

BOARD OF DIRECTORS MEETING | Agenda

THURSDAY, APRIL 27, 2023

**OPEN SESSION 8:30 A.M. – 8:45 A.M. / CLOSED SESSION 8:45 – 11:00 A.M./OPEN
SESSION 11:00 A.M.**

BELLO VITA EVENT VENUE 4211 W. GOSHEN AVE., VISALIA, CA 93291

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.

Here is the meeting link for members of the public that would like to access the open session of the Board meeting via Teams at 8:30 a.m. and 11:00 a.m.

Join on your computer, mobile app or room device

[Click here to join the meeting](#) Meeting ID: 230 026 538 081 Passcode: jGkEiF

CALL TO ORDER/ROLL CALL – (ERICKSON)

APPROVAL OF THE AGENDA – (ERICKSON)

1. ACTION ITEM – (10 MINUTES)

- A. FWA Membership Agreements with Delano-Earlimart Irrigation District and Shafter-Wasco Irrigation District (Davis/Phillips)

PUBLIC COMMENT ON CLOSED SESSION ITEMS – (DAVIS)

ADJOURN TO CLOSED SESSION

2. 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
 - 3. *NRDC v. Rogers*, U.S. District Court, Eastern District of California (Sacramento Division), Case No. 88-CV-1658-JAM-GGH.

- 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: Two potential cases.

RECONVENE INTO OPEN SESSION (11:00 AM) (ANNOUNCE ANY REPORTABLE CLOSED SESSION ACTION.) - (ERICKSON)

PUBLIC COMMENT / PUBLIC PRESENTATIONS – (ERICKSON)

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.

3. 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 March 23, 2023. (Erickson)
- B. Ratify April 2023 Bills and Accept the Financial Reports for March 2023. (Orvis)

4. ACTION ITEMS (Continued) (15 MINUTES)

- A. Resolution Authorizing Application for and Participation in Bureau of Reclamation Snow Water Supply Forecasting Grant Program (Buck-Macleod/Duncan)
- B. Fiscal Year 2022 Independent Financial Statement Audit (Orvis)

5. GENERAL UPDATES & REPORTS (70 MINUTES)

- A. FKC Middle Reach Capacity Correction Project Update - Construction Progress Report and Financial Summary (Stantec Atkinson)/Amaral/Davis/Orvis/Phillips) (10 minutes)
- B. Water Operations Update. (Buck-Macleod) (15 minutes)
- C. External Affairs Activities. (Villines/Amaral) (10 minutes)
- D. O&M Report. (Hickernell) (5 minutes)
- E. San Joaquin Valley Blueprint Update. (Ewell) (10 minutes)
- F. San Luis & Delta-Mendota Water Authority Update. (Phillips/Orvis/Davis/Buck-Macleod) (10 minutes)
- G. CEO Report. (Phillips) (10 minutes)

ADJOURNMENT

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 Vivian Garcia at 559-562-6305 or vgarcia@friantwater.org at least 48 hours prior to the meeting.

AGENDA REPORT

NO. A.1

DATE: April 27, 2023

TO: Board of Directors

FROM: Donald M. Davis, General Counsel

SUBJECT: JPA Membership Agreements: Delano-Earlimart and Shafter-Wasco Irrigation Districts

SUMMARY:

After rejoining the Friant Water Authority as an Associate Member in October 2022, the Delano-Earlimart and Shafter-Wasco Irrigation Districts are requesting to become a General Member and O&M Project Member (collectively, “Member”) of FWA. In accordance with FWA’s joint powers agreement (“JPA”), a General Member and O&M Project Member may be admitted upon approval of at least 75% of the Board of Directors. Prior to becoming a Member, an agency must execute a membership agreement with FWA that establishes the terms and conditions of its membership.

RECOMMENDED ACTION:

The Board approve a Membership Agreement with the Delano-Earlimart Irrigation District and the Shafter-Wasco Irrigation District.

DISCUSSION:

Section 6.02 of the FWA joint powers agreement establishes the following process for regular Membership:

Additional qualified parties may join this Agreement and become Members upon approval of directors representing 75% of the Board of Directors. ... Prior to becoming a Member, a party shall execute an agreement to be bound by the terms of this Agreement as if such party had been an original signatory hereto.

The proposed form of Membership Agreement is attached and has been approved, respectively, by the Board of Directors of the Delano-Earlimart Irrigation District and the Shafter-Wasco Irrigation District.

BUDGET IMPACT:

The adjusted General Membership percentages in accordance with Section 3.02(b) of the JPA are set forth in the amended “Exhibit A” of the JPA (which is Attachment 2 of the Membership Agreement).

ATTACHMENTS:

Proposed Membership Agreement, including Attachment 1 (JPA) and Attachment 2 (Revised “Exhibit A” of JPA)

Friant Water Authority Exhibit "A" for General Member Budget GENERAL MEMBER LIST AND ALLOCATION Effective as of April 27, 2023*						Contract Supply % 50.00% Equal % 50.00% Total 100.00%	
District	CLASS I	CLASS I TIMES 2	CLASS II	2 X CLASS I PLUS CLASS II	CONTRACT WATER PERCENT	EQUAL ALLOCATION PERCENT	TOTAL ALLOCATION PERCENT
Arvin-Edison	40,000	80,000	311,675	391,675	7.390%	2.778%	10.167%
City of Fresno	60,000	120,000		120,000	2.264%	2.778%	5.042%
Chowchilla WD	55,000	110,000	160,000	270,000	5.094%	2.778%	7.872%
Delano-Earlimart ID	108,800	217,600	74,500	292,100	5.511%	2.778%	8.289%
Fresno ID		0	75,000	75,000	1.415%	2.778%	4.193%
Kaweah Delta WCD	1,200	2,400	7,400	9,800	0.185%	2.778%	2.963%
Kern-Tulare		0	5,000	5,000	0.094%	2.778%	2.872%
Lindmore	33,000	66,000	22,000	88,000	1.660%	2.778%	4.438%
Lindsay-Strathmore	27,500	55,000		55,000	1.038%	2.778%	3.815%
Lower Tule River	61,200	122,400	238,000	360,400	6.800%	2.778%	9.577%
Madera ID	85,000	170,000	186,000	356,000	6.717%	2.778%	9.494%
Orange Cove	39,200	78,400		78,400	1.479%	2.778%	4.257%
Porterville	15,000	30,000	30,000	60,000	1.132%	2.778%	3.910%
Saucelito	21,500	43,000	32,800	75,800	1.430%	2.778%	4.208%
Shafter-Wasco ID	50,000	100,000	39,600	139,600	2.634%	2.778%	5.412%
Tea Pot Dome	7,200	14,400		14,400	0.272%	2.778%	3.049%
Terra Bella	29,000	58,000		58,000	1.094%	2.778%	3.872%
Tulare	30,000	60,000	141,000	201,000	3.792%	2.778%	6.570%
Associate Member							
Hills Valley							\$12,000 Annually
Totals	663,600	1,327,200	1,322,975	2,650,175	50.000%	50.000%	100.000%

*Delano-Earlimart & Shafter-Wasco ID added as a General Members in Fiscal Year 2023, effective April 27, 2023

**AGREEMENT TO JOIN FRIANT WATER AUTHORITY
(Delano-Earlimart Irrigation District)**

This Agreement to Join Friant Water Authority (“**Agreement**”) is between the DELANO-EARLIMART IRRIGATION DISTRICT (“**DEID**”) and the FRIANT WATER AUTHORITY (“**FWA**”), and is effective as of April 27, 2023 (“**Effective Date**”).

