well as the other ten non-jurisdictional features that the NWPR excluded from the definition of WOTUS.

4. EPA

a. Clean Water Act Section 401 Certification

In other Clean Water Act news, EPA and the Corps last month issued a memo that lays out circumstances under which states or tribes can take more than a year to approve permit applications under the CWA Sec. 401 certification process, circumventing the Trump Administration’s 2020 “Clean Water Act Section 401 Certification Rule” that allows only one year for states or tribes to approve or deny CWA permits for utilities and oil and gas pipelines. The EPA earlier this year announced it was redoing the Trump rule, criticizing the regulation for eroding state and tribal authority. The EPA itself has been criticized by the environmental community and certain states and tribes for not removing the rule, or for that matter repealing the Trump NWPR. However, EPA cannot simply take rules like WOTUS or the CWA Section 401 rule off the books. The agencies must go through a formal rulemaking process, including taking public comment.

b. EPA Rescinds Trump Guidance on Maui CWA Decision

EPA’s Office of Water contacted me last week and reported that EPA is rescinding the recently issued guidance document entitled “Applying the Supreme Court’s *County of Maui v. Hawaii Wildlife Fund* decision in the Clean Water Act Section 402 National Pollutant Discharge Elimination System Permit Program,” which was signed on January 14, 2021. Recall that, in April 2020, the Supreme Court held that discharges to groundwater require an NPDES permit if the pollutants eventually reach a WOTUS and they are the “functional equivalent” of a direct surface

discharge. The Court identified seven factors to determine a functional equivalent discharge. The Trump guidance is being rescinded because it was determined to be inconsistent with the Clean Water Act and the *Maui* decision.

Last June, Alliance General Counsel Norm Semanko, Mark Limbaugh and I participated in a ZOOM meeting hosted by EPA on this topic. We were one of three national agricultural groups invited to participate in this “listening session”. On that call, we emphasized the need to avoid undermining or eliminating the threshold conditions required to trigger the need for an NPDES permit, as well as protecting existing exemptions from the NPDES permitting program. Norm emphasized that we do not believe that the U.S. Supreme Court’s decision in *Maui* impacted either the threshold NPDES requirements or existing exemptions, and that it was appropriate for EPA to provide guidance that includes these matters; clarity is important for the regulated community to understand the requirements. We encouraged EPA to retain the existing *Maui* guidance and perhaps consider modifying it to include specific reference to the existing NPDES exemptions, which are important to agriculture. EPA obviously chose to go in a different direction. For more information visit <https://www.epa.gov/npdes/releases-point-source-groundwater>.

DEVELOPMENTS IN CONGRESS

5. Senate Passes Bipartisan Infrastructure Bill

As previously reported, the Senate last month passed the 2,702-page, five-year *Infrastructure Investment and Jobs Act*, which includes a full surface transportation reauthorization bill, in addition to funding for the electric grid, broadband, water infrastructure, resiliency and western water storage, environmental remediation, and more. The long-awaited vote took place after months of bipartisan negotiations, headlined by talks led by a group of 10 senators spearheaded by Sens. Rob Portman (R-Ohio) and Kyrsten Sinema (D-ARIZONA). The legislation totals around \$1.2 trillion, with roughly \$550 billion constituting new federal spending and the rest coming from existing, planned investments in roads, highways and bridges. Western Senators introduced dozens of amendments and pushed for votes on a number of them. Despite western amendments not faring well on the floor, members were able to secure many provisions in the bill including on western water projects, forest management, and more.

a. Western Water Infrastructure Provisions

The Western Water Title in the infrastructure bill passed by the Senate includes \$8.3 billion for Reclamation, including \$3.2 billion for aging infrastructure, \$1.15 billion for new storage and conveyance, \$100 million for small scale storage projects, \$250 million for ecosystem restoration, \$100 million for multi-benefit watershed projects and \$400 million for WaterSMART, including \$100 million for natural infrastructure projects. Importantly, the *Infrastructure Investment and Jobs Act* aligns with the solutions advanced by a Western water coalition that collectively represents thousands of Western farmers, ranchers, water providers, businesses and communities

who help provide \$120 billion of agricultural production on millions of acres of productive land. The coalition is led by a steering committee comprised of the Alliance, Association of California Water Agencies (ACWA), California Farm Bureau, National Water Resources Association (NWRA) and Western Growers.

b. Water Trade Groups Pan 'Made in America' Provision

A coalition of water infrastructure trade groups are urging congressional leaders to abandon the “Buy American” mandates in the Senate bipartisan infrastructure package that would apply to a range of structures and facilities like public roads, water infrastructure, ports, and broadband. Currently, certain specialty parts, like butterfly valves for water systems, are built overseas. The trade associations charge that the new requirements could harm efforts to protect water supplies and fight climate change. The groups are specifically worried about the Senate bill's provisions that would expand “Buy American” requirements for two EPA programs – the state revolving funds and the Water Infrastructure Finance and Innovation Act (WIFIA). Under the legislation, water projects funded under these EPA water financing programs would be required to have all “manufactured products” made in America. Current rules only require the project’s iron and steel products to be made in the United States. The trade groups’ concerns are that industry in the U.S. doesn’t have the capacity to take up manufacturing of these critical components on a timeline that would allow for construction on many vital water projects to begin anytime soon, potentially creating long delays in project delivery.

6. Senate Passes \$3.5 T Budget Resolution

With passage of the bipartisan infrastructure package behind them, the Senate quickly proceeded to pass a \$3.5 trillion budget resolution on a party line vote, sending instructions to Senate committees to hammer out details of a budget reconciliation package by mid-September that would direct spending to various programs over ten years. The \$3.5 trillion package would include funding for President Biden’s *Build Back Better* plan to provide for expanded climate and environmental programs, expanded child tax credits, community college, universal pre-kindergarten and an expansion of Medicare to include dental and vision coverage. The package would also raise taxes on corporations and wealthy Americans to help pay for a portion of the increased spending. Several concerns are being raised regarding a “transfer tax.” Former Chairman of the House Agriculture Committee Collin Peterson points out that there is a provision in the plan that would enact a transfer tax when an asset changes hands.

Western members offered some amendments on the floor. Senator Barrasso (R-WYOMING) started it off with an amendment to prohibit the enactment of the Green New Deal which remarkably passed unanimously. Senator Thune (R-SOUTH DAKOTA) went down to protect farmers and ranchers with an amendment to preserve and extend tax relief for small agriculture businesses, which also passed unanimously. Senator Ernst (R-IOWA) got her anti-“Cow Tax” amendment included with a great bipartisan vote. It is unlikely that the final partisan bill will include these sensible provisions.

7. House Adopts Senate Resolution, Commits to Consider Senate Bipartisan Package

The House on August 23 returned to Capitol Hill from their August recess and passed, by a party-line vote, a resolution which includes the adoption of the Senate-passed FY 2022 budget resolution, and commitment to consider the \$1.2 trillion Senate-passed *Infrastructure Investment and Jobs Act* no later than September 27. Adoption of the FY22 budget resolution by both the House and Senate officially kickstarts the budget reconciliation process. This will allow congressional Democrats to pass an expansive \$3.5 trillion social spending and tax package to “enact the Build Back Better agenda,” including large swaths of President Joe Biden’s proposed American Jobs and Families Plans unveiled earlier this year.

The FY22 budget resolution directs 13 House committees to write and markup their parts of the reconciliation package by Wednesday, September 15. The multiple bills marked up and passed by the committees will then be bundled together by the House Budget Committee as a single, mammoth bill prior to a vote by the House, which is likely to occur during the week of September 20. This would then be followed by a vote in the Senate, where only a simple majority will be required for passage. While 12 Senate committees are also tasked by the FY22 budget resolution with writing their parts of the reconciliation package by September 15, Senate Democrats are already working with their House Democratic counterparts behind-the-scenes to come to agreement on various policy and spending items, allowing only the House committees to formally markup parts of the package. Importantly, the House must now consider the \$1.2 trillion Senate-passed *Infrastructure Investment and Jobs Act* no later than September 27.

House Speaker Nancy Pelosi (D-CALIFORNIA) reached a deal that included this commitment with 10 moderate House Democrats, led by Rep. Josh Gottheimer (D-NJ), who had initially threatened not to vote in favor of the FY22 budget resolution until the House voted on the Senate-passed infrastructure bill first. Two of those Democrats want Speaker Pelosi to make further assurances regarding Democrats' massive social spending bill, saying they are necessary "to obtain our support." Reps. Stephanie Murphy (D-Fla.) and Henry Cuellar (D-Texas) lay out “overarching principles” that the reconciliation bill and its drafting process must meet in order for them to support the legislation.

Speaker Pelosi has pledged for months that the House would wait to vote on the bipartisan Senate-passed infrastructure bill until the \$3.5 trillion reconciliation package was also passed by the Senate because of previous threats from progressives that they would oppose the infrastructure bill until their priorities were addressed in the reconciliation package. Progressives warned in a statement that they would vote against the infrastructure bill if the reconciliation bill does not pass first. Republicans slammed Democrats for not addressing the crisis in Afghanistan and for pushing the budget resolution, which they say will hurt businesses and expand the deficit.

8. Recent Developments

POLITICO this morning reported that the Senate parliamentarian has ruled against allowing Democrats to include a pathway to legal status for an estimated 8 million undocumented immigrants in their massive social spending plan. The decision is a blow to congressional Democrats and the White House, who viewed the legislation as their best chance this Congress to enact immigration reform. Democrats argued that providing green cards to Dreamers, essential workers, farmworkers and those with Temporary Protected Status would affect the federal budget and thus complied with Senate rules. Lawmakers and advocates have vowed to offer alternative arguments to the parliamentarian.

Democrats are also uncertain about plans to vote on a big infrastructure bill next week, unclear if that \$3.5 trillion package will have to shrink to get a shot at becoming law and anxious over a showdown with Senate Republicans over the debt ceiling that could lead to a shutdown next week. Key moderate Sen. Joe Manchin (D-WV) earlier this month told Democrats that they should “hit the pause button” on a \$3.5 trillion budget reconciliation package funding and implementing most of President Biden’s social and economic agenda, raising the bar for the tax-and-spending plan currently under development to make it through the evenly divided Senate in the coming weeks. Senator Manchin cited “runaway inflation” along with national security uncertainties after the troubled U.S. withdrawal from Afghanistan as major reasons for a go-slow approach in adopting the plan through the budget reconciliation process, which only requires a majority Senate vote to pass and bypasses the normally 60-vote threshold to break a filibuster. Losing support from the West Virginia Democrat would make passing the reconciliation bill impossible in the evenly divided Senate, as no Republicans will likely support the measure and the bill would at least need a tie vote (50t-50) for Vice President Harris to cast the deciding tie-breaking vote.

9. Reconciliation

Sen. Manchin’s comments came as Democratic leaders and committee chairs in the Senate and House were working out the specifics of the reconciliation package, with a goal of moving it through Congress prior to the end of month. The \$3.5 trillion package also faces an uphill battle in the House, where a deal was cut with 9 moderate Dems for the House to vote on the Senate-passed bipartisan infrastructure bill by September 27. That deadline could create a potential obstacle to the passage of either bill this month if budget reconciliation stalls and House progressives vote against the infrastructure bill. House Democrats’ slim majority can only afford to lose three votes against a united Republican bloc to pass either measure.

Following a second daylong contentious markup debate and almost 70 votes on amendments to the House Natural Resources Committee’s \$31 billion budget reconciliation bill, the Committee approved its portion of the massive spending measure on a party-line vote, 24-13. The bill includes a \$3 billion investment in the creation of a Civilian Climate Corps and a drilling moratorium in the Arctic National Wildlife Refuge. The bill also would provide over \$1 billion to the Bureau of Reclamation for Western irrigation and tribal drought mitigation activities, as well as hundreds of

millions of dollars for tribal settlements, ecosystem restoration, snow surveys, conveyance repairs, large scale water reuse grants, and water resources research. The bill now goes to the House Budget Committee, which is tasked with compiling the chamber's multiple pieces of legislation.

These funds will be available over the next ten years, without the need for additional action by the committees on appropriations. This is mandatory spending. Committee Ranking Member Bruce Westerman (R-Ark.) in a public statement said the Committee Democrats' plans for budget reconciliation are “at best a package of unprecedented, partisan government overreach”, and at worst, “a means to hamstringing the economy, cripple domestic energy production, and make the U.S. dependent on foreign adversaries.” Republicans claim that Committee Democrats refused to accept [Republican amendments](#). The committee's markup continues today (September 9).

Elsewhere in the House, the Committee on Agriculture reconciliation proposal includes [billions of dollars](#) for USDA to manage national forests, increase rural development, upgrade biofuel infrastructure and conduct climate research. Notably, the bill did not include provisions related to conservation and farm debt relief, which are still being finalized by members of the Committee. Chair [David Scott](#) (D-Ga.) said that an additional \$28 billion to boost conservation programs and climate-friendly farming would be added when the reconciliation bill goes to the House floor.

10. Family Farm Alliance Actions

Our Western Water Infrastructure Steering Committee is now working with the Senate and House agriculture committees to use the reconciliation process to fill in the gaps behind our \$30 billion forest health and \$4 billion PL-566 asks. We’ve been working with a small group of national conservation groups, striving to reach agreement on a subset of these two broader issues. A press release with an embedded link to our joint letter was blasted out earlier today. The timing is good, particularly in light of the House Ag Committee’s failure to include funding for NRCS conservation programs.