RECITALS

A. FWA is a joint powers authority organized under the California Joint Exercise of Powers Act (Government Code section 6500 and following).

B. The members of FWA are parties to a joint powers agreement (“**JPA**”) by and between various water and irrigation districts and other public agencies that convey, store, and supply water for municipal, industrial or agricultural uses. The current JPA is attached as Attachment 1.

C. DEID is an irrigation district duly organized and existing in the Counties of Kern and Tulare, State of California, pursuant to Division 11 of the California Water Code.

D. Section 6.02 of the JPA provides, in pertinent part, that new members may be admitted upon approval of directors representing 75% of the Board of Directors, and that prior to becoming a member of FWA, a party must execute an agreement to be bound by the terms of the JPA as if such party had been an original signatory to the JPA.

E. The Board of Directors of DEID has authorized DEID to join FWA as a General Member and O&M Project Member, as those terms are defined in the JPA, and has authorized its Board President and Secretary to sign this Agreement for DEID to become a General Member and O&M Project Member of FWA and be bound by the terms and conditions of the JPA.

F. By a vote held at a duly noticed regular meeting of the Board of Directors of FWA, directors representing at least 75% of the FWA Board of Directors approved the admission of DEID as a General Member and O&M Project Member of FWA, and authorized the Board Chair and Secretary to sign this Agreement.

THE PARTIES AGREE AS FOLLOWS:

1. **Admission of DEID.** Upon the full execution of this Agreement, DEID will become a General Member and O&M Project Member of FWA. Exhibit A of the JPA is hereby amended to include DEID as a Member in the list of members as provided in Attachment 2.

2. **Adherence to JPA and Bylaws.** DEID agrees to be bound by the terms of the JPA as if it had been an original signatory to the JPA, and further agrees to comply with all applicable provisions of the FWA Bylaws, each as may be amended from time to time.

3. **Revised “Exhibit A” to JPA; General Membership Cost Share.** DEID acknowledges and agrees that the revised “Exhibit A” to the JPA attached as Attachment 2

reflects the members of FWA as of the Effective Date, and their participating General Member percentages under the formula set forth in Section 3.02(b) of the JPA. The parties further acknowledge and agree that the assessment of DEID's proportionate share of General Member costs will begin effective May 1, 2023.

THE UNDERSIGNED AUTHORIZED REPRESENTATIVES OF THE PARTIES have executed this Agreement to be effective on the date first above written.

FWA:

FRIANT WATER AUTHORITY

By: _____
Jim Erickson, Chair

By: _____
Josh Pitigliano, Secretary-Treasurer

DEID:

DELANO-EARLIMART IRRIGATION DISTRICT

By: _____
Kelley T. Hampton, President

By: _____
Eric R. Quinley, Secretary

ATTACHMENT 1

Current FWA JPA

ATTACHMENT 2

Revised “Exhibit A” to JPA

**AGREEMENT TO JOIN FRIANT WATER AUTHORITY
(Shafter-Wasco Irrigation District)**

This Agreement to Join Friant Water Authority ("**Agreement**") is between the SHAFTER-WASCO IRRIGATION DISTRICT ("**SWID**") and the FRIANT WATER AUTHORITY ("**FWA**"), and is effective as of April 27, 2023 ("**Effective Date**").

RECITALS

A. FWA is a joint powers authority organized under the California Joint Exercise of Powers Act (Government Code section 6500 and following).

B. The members of FWA are parties to a joint powers agreement ("**JPA**") by and between various water and irrigation districts and other public agencies that convey, store, and supply water for municipal, industrial or agricultural uses. The current JPA is attached as Attachment 1.

C. SWID is an irrigation district duly organized and existing in the County of Kern, State of California, pursuant to Division 11 of the California Water Code.

D. Section 6.02 of the JPA provides, in pertinent part, that new members may be admitted upon approval of directors representing 75% of the Board of Directors, and that prior to becoming a member of FWA, a party must execute an agreement to be bound by the terms of the JPA as if such party had been an original signatory to the JPA.

E. The Board of Directors of SWID has authorized SWID to join FWA as a General Member and O&M Project Member, as those terms are defined in the JPA, and has authorized its Board President and Secretary to sign this Agreement for SWID to become a General Member and O&M Project Member of FWA and be bound by the terms and conditions of the JPA.

F. By a vote held at a duly noticed regular meeting of the Board of Directors of FWA, directors representing at least 75% of the FWA Board of Directors approved the admission of SWID as a General Member and O&M Project Member of FWA, and authorized the Board Chair and Secretary to sign this Agreement.

THE PARTIES AGREE AS FOLLOWS:

1. **Admission of SWID.** Upon the full execution of this Agreement, SWID will become a General Member and O&M Project Member of FWA. Exhibit A of the JPA is hereby amended to include SWID as a Member in the list of members as provided in Attachment 2.

2. **Adherence to JPA and Bylaws.** SWID agrees to be bound by the terms of the JPA as if it had been an original signatory to the JPA, and further agrees to comply with all applicable provisions of the FWA Bylaws, each as may be amended from time to time.

3. **Revised "Exhibit A" to JPA; General Membership Cost Share.** SWID acknowledges and agrees that the revised "Exhibit A" to the JPA attached as Attachment 2

reflects the members of FWA as of the Effective Date, and their participating General Member percentages under the formula set forth in Section 3.02(b) of the JPA. The parties further acknowledge and agree that the assessment of SWID's proportionate share of General Member costs will begin effective May 1, 2023.

THE UNDERSIGNED AUTHORIZED REPRESENTATIVES OF THE PARTIES have executed this Agreement to be effective on the date first above written.

FWA:

FRIANT WATER AUTHORITY

By: _____
Jim Erickson, Chair

By: _____
Josh Pitigliano, Secretary-Treasurer

SWID:

SHAFTER-WASCO IRRIGATION DISTRICT

By: _____
Craig Fulwyler, President

By: _____
Kris Lawrence, Secretary

ATTACHMENT 1

Current FWA JPA

ATTACHMENT 2

Revised “Exhibit A” to JPA



BOARD OF DIRECTORS MEETING | Minutes

THURSDAY, MARCH 23, 2023

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

BELLO VITA 4211 W. GOSHEN AVENUE, VISALIA, CA 93291

CALL TO ORDER/ROLL CALL

Chairman Jim Erickson called to order the noticed meeting of the Board of Directors of the Friant Water Authority at 8:32 a.m.

ATTENDANCE:

Directors Present:

Edwin Camp	Arvin-Edison W.S.D. (AEWSD)
Brock Buche	City of Fresno (CofF)
Roger Schuh	Chowchilla W.D. (CWD)
George Porter	Fresno I.D. (FID)
Chris Tantau	Kaweah Delta W.C.D. (KDWCD)
Kole Upton	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)
Arlen Miller	Orange Cove I.D. (OCID)
Eric Borba	Porterville I.D. (PID)
Steven G. Kisling	Saucelito I.D. (SID)
Matthew Leider	Teapot Dome W.D. (TPWD)
Geoff Galloway	Terra Bella I.D. (TBID)
Rick Borges	Tulare I.D. (TID)

Associate Members:

Kelley Hampton	Delano Earlimart Irrigation District (DEID)
Keith Cosart	Exeter Irrigation District (EID)
Doug Phillips	Ivanhoe Irrigation District (IID)
Bill DeGroot	Pixley Irrigation District (PID)

Directors Absent:

Loren Booth	Hills Valley I.D. (HVID)
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Associate Members Absent:

Craig Fulwyler	Shafter Wasco Irrigation District (SWID)
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APPROVAL OF THE AGENDA

The Board approved the agenda as presented with the addition of two urgency/subsequent need matters: 1) Labor Negotiations under Government Code section 54957.6 (closed session); and 2) Extension of Temporary Agreement for Conveyance of Water (Restoration Flows) (open session).