We’ve also updated our broader coalition and encouraged them to contact their House Members to express support for the water provisions of the Senate bipartisan infrastructure bill. Our steering committee has also had numerous calls this summer with key Western House Member staffers. Efforts are also underway to encourage a Western bipartisan letter in the House, urging Members to hold the line on the water infrastructure provisions included in the Senate package.

Media attention on this matter continues to grow. New coverage in outlets like the Associated Press, *USA Today*, Fox News, ABC News, *POLITICO* and *Agri-Pulse* reported on the Western ag/urban coalition’s efforts, and Western water and ag interests have been steadily feeding the op/ed pages of Western newspapers with guest columns. California Ag Today also recently ran three segments on our coalition's efforts on the infrastructure front. For some reason, I could only locate the last two of the three, [here](#). They are each about 90 seconds in length.

11. DRAFT Watershed Protection and Flood Prevention Act

Last month, we were asked by Senator Bennet's office to review the draft "Watershed Protection and Flood Prevention Act" bill that his staff has been working on. The original Watershed Protection and Flood Prevention Act (PL-566) authorizes the USDA Natural Resources Conservation Service to help local organizations and units of government plan and implement watershed projects. Projects can include flood prevention and damage reduction, development of rural water supply sources, erosion and sediment control, fish and wildlife habitat enhancement, wetland creation and restoration, and increased recreational opportunities. Generally, it appears that the goal of this draft legislation is to elevate drought and Western water needs in the PL-566 program while supporting good projects that benefit fish and wildlife habitat.

We shared the draft legislation with our board and Advisory Committee and prepared a response for Senator Bennet. Most of our members feel that the current program works well, and they believe we should try to stick with the original intent of the program, wherever possible. PL-566 is a flexible program that is oversubscribed and underfunded. However, it's a complicated program to administer, and it already takes too long to get decent projects completed. We do not need to complicate it further. If anything, we need this program to move faster. That is the message we conveyed in our response to Senator Bennet, while identifying specific concerns with the draft legislation, which related to emphasis on "natural infrastructure", new complicating evaluation criteria, and water rights implications. We'll keep you apprised on how this draft bill evolves.

THE 2021 WESTERN DROUGHT

Historic drought conditions continue to rapidly worsen and expand with over 80% of the West now in drought. Widespread impacts are being felt, particularly by Western farmers and ranchers. Mother Nature was somewhat cooperative in the past month, bringing cooler temperatures and additional precipitation to certain parts of the parched West. However, legal and policy directives in California and the Colorado River Basin could lead to reduced water supplies – both in the short-term, and in future years – for some farmers and ranchers.

12. Drought Hydrology

Drought continues to plague much of the West, according to the U.S. Drought Monitor. However, due to recent monsoonal rainfall, drought conditions improved in New Mexico, southern Utah, adjacent parts of southern Nevada and southeast California. August storms help push Tucson (ARIZONA) toward a record-breaking monsoon rainfall of 12.08 inches. Parts of the Midwest, High Plains, and West regions received beneficial rainfall near the end of August, which led to improvement in drought conditions in some locales. Rain fell over wide areas of Nebraska, South Dakota, North Dakota, Wyoming, and western Colorado, leading to some improvements in drought conditions.

Unfortunately, southwest Nebraska missed out on the rain, and agricultural drought impacts and

precipitation deficits continue to mount. Ongoing drought has also impacted the bee population in North Dakota. One third of U.S. cattle are in drought areas, according to the U.S. Drought Monitor, and producers are making the painful decision to send animals to slaughter early. Liquidations of breeding stock are expected to limit cattle production in the coming years, tightening North America's beef supply and driving up consumer prices, according to two dozen ranchers and cattle experts. And, the drought is leading to policy decisions in California and the Colorado River Basin that could have both short-term and delayed impacts to many Western water users.

As the historic Colorado River drought continues, low runoff conditions in the Colorado River Basin have prompted Reclamation to reduce downstream releases from Glen Canyon Dam and Hoover Dam in 2022 due to declining reservoir levels. In the Lower Basin the reductions represent the first-ever “shortage” declaration—demonstrating the severity of the drought and low reservoir conditions. The declaration means that in January 2022 the agency will reduce water deliveries to the Lower Colorado River Basin states of Arizona and Nevada and to Mexico.

13. California cracks down on diversions

As you know, California regulators are cracking down on water use, ordering 4,500 farmers, water districts and other landowners, including the city of San Francisco, to stop drawing water in the basins — or face penalties of up to \$10,000 a day. Some irrigation districts don't expect an impact this year from the emergency drought regulation that could stop other farmers from diverting water from the state's major rivers. However, they are concerned about precedent and how this year's actions could impact farmers in 2022.

14. USGS Study Shows Drought Impacting California Water Quality

While previous studies have focused on the risk of wells being overdrawn and run dry during drought, a recent study from the United States Geological Survey and the California State Water Resources Control Board is the first to directly link drought to deteriorating water quality on a regional scale. The study looked at 30 years of data from the Central Valley. Based on their analysis, researchers found higher levels of nitrate at public drinking water wells in the Central Valley in areas where groundwater levels dropped rapidly during drought. The results highlight clean drinking water supply vulnerabilities in California and other Western states currently experiencing record drought conditions.

15. Alliance Drought Messaging Actions

The media coverage of the Western drought has been extensive, and for the most part, accurate. I've previously reported on our interactions with the media this summer on drought matters. Some of our Arizona members, including Paul Orme (Alliance board member) and I recently did lengthy interviews with Joanna Allhands, the digital opinions editor for *AZCentral*, which is part of the USA Today network, as she worked on this opinion piece which was published last month [HERE](#).

16. Western Wildfires

As wildfires in Northern California and Oregon have literally destroyed communities and displaced tens of thousands of residents, another debate is raging in the West over the causes of those fires and what can be done to reduce future wildfire risk and protect at-risk communities. More than 75 million acres across America have burned in the last decade. Over 3 million acres have already burned this year. Much of the recent media coverage on the fires raging in Northern California has featured commentary from politicians, environmental activists and academics who point to climate change as the driving factor behind a dozen wildfires that have forced more than 42,000 Californians to flee their homes. Many of the fire scientists quoted in recent media reports say that the solution involves implementing more controlled burns.

Climate change concerns may certainly be shared by some rural Westerners who live in once-thriving timber dependent communities. However, there is also a growing frustration that forest management – or rather, the perceived lack of management by federal agencies, driven in part by environmental litigation – fails to get the attention it deserves in many media accounts of the current Western wildfire infernos. Some rural Westerners who have watched the condition of federal forests deteriorate in recent decades have a different perspective. They have witnessed how federal forest management actions have been hampered in recent decades, in part due to environmental litigation actions initiated by activist groups like the Sierra Club. In fact, a Facebook public group called “The Sierra Club is destroying our forests” has now grown to include nearly 15,000 members. A dry ecosystem with low fuel loads can tolerate fire. However, inactive management on federal lands - coupled with 100 years of fire suppression - is a different story.

The only two registered foresters in Congress have come together to propose science-based solutions to prevent these catastrophic fires from happening in the first place. Senator Jim Risch (R-IDAHO) and Congressman Bruce Westerman (R-Ark.) recently co-authored an opinion piece for *Fox News* that claims more than 80 million acres of national forests are overgrown and in dire need of active management. There are several bills that have been introduced in Congress, intended to facilitate responsible forest management by simplifying and expediting environmental analyses, cutting bureaucratic red tape and frivolous litigation, giving land managers essential management resources, and accelerating reviews for reforestation activities. One of those is the *Resilient Federal Forests Act* (H.R. 4641), re-introduced from the past Congress by Rep. Westerman. This bill – supported by 85 organizations, including the Family Farm Alliance - would address the environmental and economic threats of catastrophic wildfires.

Why is the Alliance engaging in forest management issues? We do so because improving the condition of our nation’s forested lands is of primary importance to water providers. National Forest lands are overwhelmingly the largest, single source of water in the U.S. and, in most regions of the West, contribute nearly all of the water that supplies our farms and cities. In addition, our already fragile water infrastructure can be severely damaged or rendered useless by fire and post-fire flooding and debris flows. The unhealthy state of our national forests, which were initially reserved specifically to protect water resources, has led to catastrophic wildfires that threaten the

reliability, volume, and quality of water for tens of millions of Americans, along with the wildlife, recreational, and multi-purpose values of these lands.

The Family Farm Alliance believes a responsible level of continuous fuels reduction includes a combination of robust mechanical thinning and prescribed fire. This can be employed to significantly reduce evapotranspiration, tree stress, disease, and pest infestation, preserve health forest conditions, and protect species and habitats. Failure to employ this approach will continue the downward, accelerating spiral of fuel accumulation, drought, disease, and invasive insects. This will lead, inevitably, to additional high-intensity fire events in the future.

ADMINISTRATIVE AND MISCELLANEOUS

- Alliance President Patrick O'Toole (WYOMING) over the weekend participated in a float down the Colorado River near Moab (UTAH), organized by Colorado Sen. Michael Bennet (D) with the goal to talk about climate change and drought in the West. Senator Bennet, Utah Sen. Mitt Romney (R) and Utah Lt. Gov. Deidre Henderson invited other state politicians, ranchers (like Pat), industry representatives and scientists to participate. Pat pushed our positions on water infrastructure and forest health during his time with the Senators.
- I spoke in Pismo Beach last week at the California Agricultural Irrigation Association summer meeting about the drought and the infrastructure initiative.

This is a quick summary of just a few of the issues the Alliance has been engaged in. Please do not hesitate to contact me at dan@familyfarmalliance.org if you would like further information about what the Alliance is doing to protect water for Western irrigated agriculture.

Agenda Report

Agenda No.4.D

DATE: September 23, 2021

TO: Board of Directors

FROM: Austin Ewell

SUBJECT: Water Blueprint for the SJV

SUMMARY:

The Water Blueprint for the San Joaquin Valley (Blueprint) is a broad and evolving group of stakeholders, working to better understand our shared goals for water solutions that support environmental stewardship with the needs of communities and industries throughout the San Joaquin Valley. The Blueprint has engaged with stakeholders to try and ensure that everyone has safe, reliable, and affordable access to water for drinking, supporting their farms and communities and a thriving ecology.

The SJV faces significant impacts to its long-term economic, social, and environmental health if nothing is done to address water scarcity, as highlighted in Phase I of Dr. David Sunding's Economic Impact Assessment (EIA) <https://www.waterblueprintca.com>.

The Large Group and committees continue to meet and pursue the mission of Blueprint, including outreach, technical support and working in collaboration with other stakeholders.

Governance: The new project management team, Providence Strategic Consulting has been tasked with helping update the governance structure to better reflect its current participants, contributors, and its approach of a "coalition of the willing" while allowing for a streamlined review and action process. Reviewing the Central Valley Business Federation organization and by laws as a potential model.

Outreach & Engagement: The Blueprint's first community newsletter will be circulated in the coming weeks. Working with CSBA (School Boards Association) to provide a list of their contacts for outreach. Tribal interests have been contacted to participate in the Advisory Committee. City of Lindsay, Councilwoman, Yolanda Flores has agreed to serve on the Advisory Committee. The California Special Districts Association's, Kern Chapter will receive a Blueprint presentation at their October. Currently they are creating a contact list of local elected officials, including special districts and county supervisors. Working with California School Boards Association and California League of Cities to obtain and include their lists. This contact list is the basis for a newsletter sent to community leaders throughout our region.

Technical Committee: ESA is developing a regulatory and permitting path forward for the Blueprint. This detailed plan will list all permits needed, the approvals, the reports, and documents essential to prepare and obtain from the Federal and/or State Agencies for the solution sets provided. Blueprint continues to engage with Central Valley stakeholders regarding opportunities to construct infrastructure, balanced approach to water resources, low interest loans for farmers unable to farm and focus on inter-regional conveyance and habitat restoration.

A meeting is being set up with Board Members from Madera I.D. and Chowchilla W.D., participants of the Blueprint and White Area representatives to review the status of the technical work and next steps if any.

SJV Water Collaborative Action Program (SJWCAP): Stanford University working in coordination with the Blueprint, Central Valley Community Foundation, Fresno State, NGOs and 60+ stakeholders are drafting a mutual convening to create a collaborative solution to the water issues we face in the SJV. The Planning group is conveying a two day work shop amongst 5 working groups to draft and finalize an inter-caucus Problem Statement and Solution Sets for the Plenary Group to review and consider.

DAC Drinking Water Feasibility Study – FKC: A funding application was prepared with participants FWA, FSU, Self Help, Sustainable Conservation and Leadership Council to study a five-county area within the Millerton Place of Use boundary related to surface water supply, recharge and drinking water supplies. DWR indicated funding on approx. \$49,000 for the study. The project sponsors are looking at a more narrowly focused study to begin with for 1 or 2 counties.

Bureau of Reclamation: BOR indicated a new program for Basin Studies is being unveiled and that the Blueprint would be a good candidate. Reclamation's Sacramento Office has committed to participating in the Blueprint.

RECOMMENDED ACTION:

There is no recommended action at this time. The Board gave initial direction to pursue this collective effort and report back on its status.

BUDGET IMPACT:

None

ATTACHMENTS:

None



Operations & Maintenance Report

A compilation of current FWA operations and maintenance activities throughout the 152-mile canal system.