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

PUBLIC COMMENT ON CLOSED SESSION ITEMS

None.

ADJOURN TO CLOSED SESSION (DAVIS)

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
 - 3. *NRDC v. Rogers*, U.S. District Court, Eastern District of California (Sacramento Division), Case No. 88-CV-1658-JAM-GGH.
- 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: Two potential cases.

RECONVENE INTO OPEN SESSION

(11:06 a.m.) - There was no reportable action taken during closed session.

PUBLIC COMMENT / PUBLIC PRESENTATIONS

Director Loeffler opened the meeting with an Invocation.

2. CONSENT CALENDAR

A. Approval of the Minutes – Board of Directors Meeting of March 3, 2023. (Erickson)

B. Ratify March 2023 Bills and Accept the Cash Activity Reports for February 2023. (Orvis)

M/S/C – Motion by Director Loeffler, seconded by Director Galloway, to approve the consent calendar as presented for Items A and B. The motion carried. (Roll Call Vote: Ayes – AESWD, Coff, CWD, FID, KDWCD, KTWD, LID, LSID, LTRID, MID, OCID, PID, SID, TPWD, TID; Nays – 0)

3. ACTION ITEMS

A. Mid-Year Cost-of-Living-Adjustment for Fiscal Year 2023. (Amaral/Garcia/Orvis) Mid-Year COLA Adjustment (Prospective). Implement a mid-year 3.3% COLA adjustment, effective April 1, 2023; One-time Inflation Adjustment. Implement a one-time inflation adjustment equivalent to 3.3% of each employee's salary income between October 1, 2022 through March 31, 2023 for all FWA employees, exempting those employees covered by employment agreements that incorporate scheduled increases. The estimated fiscal impact of this option is approximately \$25,000 in additional labor costs over what was budgeted for in the FY 2023 approved budget

M/S/C – Motion by Director Loeffler, seconded by Director Leider, to approve the two options presented (1) increase of 3.3% and (2) and one-time inflation adjustment. The motion carried. (Roll Call Vote: Ayes – AESWD, Coff, CWD, FID, KDWCD, KTWD, LID, LSID, LTRID, MID, OCID, PID, SID, TPWD, TID; Nays – 0;)

B. Friant-Kern Canal System-Wide Capacity Correction Activity Agreement and Contract. (BuckMacleod/Orvis) FWA and Stantec developed a draft workplan on the next phase of planning (Plan Formulation Study) based on feedback from Friant Managers and Directors. This study will build on the Recon Study by refining the engineering, cost estimates, and economic benefits analysis to support the evaluation and selection of measures and development of alternatives to be advanced to a Feasibility Study, detailed design and environmental compliance.

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

C. OM&R Cost Recovery Policy Revisions – Conveyance Rate Update (Orvis) The proposed revisions to the FWA OM&R Cost Recovery Policy. The Board of Directors approved the proposed OM&R Cost Recovery Methodology Policy and directed staff to provide notice of changes to the OM&R Cost Recovery Policy to all affected Friant Division Contractors and Reclamation for the mandatory 60-day review period.

M/S/C – Motion by Director Loeffler, seconded by Director Tantau, to circulate the proposed policy amendments to contractors for a 60-day review. . The motion carried. (Roll Call Vote: Ayes – AESWD, Coff, CWD, FID, KDWCD, KTWD, LID, LSID, LTRID, MID, OCID, PID, SID, TPWD, TID; Nays – 0;)

D. Third-Quarter, Fiscal Year 2023 Call-for-Funds, General Membership (Orvis). The Board of Directors approved the April 2023 Call-for-Funds in the amount of \$618,224 for the third quarter for the FY 2023 General Membership Budget.

M/S/C – Motion by Director Leider, seconded by Director Galloway, to approve the call-for-funds. The motion carried. (Roll Call Vote: Ayes – AESWD, Coff, CWD, FID, KDWCD, KTWD, LID, LSID, LTRID, MID, OCID, PID, SID, TPWD, TID; Nays – 0;)

E. Extension of Conveyance Agreements for Recaptured Water (Davis). General Counsel Davis explained the need to extend the Conveyance Agreements with PID and BCID for an additional 60 days.

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

4. GENERAL UPDATES & REPORTS (75 MINUTES)

- A. FKC Middle Reach Capacity Correction Project Update - Construction Progress Report and Financial Summary – Stantec’s Janet Atkinson provided a project update. She reported that the contractor has worked 421 calendar days.; there have been occasional weather delays, as a result they have been working Monday through Saturday. As of February 25th, change orders total approximately \$3.3 million, with two additional change orders in this month. Work completed through the end of February (based on cost) is approximately 58.3% of the original contract amount.
- B. Water Operations Update. – WRM Buck-Macleod provided a water operation update as outlined in the agenda report. March is continuing to be exceptionally wet throughout the State. Flood releases from many reservoirs are occurring to stay within conservation pools. On March 7th, Reclamation increased the Friant Class 2 allocation from 20% to 70%, and subsequently, announced Uncontrolled Season with availability of Section 215 supplies and Recovered Water Account (RWA) water on March 9th and 11th, respectively.
- C. External Affairs Activities– COO/CEA Amaral & Mike Villines provided an update on External Affairs activities as outlined in the agenda report. In State affairs, The budget deficit is continuing to balloon as California has seen a decline in Personal Income Tax (PIT) payments and Corporate Tax payments. The Governor’s January budget anticipated using the state reserves to cover the deficit which allowed him to avoid announcing cuts. However, it seems clear now that the reserve of \$15-\$17 billion will be eaten up and a significant deficit will exist of at least \$10-\$15 billion. As for Federal affairs, it was reported that Biden Administration Cabinet secretaries will kick off appropriations season by testifying on Capitol Hill to defend President Biden's FY 2024 budget request, as Republicans mount a counteroffensive to increased spending in the budget request. Additionally, the Biden Administration announced it is proposing a federal rulemaking setting new drinking water limits for toxic “forever” chemicals known as PFAS.