August 2021

OPERATION & MAINTENANCE REPORT

SAFETY, EDUCATION & TRAINING

- Operations Department held tailgate safety meetings in the Lindsay yard; outlying field office staff attended the C&M meetings.
- Lindsay Foreman held a meeting on outlying heat illness and air quality issues.
- Electronic Technicians completed a TelePace ladder logic program training.
- Delano Foreman held tailgate safety meetings are held Tuesday Mornings; Foreman discusses safety hazards and precautions associated with employees' work assignments.
- Delano Foreman discussed a handout pamphlet title (Back Safety). Foreman reviewed handout on proper lifting, back support exercise and maintenance to help prevent back injuries. Foreman also instructed staff to get help when lifting heavy equipment such as bags of concrete, pumps, generators, etc. Crew discussed back strains, sprains and how to prevent them. Also discussed warning signs of spinal problems such as numbness, burning, stiffness and muscle fatigue or aching that goes away with rest. Following safety-meeting employees completed a 20-question quiz on Back Safety.

Accidents & Injuries

- Friant staff has worked 1,904 days without a lost-time injury accident.



Before grazing program



After grazing program

MAINTENANCE SUPERVISION

GENERAL SUPERINTENDENT REPORT

SUBSIDENCE

- Staff worked with Stantec on the Water Quality monitor program.
- Facilitated a grazing program for Friant ROW in high impacted areas prone to fire along the Friant Kern Canal.
- Attended Health & Safety Training hosted by JPIA.

- Worked on FY21 O&M Budget with staff and division Forman to ensure all projects and purchases are completed.
- Facilitated a heat illness compliance and air quality program with Friant Divisions.
- Continued work with the City of Bakersfield and the Bakersfield PD on stealing of fencing in the Bakersfield area.
- Continued ROW management of illegal dumping and encroachment of the Friant Kern Canal.

PERSONNEL ITEMS

- Staff worked on several personnel items, including annual reviews, policy conformance, and other matters.

CONSTRUCTION & MAINTENANCE

FOREMEN REPORTS: ORANGE COVE, LINDSAY, & DELANO MAINTENANCE

WEED & PEST CONTROL

- The following is a summary of the chemical products used during the month by maintenance staff for weed and pest control on various canal sections and the product inventory on hand:

PRODUCTS	UNITS	MAINTENANCE YARD USAGE			TOTAL USAGE	END OF MONTH ON-HAND
		Orange Cove	Lindsay	Delano		
Clearcast	Gal	0	0	0	0	2.5
Copper Sulfate - Old Bridge	Lbs.	5,750	3,400	5,950	14,100	75,200
Copper Sulfate - Chem One	Lbs.	0	0	0	0	0
Argos Copper	Gal	0	0	0	0	0
Captain XTR	Gal	0	0	0	0	0
Deploy	Gal	0	0	0	0	0
Diphacinone	Lbs.	80	0	0	80	180
Diuron 4L - Loveland	Gal	0	0	0	0	0
Diuron 4L - Drexel	Gal	0	0	0	0	2,106
OLifeline	Oz	0	0	0	0	0
Weather Guard Complete	Oz	0	0	0	0	67
Finale	Oz	0	0	0	0	0
Milestone VM	Oz	0	0	0	0	0
Nautique SePro	Gal	0	0	0	0	0
Roundup - Custom	Gal	94	24	4	122	1,820.60
Roundup - Pro Conc	Gal	95	41	16	152	1,807
Forfeit 280	Oz	0	0	0	0	0
Sonar Genesis	Gal	0	0	0	0	2
Cheetah	OZ	1,952	0	0	3,744	5,298

- Delano weed & pest applicators continue using Roundup Custom as part of the annual weed control program in the Lake Woollomes Reservoir right-of-way areas.

- Delano weed & pest applicators continue using Roundup Pro Concentrate as part of the annual weed control program in the Delano maintenance section.
- Delano Staff continues using Copper sulfate as part of an Algae control program in the Delano Maintenance Section.
- Lindsay maintenance staff continued applying Forfeit 280 for the post-emergence control of weeds along the canal and right of ways.
- Lindsay maintenance staff continued with the application of Roundup Pro for the post-emergence control of weeds along the canal and right of way.
- Lindsay maintenance staff continued with the application of Roundup Custom for the post-emergence control of weeds along the canal and right of way.
- Lindsay maintenance staff continued applying Copper Sulfate in the canal prism for the control algae in the FKC.
- Lindsay maintenance staff completed the use of the "Diuron 4L Drexel" for pre-emergent weed control.
- Orange Cove maintenance staff continued the application of Roundup Pro as part of the annual weed control.
- Orange Cove maintenance staff Initiated the application of Copper Sulfate.
- Orange Cove maintenance staff hand cleared vegetation from around canal structures.
- Orange Cove maintenance staff continued applying Diphacinone to the canal right-of-way for the control of California ground squirrel.

CANAL & DIVERSION STRUCTURES

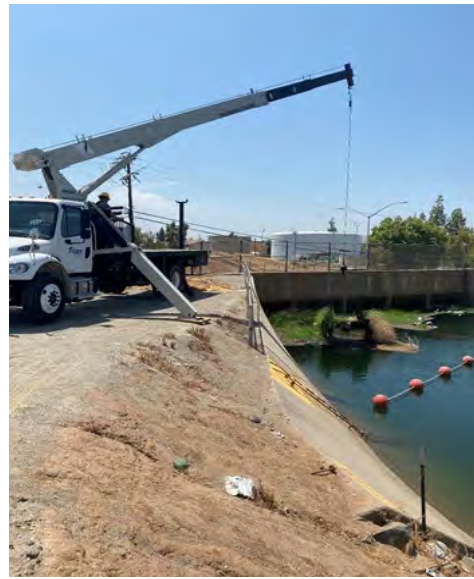
- Lindsay maintenance staff removed aquatic weeds that were growing from the liner at the waterline.
- Delano maintenance staff continues their structure gate maintenance for the year, repairs on radial and slide gates such as oil leaks, gearboxes, motor couplers, wire rope inspection, etc. Staff lubed all grease points and wire ropes, repair all metalwork, security fence repairs, deck cleaning, touch-up painting, buoy ball, wire rope replacement, and debris removal.
- Delano maintenance staff continues embankment maintenance to upper and lower Embankments and around structures such as blockhouses, turnouts, bridge abutments, Etc. Staff used a utility tractor or motor grader and earth moving equipment by backfilling eroded areas, compacting, and grading materials. Embankment maintenance will prevent erosion to the inside/outside banks, roads, gate structures, and concrete liners.
- Delano maintenance staff continues reverse flow pumping; maintenance requires installing generators, fuel tanks, electrical lines, and debris screens.
- Orange Cove maintenance staff continued to clean silt and debris out of several cross drainages that were filled after heavy rain.
- Orange Cove maintenance staff
- Orange Cove maintenance staff continued hauling debris collected from the canal during dewatering.
- Lindsay maintenance staff made repairs to Bridges, roads and bar gates containing graffiti.