- D. O&M Report– Superintendent Hickernell provided an update on current O&M activities as outlined in the agenda report. Lindsay staff removed aquatic weed and trash built up at siphons throughout FKC. Due to heavy rainfall and severe flooding, all drains had to be cleared repeatedly due to trash and debris. Orange Cove staff began hauling materials off the embankment from the recent desilt project. Delano staff continues embankment maintenance to upper and lower around structures such as blockhouses, turnouts, bridge abutments, utility tractors, motor graders, and earth moving equipment.
- E. San Joaquin Valley Blueprint Update – Austin Ewell provided an update on San Joaquin Blueprint activities as outlined in the agenda report. He also reported on the Blueprint San Joaquin Valley and the Delta Summit.
- F. San Luis & Delta-Mendota Water Authority Update – CFO Orvis provided an update on current activities of SLDMWA. He reported that the Special Workshop on March 13th, there were four items associated with SLDMWA over the last month that pertain to FWA operations: (1) San Joaquin River Releases to Mendota Pool and (2) Water Year (WY) 2023 Operations, Maintenance, and Replacement Rates, (3) Workshop(s) regarding Minimum Participation in Rate setting Procedures, and (4) Draft Environmental Assessment / Initial Study for the Delta-Mendota Canal Subsidence Correction Project.
- G. CEO Report - CEO Phillips provided an update on current activities of the CEO. He shared his excitement for Allison Febbo in her new role as Westlands General Manager as she is very capable. He also reminded all in attendance of the Annual Meeting scheduled for April 13, 2023.

5. ADJOURNMENT

The meeting adjourned at 1:07 p.m.

Jason R. Phillips, Chief Executive Officer
Friant Water Authority

Vivian Garcia, Recording Secretary
Friant Water Authority

OTHERS IN ATTENDANCE:

Aaron Fukuda	Tulare I.D.
Alan Doud	Young Wooldridge
Aubrey Mauritsen	Visalia Law
Austin Ewell	California Blueprint
Bill Luce	Luce Consulting
Bill Stretch	Fresno I.D.
Brandon Tomlinson	Chowchilla W.D.
Brian Thomas	FWA Consultant
Chris Hickernell	FWA
Chris Hunter	Lindmore I.D.

Craig Wallace	Lindsay-Strathmore I.D.
David Dees	FWA
David Wierenga	Delano-Earlimart I.D.
Don Davis	FWA General Counsel
Don Wright	Water Wrights
Douglas DeFlitch	Douglas DeFlitch Consulting LLC.
Douglas Jackson	Water & Land Solutions
Doug Gosling	Braun Gosling Attorney
Dyson Schneider	Limoneira Ranch
Eric Limas	Lower Tule River I.D., Tea Pot Dome W.D.
Eric Quinley	Delano-Earlimart I.D.
Geoff Vanden Heuvel	Milk Producers Counsel
Ian Buck-Macleod	FWA
Janet Atkinson	Stantec
Jason Phillips	FWA
Jeevan Muhar	Arvin-Edison W.S.D.
Jennifer Evans	Elevated Ag
John Bezdek	FWA Special Counsel
Johnny Amaral	FWA
Josef Galileo Sibala	(Media – Fresno State)
Justin Diener	WWD
Katie Duncan	FWA
Kris Lawrence	Shafter-Wasco I.D.
Kuyler Crocker	CCM
Maggie Suarez	FWA
Matt Kidder	LTRID
Mia Swenson	FWA
Michael Jackson	USBR
Mike Villines	Villines Group
Mitch Partovi	The Water Agency, Inc.
Nick Keller	Hills Valley I.D.
Rufino Gonzalez	USBR
Sean Geivet	SID, Tea Pot Dome W.D., Terra Bella I.D.
Skye Grass	Kern-Tulare W.D.
Tom Barcellos	Lower Tule River I.D., Tea Pot Dome W.D.
Tom Greci	Madera I.D.
Shelly Abajian	U.S. Senator Diane Feinstein
Steve Ottemoller	Ottemoller Consulting Services
Vivian Garcia	FWA
Wilson Orvis	FWA

Agenda Report

No. 3.B

DATE: April 27, 2023

TO: Board of Directors

FROM: Wilson Orvis, CFO

SUBJECT: Approve Bills for the Month of April 2023 and Accept the Financial Reports for Month Ending March 31, 2023

SUMMARY:

The Finance Committee met on April 24, 2023 and reviewed the bills for April 2023 and the financial reports for month ending March 31, 2023. There was a quorum at the meeting.

FINANCE COMMITTEE ACTION:

At the April 24, 2023 meeting, the Finance Committee acted to recommend that Board of Directors approve payment of the April 2023 bills in the amount of \$2,689,938.43 and accept the Financial Reports for month ending March 31, 2023.

SUGGESTED MOTION:

I move that the Board of Directors approve payment of the April 2023 bills in the amount of \$2,689,938.43 and accept the Financial Reports for month ending March 31, 2023.

BUDGET IMPACT:

- \$867,904.54 (bills) and \$323,998.26 (payroll) is chargeable to the FY 2023 Operations, Maintenance, and Replacement (OM&R) Budget;
- \$155,743.86 (bills) and \$74,217.04 (payroll) is chargeable to the FY 2023 General Membership Budget;
- \$181,956.81 is to be recovered under existing grant agreements;
- \$0 to San Luis & Delta-Mendota Water Authority for forecasted Exchange Contractor deliveries for the month of April (as of the Finance Committee, the SLDMWA bill was under review by staff based upon unresolved questions regarding the proposed billings);
- \$884,924.86 is chargeable to Middle Reach Capacity Correction Project, Phase 1; and
- \$201,193.06 are payments to Districts for the FY2020-FY2022 cost allocation true-up, which represent the final true-up reallocations.

ATTACHMENTS:

Friant Water Authority Bills to be Paid, Budget-to-Actuals, and Cash Activity Reports

FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, APRIL 2023

BILLS PAID APRIL 14, 2023

NO.	PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION
1	ACWA	\$ -	\$ 2,600.00	\$ 2,600.00	Water Users Conference
2	ACWA / JPIA	75,889.37	7,381.60	83,270.97	Medica, Dental & Vision Insurance
3	ADT COMMERCIAL	199.35	-	199.35	Alarm Services- Delano and OC
4	AIRGAS USA, LLC	873.88	-	873.88	Welding Supplies-OC Yard
5	ALEXANDER'S ELECTRIC MOTOR SHOP	153.61	-	153.61	Parts & Supplies-Water Pump
6	AMAZON CAPITOL SERVICES, INC.	5,816.53	-	5,816.53	Computer Eqpt, Jumpstarter, Office & Kitchen Supplies
7	ARTHUR VANHERREWEGHE	220.00	-	220.00	Airconditioner Services - Lindsay
8	AT&T	1,044.24	-	1,044.24	Utilites - Telephone
9	AUTO ZONE, INC.	238.99	-	238.99	Parts & Supplies - Lindsay & Delano Yard
10	AWARDS & SIGNS UNLIMITED	67.81	-	67.81	Name Plates
11	BANTA-CARBONA IRRIGATION DISTRICT	14,580.00	-	14,580.00	Water Conveyance March
12	BERCHTOLD EQUIPMENT CO	103,334.30	-	103,334.30	Mini Excavator (FY23 Budget)
13	BIG GREEN IT, LLC	4,144.71	-	4,144.71	Microsoft 365 Support - February & March
14	BILL LUCE CONSULTING	2,442.00	577.50	3,019.50	Consulting Services - March
15	BOOT BARN INC.	1,367.78	-	1,367.78	Safety Boots (7)
16	BRIAN G. THOMAS CONSULTING, LLC	10,200.00	-	10,200.00	Consulting Services - January & February
17	BURKE, WILLIAMS & SORENSEN, LLP	34,236.00	4,825.00	39,061.00	Professional Services - December & January
18	CAESARS ENTERTAINMENT	-	2,878.55	2,878.55	Water Users Conference - Room & Meals
19	CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES	500.00	-	500.00	Annual Membership Dues
20	CALIFORNIA COMPUFORMS	377.76	-	377.76	Business Cards (Set of 5)
21	CALIFORNIA DEPART. OF TAX AND FEE ADMIN.	-	89,343.81	89,343.81	Water Rights Permit
22	CANBY'S ACS, INC.	381.81	-	381.81	Airconditioner Services - Lindsay
23	CDW GOVERNMENT INC	23,199.60	-	23,199.60	Cloudstrike & Barracuda Networks (Annual)
24	CENTRAL VALLEY TOOLS (SNAP ON)	233.56	-	233.56	Parts & Supplies - Lindsay Yard
25	CHEVRON AND TEXACO CARD SERVICES	627.73	-	627.73	Fuel - Delano Yard
26	CINTAS CORPORATION #2	4,109.50	-	4,109.50	Uniform Services - Lindsay & OC Yard
27	CINTAS CORPORATION #3	760.38	-	760.38	Uniform Services - Delano Yard
28	CITY OF DELANO	490.09	-	490.09	Utilities
29	CITY OF ORANGE COVE	466.66	-	466.66	Utilities
30	CRAIGS AUTO PARTS	792.06	-	792.06	Part & Supplies - Lindsay Yard
31	CULLIGAN OF FRESNO	91.65	-	91.65	Water Services - OC Yard
32	CULLIGAN OF LINDSAY	97.00	-	97.00	Water Services - Lindsay Yard
33	DACO FARM SUPPLY	70.64	-	70.64	Parts & Supplies- Lindsay & Delano Yard
34	DELIZIOSA	1,350.00	-	1,350.00	Caterting-Charcuterie
35	DINUBA LUMBER COMPANY	798.31	-	798.31	Part & Supplies - OC Yard
36	DONALD M. DAVIS	1,817.52	-	1,817.52	Consulting Services - February & March
37	E M THARP INC	1,242.12	-	1,242.12	Parts & Service - Lindsay Yard
38	ENVIRONMENTAL SCIENCE ASSOCIATES	64,170.24	-	64,170.24	Professional Services - January & February

FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, APRIL 2023

BILLS PAID APRIL 14, 2023

NO.	PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION
39	EXECUTIVE SUITES AT RIVER BLUFF, LP	-	2,005.00	2,005.00	Office Rent-Fresno
40	FEDEX	109.26	-	109.26	Shipping Service
41	FOOTHILL AUTO TRUCK & AG PARTS, INC.	1,630.03	-	1,630.03	Parts & Supplies - OC Yard
42	FRANZEN- HILL CORPORATION	1,700.00	-	1,700.00	Fuel Tank Testing - Lindsay & Delano Yard
43	FRONTIER	1,977.80	-	1,977.80	Utilites - Telephone February & March
44	FRUIT GROWERS SUPPLY CO	728.02	-	728.02	Part & Supplies - Lindsay & OC Yard
45	FUSION CLOUD SERVICES, LLC	464.15	-	464.15	Long Distance Telephone- January & February
46	GRAINGER	66.09	-	66.09	Parts & Supplies - OC Yard
47	GRAYBAR	295.28	-	295.28	Parts & Supplies - Water Ops
48	GREG'S PETROLEUM SERVICE	2,190.31	-	2,190.31	Environmental Recycling
49	GROSSMAYER & ASSOCIATES	697.70	-	697.70	Great Plains Support
50	GSI ENVIRONMENTAL INC.	7,776.00	-	7,776.00	Consulting Services - March
51	HELENA CHEMICAL COMPANY	207,495.00	-	207,495.00	Copper Sulfate 50lbs
52	HOME DEPOT CREDIT SERVICES	1,470.78	-	1,470.78	Parts & Supplies - All Yards
53	HYDRAULIC CONTROLS INC	384.23	-	384.23	Parts & Supplies - Lindsay Yard
54	JACK GRIGGS INC.	36.44	-	36.44	Propane Fuel - 7.5 gallons
55	KAN VENTURES, INC.	908.91	4,000.00	4,908.91	Consulting Services - March
56	KASEYA US LLC	2,078.26	-	2,078.26	IT Support - March & April
57	LAWSON PRODUCTS	19.47	-	19.47	Lithium Battery
58	LINCOLN NATIONAL LIFE INSURANCE CO.	3,927.62	520.80	4,448.42	Medical & Disability Insurance
59	LINDE GAS & EQUIPMENT INC.	301.72	-	301.72	Parts & Supplies - Lindsay & Delano Yard
60	LINDSAY FLORAL	208.31	-	208.31	Safety Training - Tables & Chairs
61	MARTENS CHEVROLET	54.85	-	54.85	Parts & Service - OC Yard
62	MID VALLEY DISPOSAL	160.08	-	160.08	Waste Disposal Services - February
63	MONARCH FORD	1,842.23	-	1,842.23	Parts & Service - Lindsay & OC Yard
64	MOONLIGHT MAINTENANCE SERVICES	4,451.50	-	4,451.50	Janitorial Services - February & March
65	ODP BUSINESS SOLUTIONS, LLC	201.10	-	201.10	Office Supplies
66	ORANGE COVE TIRE SERVICE	452.71	-	452.71	Tire Repair - OC Yard
67	OTTEMOELLER CONSULTING SERVICES, LLC	4,452.50	787.75	5,240.25	Consulting Services - March
68	PACIFIC GAS & ELECTRIC	2,824.18	-	2,824.18	Utilities - March
69	PAESANO FARMS	22,185.00	-	22,185.00	Goat Grazing - 44.37 acres (February & March)
70	PATTERSON IRRIGATION DISTRICT	23,895.00	-	23,895.00	Water Conveyance March
71	PBW DISTRIBUTOR INC	1,105.87	-	1,105.87	Parts & Supplies - Lindsay & Delano Yard
72	PORTERVILLE FORD	141.04	-	141.04	Parts & Service - Lindsay Yard
73	POWER BUSINESS TECHNOLOGY	25.95	-	25.95	Toner Service
74	PROVOST & PRITCHARD INC	7,480.66	-	7,480.66	Consulting Services - February
75	PSW	56.00	-	56.00	Shredding Services
76	QUILL CORPORATION	464.87	-	464.87	Office Supplies

FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, APRIL 2023

BILLS PAID APRIL 14, 2023

NO.	PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION
77	RED WING BUSINESS ADVANTAGE	184.43	-	184.43	Safety Boots (1)
78	REGO CONSULTING CORPORATION	412.50	-	412.50	Consulting Services - PowerApps
79	ROBERT V. JENSEN, INC.	25,895.37	-	25,895.37	Gasoline (5,000 gallons) & Diesel (1,700 gallons)
80	SAN JOAQUIN PEST CONTROL	94.00	-	94.00	Pest Control - Lindsay Yard
81	SAVE A LIFE TRAINING CENTER	2,080.00	-	2,080.00	CPR Training
82	SCHNEIDER ELECTRIC, USA, INC.	13,115.00	-	13,115.00	Parts & Supplies - Water Ops
83	SEVIERS AUTO SUPPLY	549.66	-	549.66	Parts & Supplies - Delano Yard
84	SMART & FINAL CORP	596.37	-	596.37	Kitchen Supplies - All yards
85	SO CAL GAS	3,062.98	-	3,062.98	Utilities - February & March
86	SOAPMAN OF KERN COUNTY	446.70	-	446.70	Parts & Supplies - Lindsay Yard
87	SOUTHERN CALIF EDISON	3,842.08	-	3,842.08	Utilities - February & March
88	STANDARD INSURANCE CO	6,788.33	2,009.82	8,798.15	Survivor's Life Insurance
89	STANTEC CONSULTING SERVICES INC.	17,370.24	-	17,370.24	Consulting Services - March
90	STOEL RIVES LLP	-	767.70	767.70	Consulting Services - February
91	STOP ALARM, INC.	574.50	-	574.50	Alarm Services - Lindsay Yard
92	STUART'S JOHANSON & THOMAS	193.02	-	193.02	Parts & Supplies - Lindsay Yard
93	SUAREZ, MARGARITA	103.49	-	103.49	Expense Claim Reimbursement
94	TARGET SPECIALTY PRODUCTS	1,633.68	-	1,633.68	Alligare Diuron - 270 gallons
95	TAYLOR, JOSHUA	54.12	-	54.12	Expense Claim Reimbursement
96	TECHNOFLO SYSTEMS	365.00	-	365.00	Parts & Supplies - Water Ops
97	TF TIRE & SERVICE	5,941.61	-	5,941.61	Heavy Equipment Tire Replacement (8 Tires)
98	THE FERGUSON GROUP, LLC	-	3,451.98	3,451.98	Consulting Services - February
99	THE REDESIGN GROUP	6,518.98	-	6,518.98	Help Desk, Azure, VMWare Renewal & IT Support
100	THOMAS HARDER & CO.	2,617.50	-	2,617.50	Consulting Services - March
101	TOSHIBA FINANCIAL SERVICES	5,856.00	-	5,856.00	Office Equipment Lease - March & April
102	UNWIRED BROADBAND, INC.	599.96	-	599.96	Internet Services - Delano & OC Yard
103	VALLEY IRON, INC.	258.11	-	258.11	Welding Supplies - OC Yard
104	VALLEY PACIFIC PETROLEUM SERVICES, INC.	14,009.39	-	14,009.39	Gasoline (3,000 gallons) - Lindsay & Delano Yard
105	VAST NETWORKS	153.78	-	153.78	Internet Services - Lindsay
106	VERIZON WIRELESS	9,594.05	-	9,594.05	Cellphone Services & SCADA February & March
107	VISALIA CONVENTION CENTER	1,128.00	-	1,128.00	Board Meeting - January
108	WATERMILL GROVE	22,344.57	-	22,344.57	Annual Dinner Event-Final
109	WEISENBERGERS	478.52	-	478.52	Parts & Supplies - Lindsay Yard
110	WHITE CAP, LP	72.04	-	72.04	Parts & Supplies - OC Yard
111	WORLD OIL ENVIRONMENTAL SERVICES	150.00	-	150.00	Waste Disposal Services - December & March
112	XEROX FINANCIAL SERVICES	3,352.12	-	3,352.12	Equipment Lease - November & December
113	SUBTOTAL SPENDING	\$ 811,080.22	\$ 121,149.51	\$ 932,229.73	
114	ALLOCATION CORRECTION - TRUE UP	201,193.06		201,193.06	25 Year Allocation

BILLS PAID APRIL 14, 2023

BILLS TO BE PAID APRIL 27, 2023						
NO.	PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION	
131	AAA TRUCK SERVICE, INC.	\$ 242.14	\$ -	\$ 242.14	Parts & Supplies-Lindsay Yard	
132	ACCURATE MEASUREMENT SYS.	12,383.06	-	12,383.06	Differential Pressure Transmit	
133	AUTO ZONE, INC.	33.91	-	33.91	Parts & Supplies-Lindsay Yard	
134	Bank of America	12,748.70	3,559.64	16,308.34	Various Visa Charges	
135	BLANKINSHIP & ASSOCIATES, INC.	2,000.00	-	2,000.00	Consulting Services-April	
136	CINTAS CORPORATION #2	286.66	-	286.66	Uniform Services-Lindsay Yard	
137	CITY OF LINDSAY	242.80	-	242.80	Utilities	
138	CITY OF ORANGE COVE	445.37	-	445.37	Utilities-March	
139	CRAIGS AUTO PARTS	172.73	-	172.73	Parts & Supplies-Water Ops	
140	CULLIGAN OF FRESNO	126.06	-	126.06	Water Services-OC Yard	
141	EVOLUTION AUTO GLASS & WINDOW TINT	500.00	-	500.00	Windshield Repair-Bobcat	
142	FRANZEN- HILL CORPORATION	1,778.43	-	1,778.43	Fuel Tank Testing-Orange Cove	
143	FRUIT GROWERS SUPPLY CO	250.48	-	250.48	Parts & Supplies-Lindsay Yard	
144	FUSION CLOUD SERVICES, LLC	212.40	-	212.40	Long Distance Telephone- March	
145	GRAINGER	124.96	-	124.96	Parts & Supplies-OC Yard	
146	HOME DEPOT CREDIT SERVICES	1,968.56	-	1,968.56	Parts & Supplies-Lindsay Yard	
147	LAWSON PRODUCTS	676.09	-	676.09	Parts & Supplies-Lindsay Yard	
148	MEDALLION SUPPLY COMPANY	497.35	-	497.35	Supplies-Water Ops	
149	MID VALLEY DISPOSAL	160.08	-	160.08	Waste Disposal Service-March	
150	PACIFIC GAS & ELECTRIC	4,542.25	-	4,542.25	Utilities - April	
151	PAESANO FARMS	9,872.30	-	9,872.30	Goat Grazing-April (19.745a)	
152	PORTERVILLE ROCK & RECYCLE, INC.	1,063.75	-	1,063.75	Road Repair Materials-Delano	
153	SO CAL GAS	14.30	-	14.30	Utilites-Natural Gas	
154	SOMACH SIMMONS & DUNN	-	8,148.83	8,148.83	Consulting Services-February & March	
155	SOUTHERN CALIF EDISON	2,098.28	-	2,098.28	Utilities-Electricity	
156	SPARKLETTS	234.50	-	234.50	Water Services-Lindsay Yard	
157	SPARKLETTS	28.98	-	28.98	Water Services-OC Yard	
158	TF TIRE & SERVICE	684.68	-	684.68	Tire Repair-Lindsay Yard	
159	VALLEY PACIFIC PETROLEUM SERVICES, INC.	3,396.75	-	3,396.75	Unleaded Fuel-Lindsay Yard	
160	VILLINES GROUP, LLC	-	4,000.00	4,000.00	Consulting Services-March	
161	WATER AND POWER LAW GROUP PC	-	18,885.88	18,885.88	Special Counsel Services-March	
162	WEISENBERGERS	38.75	-	38.75	Parts & Supplies-Lindsay Yard	
163	SUBTOTAL SPENDING	\$ 56,824.32	\$ 34,594.35	\$ 91,418.67		
164	PAYROLL FWA	107,364.45	27,322.32	134,686.77	End of Month Payroll Estimate	
165	TOTAL OM&R	\$ 164,188.77	\$ 61,916.67	\$ 226,105.44		