O&M ROADS

- Delano Staff continues to clean up and remove bridge debris left over from the fire. Farm bridge at MP. 135.45. The bridge is no longer operational and must be removed, and safety barriers installed.



Trenches and conduit installation for the power supply



Staff removing debris from canal

YARD & BUILDING

- Delano maintenance staff performs their routine maintenance and repairs, such as yard cleaning, warehouse & shop housekeeping, vehicle & equipment repairs, facility improvements, and office duties.
- Orange Cove maintenance staff continued repairing washouts along the embankment.

RIGHT-OF-WAY MAINTENANCE

- Delano maintenance staff continues the removal of illegally dumped trash and remove debris from gate structures. All trash and debris removed from Authority Right of ways will be transported to the local solid waste/recycling facility.
- Delano maintenance staff continues to repair and install security fencing to prevent public access from entering the Friant-Kern Canal right-of-way and structured areas.
- Delano maintenance staff continues Painting, Bar gates, Bollard posts, guard railings, warning signs, Liner markers, structures, security fence wings, electrical panels, and blockhouse doors.
- Orange Cove maintenance staff continue to remove illegally dumped items along the right-of-way. Trash and debris were removed and transported to the local solid waste/recycling facility or stored for future disposal.
- Orange Cove maintenance staff made repairs to security fencing.
- Orange Cove maintenance staff cleared debris from inlets.
- Orange Cove maintenance staff completed fabrication of well lids for the operations department.
- Orange Cove maintenance staff continued to make repairs to roadways.



Power washing for roof coatings



Gravel Base installed at MP 130.05 Electrical Panel

VEHICLE & HEAVY EQUIPMENT

The following is a summary of the vehicle and heavy equipment preventive maintenance services and repairs made by the technical services staff.

DELANO, ORANGE COVE & LINDSAY	TYPE	QUANTITY
In-House Inspections	B – Semi-annual	4
	C - Annual	4
	E - Equipment	0
	BIT - 90-Day Heavy Equipment	5
Outside Inspections	B – Semi-Annual	0
	C - Annual	0
	Smog Test	6
	Smoke Test	0
DELANO, ORANGE COVE & LINDSAY	TYPE	QUANTITY
In-House Repairs	Light Vehicles	12
	Trucks	5
	Heavy Equipment	1
	Utility Equipment	0
Outside Repairs	Light Vehicles	0
	Trucks	0
	Heavy Equipment	0

OPERATIONS ACTIVITIES

OPERATIONS SUPERVISOR REPORTS

Operations Staff during the month of August delivered 46,525 acre-feet. Total water diverted year-to-date to FKC Contractors is 158,359 acre-feet.

- Reported sump pump deliveries of 3 acre-feet and year to date total of 29 acre-feet.
- Staff completed and sent out the ROWD's for the month of August.
- Staff performed battery maintenance on solar panels at the Kaweah downstream block house.
- Staff completed 31 differential head tests.
- Staff installed a new transmitter at Shafter/Wasco #1.
- Staff checked 16 transmitters and calibrated 10 transmitters on the canal system.
- Staff repaired a propeller meter at Ivanhoe #5.

ELECTRICAL

- Staff installed a new power panel close to the downstream blockhouse at Poso Creek.
- Staff trenched and ran conduit from the power panel to the Poso Creek downstream blockhouse.
- Staff completed PMs from Deer Creek to the Reservoir Check.
- Staff installed new subpanel and breakers inside the downstream blockhouse at Poso Creek.
- Staff marked, trenched, and installed conduit for the 600amp panel project at the Reservoir Check.
- Staff installed underground grounding for the future transformer pad at the Reservoir Check.

SCADA

- Worked on Scada Data Points for IntelliSite.
- Kern Check: Replaced loop isolators in Honeywell for readings in CVC intertie.
- SCADA: worked on editing for Intellisite for FKC alarm system module, datapoint objectives, and values.
- Kern Check: Communication error. Pulled out and replaced new ethernet cable from the Scada pack to Intellisite router.

SENSORS

- Water Samples: CSO House well water samples, CVC in prism sampling, Copper Samples, and farmer Pump-ins samples.
- Exeter 2: Worked with Intellisite on Equipment and communications issues for this site.
- Worked on getting EC Sensor communications back up at the following locations: Sand Creek, Reservoir, Shafter Check, and Kern Check.
- Assisted Instrument Tech with Garfield Transmitter, and shafter 1 and 2.
- Shafter Wasco 1: Worked with Intellisite on Equipment and communications issues for this site.
- Phillips: Pulled propeller meter for trash being held up on prop.
- 40 West: Worked with Intellisite on Equipment and communications issues for this site.
- Wood Central: Communications issues, reset modem.
- Rocky Hill: Pulled bad UPS power supply and reset router.
- Shafter Wasco 2: Worked with Intellisite on Equipment and communications issues for this site.
- Saucelito 1: Flushed out Transmitter lines and recalibrated transmitter.
- Fifth Ave: Pulled and replaced faulty 24v power supply.

MEETINGS /TRAINING

- Water Alarm Module weekly meetings. Meeting with Staff and Intellisite.
- Weekly FKC Project Meetings – internal, Microsoft Teams, IOS, ClearSCADA upgrade.
- Vector Solutions monthly training.

POWER

- Reservoir: Assisted electrician in the PUMP BACK project for this site. This includes, power, trenching, digging, laying conduit, wiring, and coordinating.
- Shafter Check: Pulled wire from Shafter Generator for pump back operations.
- Poso: Assisted electrician with running power in the downstream blockhouse. This includes, power, trenching, digging, laying conduit, wiring, and weather stripping.



EC sensor setup



Poso DS power panel



Poso DS Project



Reservoir Project Conduit

INFRASTRUCTURE MANAGEMENT

DIRECTOR OF TECHNOLOGY REPORT

ADMINISTRATIVE SUPPORT

- Staff completed the Weed & Pest reports, submitting the Monthly Summary Pesticide use report to each county (Fresno, Tulare, Kern).
- Staff completed the compilation of the Operation and Maintenance report, providing the final to the Superintendent for approval.
- Staff entered vehicle odometer readings weekly through the fleet management system to track preventative maintenance.
- Jocelyn Bean of Porterville has accepted the position of Administrative Assistant.

INFORMATION TECHNOLOGY MANAGEMENT

- By the request of the Accounting Operations Administrator, project management services will be provided for projects related the accounting system and services. Held a meeting with the Chief Financial Officer and Accounting Operations Administrator to define project objectives. The objectives defined are:
 - Integrate the ability to use email to send invoices directly from accounting software.
 - Convert salary to hourly for payroll transactions.
 - Automate workers compensation liability tracking
- Staff has started the discovery phase of implementing the 2021 Windows Server upgrade.