BILLS TO BE PAID APRIL 27, 2023						
NO.	PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION	
166	Middle Reach Capacity Correction Project Phase 1					
167	STANTEC CONSULTING SERVICES INC.	\$ 22,220.98	\$ -	\$ 22,220.98	Consulting Services-February	
168	VILLINES GROUP, LLC	\$ 6,000.00	\$ -	\$ 6,000.00	Consulting Services-March	
169	SUBTOTAL - MRCCP	\$ 28,220.98	\$ -	\$ 28,220.98		
170	PUMPBACK GRANTS					
171	CDM SMITH	\$ 26,320.90	\$ -	\$ 26,320.90	Professional Services-January	
172	PROVOST & PRITCHARD INC	14,768.00	-	14,768.00	Consulting Services-January	
173	SUBTOTAL - GRANTS	\$ 41,088.90	\$ -	\$ 41,088.90		
174	TOTAL - END OF MONTH	\$ 233,498.65	\$ 61,916.67	\$ 295,415.32		
175	GRAND TOTALS	\$ 2,459,977.53	\$ 229,960.90	\$ 2,689,938.43		

**FRIANT WATER AUTHORITY**

854 North Harvard Avenue, Lindsay CA 93247-1715

Phone# (559) 562-6305

Fax# (559) 562-3496

**FY 2020 - 2022 ALLOCATION CORRECTIONS 25 YEAR ROLLING AVERAGE
TRUE UP ALLOCATION STATEMENT
BASED ON CASH RECEIVED AS OF MARCH 31, 2023**

<u>PAYOR</u>	<u>INVOICE NO.</u>	<u>TOTAL RECEIVABLE AMOUNT</u>	<u>CASH RECEIVED AS OF FEBRUARY 2022</u>	<u>BALANCE AS OF FEBRUARY 2022</u>	<u>CASH RECEIVED AS OF MARCH 2022</u>	<u>BALANCE</u>
Arvin-Edison WSD	115557	\$ 1,035,249.70	\$ 1,035,249.70	\$ -	\$ -	(0.00)
Chowchilla WD	115566	162,320.94	162,320.94			0.00
City of Fresno	115558	102,074.47		102,074.47	102,074.47	-
Lower Tule River ID	115562	929,121.66	929,121.66			-
Kaweah Delta WCD	115560	86,786.88	29,531.99	57,254.89	57,254.89	-
Kern Tulare WD	115561	55,667.69	16,733.38	38,934.31	38,934.31	-
Porterville ID	115563	85,893.23	82,963.85	2,929.38	2,929.38	-
Tulare ID	115565	724,597.90	724,597.90			-
S.S.J.MU.D.		47,740.85	47,740.85			0.00
TOTAL		\$ 3,229,453.33	\$ 3,028,260.27	\$ 201,193.05	\$ 201,193.05	\$ (0.00)

<u>PAYEE</u>	<u>TOTAL PAYABLE AMOUNT</u>	<u>CASH PAYMENT AS OF MARCH 2022</u>	<u>BALANCE AS OF MARCH 2022</u>	<u>CASH PAYMENT IN APRIL 2023</u>	<u>BALANCE</u>
Delano-Earlimart ID	\$ 1,267,793.47	\$ 1,188,139.86	\$ 79,653.61	\$ 79,653.61	\$ -
Exeter ID	90,783.24	86,851.27	3,931.97	3,931.97	-
Garfield WD	20,223.15	19,309.64	913.50	913.50	-
Hills Valley ID	33,445.88	31,527.94	1,917.94	1,917.94	-
International ID	9,984.84	9,434.65	550.19	550.19	-
Ivanhoe ID	56,093.35	52,689.56	3,403.79	3,403.79	-
Lewis Creek WD	1,222.72	1,222.72	-	-	-
Lindmore ID	158,729.10	145,471.48	13,257.62	13,257.62	-
Lindsay-Strathmore ID	158,456.88	155,035.35	3,421.54	3,421.54	-
City of Lindsay	193,171.67	182,213.27	10,958.40	10,958.40	-
City of Orange Cove	203,898.77	192,203.82	11,694.95	11,694.95	-
Orange Cove ID	693,194.16	659,191.80	34,002.36	34,002.36	-
Shafter-Wasco ID	69,058.59	63,731.46	5,327.13	5,327.13	-
Stone Corral ID	209,415.86	197,170.07	12,245.79	12,245.79	-
Tea Pot Dome WD	23,713.30	22,150.51	1,562.79	1,562.79	-
Terra Bella ID	264,199.28	248,273.72	15,925.56	15,925.56	-
Tri Valley WID	594.24	558.34	35.90	35.90	-
Madera ID	63,818.39	61,804.71	2,013.69	2,013.69	-
Fresno County	4,851.79	4,573.97	277.82	277.82	-
County of Madera	1,718.15	1,619.64	98.51	98.51	-
Fresno ID	115559 (252,994.48)	(252,994.48)	(0.00)		(0.00)
Gravelly Ford	115567 (10,122.70)	(10,122.70)	0.00		0.00
Saucelito ID	115564 (31,796.34)	(31,796.34)	(0.00)		(0.00)
TOTAL	\$ 3,229,453.33	\$ 3,028,260.27	\$ 201,193.06	\$ 201,193.06	\$ 0.00

FRIANT WATER AUTHORITY

CASH ACTIVITY BALANCE MONTH ENDING MARCH 31, 2023

	Beginning Balance	Increases	Decreases	Ending Balance
FKC Operations & Maintenance	\$ 35,320,803	\$ 12,630,784	\$ (27,790,776)	\$ 20,160,811
SLDMWA	1,981,558.59	1,676,892.77	(493,202.23)	3,165,249.13
Total	37,302,361.64	14,307,676.38	(28,283,978.15)	23,326,059.87
General Member	50,038.07	121,501.83	(171,539.90)	0.00
			Total	\$ 23,326,060

BANK ACTIVITY BALANCE MONTH ENDING MARCH 31, 2023

Local Agency Investment Fund	\$ 37,652,470	\$ 2,600,000	\$ (26,757,705)	\$ 13,494,765
California Asset Management Program	-	9,418,756.62	-	9,418,756.62
Bank of the Sierra	(300,070.58)	2,410,421.58	(1,697,812.89)	412,538.11
			Total	\$ 23,326,060

NOTE:

Most Current Interest Rate: For month ended March 31, 2023 , effective yield, 2.831%

Total LAIF fund as of March 31, 2023: \$26,994,266,800.73

The Authority's investments are in compliance with its Statement of Investment Policy dated March 3, 2023.

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 MARCH 31, 2023**

	<u>Checking & Investments</u>	<u>Payroll Checking</u>	<u>Petty Cash</u>	<u>Total</u>
CASH BALANCE FEBRUARY 28, 2023	\$ 37,301,562	\$ -	\$ 800	\$ 37,302,362
Increases:				
District O&M receipts	1,708,377			1,708,377
SLDMWA receipts	1,676,893			1,676,893
Pumpback Grant	188,456			188,456
Revenue from MRCCP	9,953,393			9,953,393
Revenue from ETGSA	535,623			535,623
Miscellaneous deposits	40,167			40,167
25 year Allocation True-up	201,193			201,193
Administration Allocation	3,574			3,574
Payroll deposits		436,256		436,256
Total Increases	<u>14,307,676</u>	<u>436,256</u>	<u>-</u>	<u>14,743,933</u>
Decreases:				
O&M Expenditures	1,238,790			1,238,790
Pump Back Project Expenditures	69,418			69,418
MRCCP	25,821,825			25,821,825
Wire to SLDMWA - O&MR Charges - March Estimate	493,202			493,202
25 year Allocation True-up	102,985			102,985
Payroll Cash Outlays	436,256	436,256		872,513
Total Decreases	<u>28,162,476</u>	<u>436,256</u>	<u>-</u>	<u>28,598,733</u>
CASH BALANCE BEFORE INTERFUND ACTIVITY	<u>23,446,762</u>	<u>-</u>	<u>800</u>	<u>23,447,562</u>
Interfund transfer from O&M	(121,502)			(121,502)
CASH BALANCE MARCH 31, 2023	<u>\$ 23,325,260</u>	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ 23,326,060</u>