INTELLISITE-SCADA

- Staff continues to make progress on the FKC Alarm Project. Alarm logic has been developed on the bench test and staff is working with the development team to approve results. Project is expected to move to on-site testing in the next two weeks, with full delivery within sixty days.
- In coordination with Operations Supervisor, staff has created an Intelligent Operating Services (IOS) landing project to focus on completing the adoption of services developed with in the third phase of the SCADA Communications Project. Staff looks forward to the opportunity to work directly with Friant staff and Friant contractors during this project and expects full adaption by January of 2023.
- Staff continues to work on the Clear SCADA upgrade project with operations staff.

AGENDA REPORT

NO. 4.F.

DATE: September 23, 2021

TO: Board of Directors

FROM: Jason Phillips, CEO, & Wilson Orvis, CFO

SUBJECT: San Luis & Delta Mendota Water Authority Update

SUMMARY:

Friant Water Authority engaged with San Luis Delta-Mendota Water Authority (SLDMWA) via the Finance and Administration Committee (FAC) on September 13, 2021 and the Board of Directors (BOD) Meeting on September 16, 2021.

Substantive agenda topics and action items this month included:

- (1) Approval of a Cooperative Agreement with Reclamation for feasibility studies and NEPA/CEQA coordination for the DMC Subsidence Capacity Correction Project
 - (2) Allocation of Settlement Payment from Panoche Water District
 - (3) Self-Funding or Public-Private Partnership approach to financing the construction of the San Luis Transmission Project
 - (4) Selection of Proposed Operational Configuration for the B.F. Sisk Dam Raise and Reservoir Expansion Project Alternative
- (1) **Cooperative Agreement for Delta-Mendota Canal (DMC) Subsidence Correction Project.** San Luis & Delta Mendota Water Authority (SLDMWA) negotiated a cooperative agreement with the Bureau of Reclamation (Reclamation) to cost share in pre-construction activities associated the project to address the impacts to capacity caused by subsidence along the canal. The Board of Directors **approved** the execution of the agreement at the September 16, 2021 Board meeting:
- Scope includes geotechnical investigations, cultural resources, feasibility report, NEPA/CEQA Compliance, and Reclamation Design, Estimating, and Construction (DEC) review.
 - WIIN Act funded so requires a 50% non-Federal cost-share match (total \$2,838,540 SLDMWA match, \$1,537,540 anticipated for FY 2023, the remaining funding from FY 2022 and FY 2021 previously approved budgets.
- (2) **Allocation of Panoche Water District Settlement Payment.** Panoche Water District wired \$1,047,840.99 to SLDMWA pursuant to the Settlement Agreement. At the September 16, 2021 Board meeting, the Board of Directors **approved** the staff recommendation to refund the amounts back to the contractors who funded OM&R costs from January 1, 2009 through April 30, 2015 (including Friant Division). Of the total settlement payment, approximately \$395,000 is expected to be refunded to Friant Division.

(3) **Financing Approach for the San Luis Transmission Project.** SLDMWA has been researching various options to complete the construction of the San Luis Transmission Project (SLTP). Originally envisioned in the design for the San Luis Unit, facilities to transmit Central Valley Project (CVP) project use energy to pumping facilities in the San Luis Unit were not constructed in lieu of a fifty-year contract with Pacific Gas & Electric to provide for the required transmission and distribution. When the fifty-year contract expired (April 2016), California Independent System Operator (CA ISO) Transmission Access Charges (TAC) have been significantly higher and have been increasing 13%, on average, annually over the last 10 years. Analysis by SLDMWA staff has found that construction of the SLTP will result in reduced costs to the CVP, with break-even points somewhere between 4 and 18 years (see *Attachment 1 - Graphs*). At the September 16, 2021 Board meeting, the Board of Directors **approved** SLDMWA proceeding with self-financing the project. According to the schedule, it is anticipated that SLDMWA would complete bond issuance in late January 2022 (*Attachment 2 – Timeline*). High-Level Take-Aways for the project include:

- Current project cost estimate of \$292M – Western Area Power Administration (WAPA) is currently updating the cost estimate with update anticipated in November 2021.
- Design and all preconstruction permitting is complete – project is ready for construction once financing and final agreements are in place.
- SLDMWA would provide the up-front financing, WAPA would build and own the transmission lines
- Excess capacity (200 MW North to South and 600 MW South to North) would be marketed by SLDMWA and used to reduce overall annual costs
- Subject to negotiation of a final agreement, Reclamation would include annual debt service costs in PUE allocation to all CVP PUE beneficiaries. On average, 49% of annual PUE use is attributable to Jones Pumping Plant
- SLDMWA is considering this project an OM&R project and does not anticipate needing separate activity agreements

(4) **Proposed Operational Configuration for the B.F. Sisk Dam Raise and Reservoir Expansion Project Alternative.** SLDMWA has been working with Reclamation on the B.F. Sisk Dam Raise project. The Project would supplement the proposed Safety of Dams modifications to the reservoir to provide for an additional 130,000 acre-feet of water storage capacity by raising the crest height of the dam by 10 feet. The current approach is that Reclamation would fund 50% of the raise through WIIN Act funds and investors would fund the other 50%, with associated AF storage split between Federal (65,000 AF) and investor (65,000 AF). SLDMWA is currently addressing comments received from the Office of Management and Budget (OMB) on the feasibility report for the Project. Specifically, as part of the conditional approval provided in December 2020, OMB required an addendum to the report completed prior to project construction providing the cost allocation for the additional water supply. Currently under consideration by the SLDMWA Board is how to allocate the investor portion as well as seek clarification from Reclamation regarding the proposed allocation of the WIIN Act funded portion.

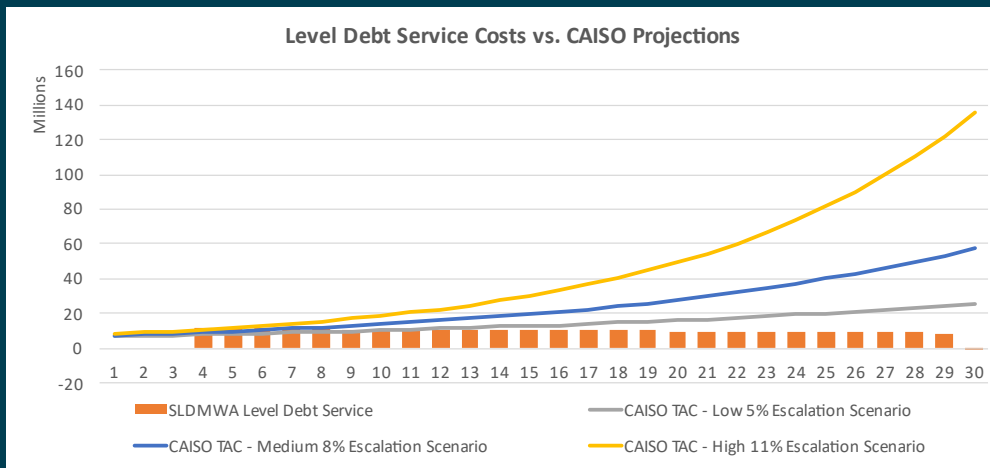
Links the Agenda and Reports for the SLDMWA Board of Directors Meeting:<https://sldmwa.org/upcoming-board-of-directors-meeting-materials-2/>

Links the Agenda and Reports for the SLDMWA Finance & Administration Committee:
<https://sldmwa.org/upcoming-finance-and-administration-committee-meeting-2-4/>

ATTACHMENT 1 – SLTP COST/BENEFIT GRAPHS

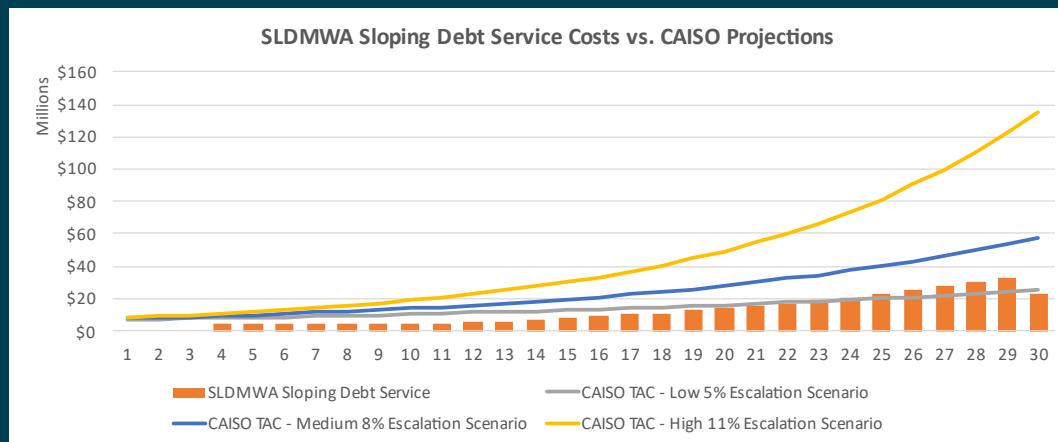
Breakeven Savings – Level Debt Service – With Revenue Offset

CAISO Scenario	5% Escalation	8% Escalation	11% Escalation
Total Savings (Dissavings)	\$135,737,282	\$443,562,884	\$1,056,599,165
Total NPV Savings (Dissavings)	\$34,533,836	\$140,208,934	\$339,183,378
Breakeven year	18 years	10 years	6 years



Breakeven Savings – Sloping Debt Service – With Revenue Offset

CAISO Scenario	5% Escalation	8% Escalation	11% Escalation
Total Savings (Dissavings)	\$51,552,591	\$359,378,192	\$972,414,474
Total NPV Savings (Dissavings)	\$37,737,212	\$143,412,309	\$342,386,754
Breakeven year	4 years	4 years	4 years



San Luis & Delta-Mendota Water Authority

(SLTP) Revenue Bonds, Series 2022

TIME AND RESPONSIBILITY SCHEDULE

Revised on: **September 1, 2021**

I = Issuer - San Luis & Delta-Mendota Water Authority
OP = Obligated Party - Westlands Water District*
BC = Bond Counsel - Stradling Yocca Carlson & Rauth PC
DC = Disclosure Counsel - Stradling Yocca Carlson & Rauth PC
FA = Financial Advisor - Fieldman, Rolapp & Associates, Inc.
T = Trustee - US Bank
UW = Underwriter - TBD
UC = Underwriter's Counsel - TBD
RA = Rating Agencies - TBD
WG = Working Group - I, OP, BC, FA, UW, UC
** Other Obligated Parties will be added.*

Note: FAC meets first Monday of the month and Board meets first Thursday of the month

Date	Description	Responsible Parties	Status
Wednesday, September 1, 2021	Call with Authority, Westlands and Finance Team to discuss bond structure	All	
Monday, September 6, 2021	HOLIDAY - LABOR DAY		
Thursday, September 16, 2021	Board meeting to provide direction to Staff on SLTP financing	All	
Monday, September 20, 2021	Call with WAPA on Transmission Service Agreement ("TSA")	I, FA	
Monday, September 20, 2021	Draft of Authority Section to POS distributed to I, MA	BC	
Tuesday, September 21, 2021	Distribution of 1st draft of Bond Indenture, Transmission Service Agreement with WAPA and Activity Agreements to WG	BC	
Thursday, September 30, 2021	Prepare Substantially final Activity Agreements, if used	BC	
Monday, October 4, 2021	Authority distributes all final financial information to BC	I	
Monday, October 4, 2021	Finance & Admin. Committee meeting to consider Activity Agreements, if used	All	
Thursday, October 7, 2021	Board Meeting to consider Activity Agreements, if used	All	
+/- Friday, October 8, 2021	Distribution of 1st draft of Preliminary Official Statement ("POS")	BC	
Thursday, October 21, 2021	Package to RA and Bond Insurers	All	
Monday, November 1, 2021	Finance & Admin., Committee meeting to consider the approval of [Activity Agreements], Bond Documents and arrangements with BOR	All	
+/- Monday, November 8, 2021	Rating Agency presentations	All	

San Luis & Delta-Mendota Water Authority
 (SLTP) Revenue Bonds, Series 2022

TIME AND RESPONSIBILITY SCHEDULE

Date	Description	Responsible Parties	Status
Thursday, November 25, 2021	HOLIDAY - THANKSGIVING DAY		
Monday, December 6, 2021	Finance & Admin., Committee meeting to consider the approval of POS and Bond Documents; TSA with WAPA	All	
Monday, December 6, 2021	Finalize arrangements with Westlands Solar	All	
Monday, December 6, 2021	Finalize Transmission Service Agreement with WAPA	All	
Monday, December 6, 2021	Finalize arrangements with BOR and agreement for collection/payment of debt obligation	All	
+/- Monday, December 6, 2021	Receive ratings from Rating Agencies	All	
Thursday, December 9, 2021	Board meeting to consider the approval of POS and Bond Documents	All	
+/- Monday, December 13, 2021	Due-diligence call	All	
Wednesday, December 15, 2021	Bond Insurance analysis complete, recommendation made	I, FA, UW	
+/- Monday, December 20, 2021	Post POS electronically	BC	
Friday, December 24, 2021	HOLIDAY - CHRISTMAS DAY		
Friday, December 31, 2021	HOLIDAY - NEW YEAR'S DAY		
+/- Wednesday, January 5, 2022	Pricing call @ TBD / Execute BPA	All	
+/- Wednesday, January 19, 2022	Closing	All	



A large rectangular area with horizontal lines for writing. On the left side, there are two decorative, overlapping leaf-like shapes: a light blue one on top and a light green one on the bottom. The shapes are semi-transparent and have wavy, organic edges.