**FRIANT WATER AUTHORITY
GENERAL MEMBERS FUND
CASH ACTIVITY REPORT
MONTH ENDING MARCH 31, 2023**

CASH BALANCE FEBRUARY 28, 2023		<u>\$ 50,038</u>
Increases:		
Member Assessments	<u>-</u>	
Total Cash Receipts		<u>\$ -</u>
Decreases:		
Annual membership dues	3,111	
Water Rights Permit	89,344	
Consulting	12,242	
Meetings	(2,745)	
Professional Services	17,816	
Rent & Facility Expense	<u>2,005</u>	
	121,772	
Reimburse O&M:		
Current Month Payroll & Benefits	66,345	
Current Month Payroll & Benefits to O&M	(20,152)	
Administration Allocation	3,574	
Less Total Cash Disbursements		<u>\$ 171,540</u>
CASH BALANCE BEFORE INTERFUND ACTIVITY		<u><u>\$ (121,502)</u></u>
Interfund transfer from O&M		\$ 121,502
CASH BALANCE MARCH 31, 2023		<u><u>\$ -</u></u>

FRIANT WATER AUTHORITY
MONTH ENDING MARCH 31, 2023
CASH ACTIVITY REPORT
LOCAL AGENCY INVESTMENT FUND (L.A.I.F.)
(FUNDS ON DEPOSIT WITH STATE OF CALIFORNIA)
CASH ACTIVITY REPORT

CASH BALANCE FEBRUARY 28, 2023 \$ 37,652,470

Increases:

Transfer from checking \$ 2,600,000

Decreases:

Transfer to checking (26,757,705)

CASH BALANCE MARCH 31, 2023 \$ 13,494,765

Balance ascribed to:

O&M Fund \$ 13,494,765

General Member Fund \$ -

\$ 13,494,765

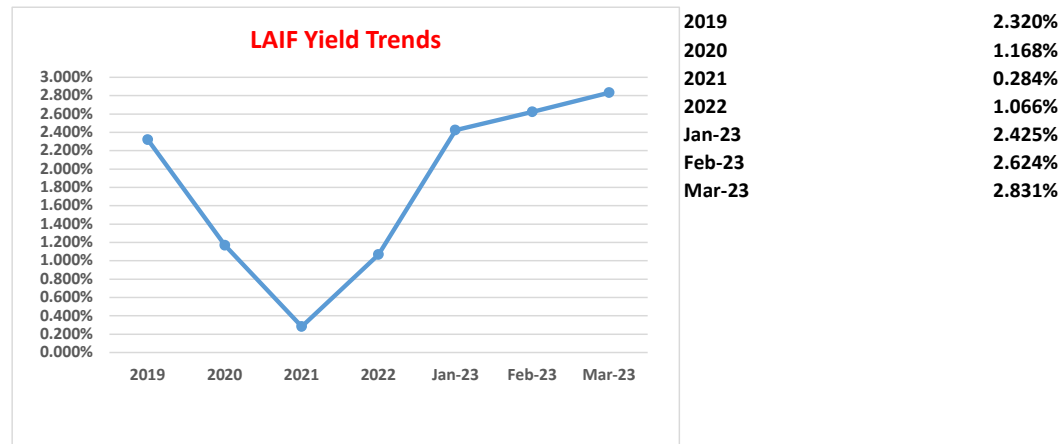
NOTE:

Most Current Interest Rate: For month ended March 31, 2023 , effective yield, 2.831%

Total LAIF fund as of March 31, 2023: \$26,994,266,800.73

The Authority's investments are in compliance with its Statement of Investment Policy dated March 3, 2023.

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



FRIANT WATER AUTHORITY
MONTH ENDING MARCH 31, 2023
CASH ACTIVITY REPORT
 CALIFORNIA ASSET MANAGEMENT PROGRAM (C.A.M.P.)

CASH BALANCE FEBRUARY 28, 2023	\$	-
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Increases:

Transfer from checking	\$ 9,400,000	
Interest Revenue	18,757	9,418,757

Decreases:

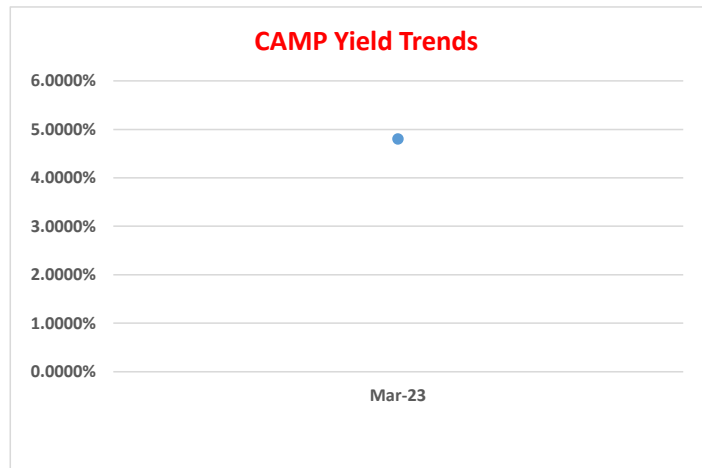
Transfer to checking	-	
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CASH BALANCE MARCH 31, 2023	\$	9,418,757
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Balance ascribed to:

O&M Fund	\$ 9,418,757	
General Member Fund	\$ -	
	\$ 9,418,757	

The Authority's investments are in compliance with its Statement of Investment Policy dated March 3, 2023.
 Management believes it is fully able to meet its expenditure requirements for the next six months.



Mar-23

4.800%

FWA Revenue Presentation

FY 2023

Budget year: **50.0%** Completed

Operations & Maintenance	FY 2023 Budget	03/31/2023 Year to Date	Budget Remaining	Budget Spent %
Revenue				
Interest Income	-	181,201	(181,201)	
Miscellaneous Income	-	125,696	(125,696)	
Reverse Pumping Fee	-	24,484	(24,484)	
Conveyance Fees	-	6,310	(6,310)	
O & M Revenue	12,198,370	6,099,185	6,099,185	50.0%
Water Supply Cord./Monitoring Revenue	-	60,250	(60,250)	
Total Revenue	12,198,370	6,497,127	5,701,243	53.3%
Expenses				
Total Operations	1,756,994	862,833	894,161	49.1%
Total Maintenance	7,048,335	2,894,398	4,153,937	41.1%
Administration Costs	1,935,651	1,004,511	931,140	51.9%
Special Projects	1,457,390	410,001	1,047,389	28.1%
Total OM&R Expenses	12,198,370	5,171,742	7,026,628	42.4%

FWA Budget Presentation

FY 2023

Budget year: **50.0%** Completed

Operations & Maintenance	FY 2023 Budget	03/31/2023 Year to Date	Budget Remaining	Budget Spent %
Operations Dept				
Employee Salaries/Pay	804,086	357,258	446,828	44.4%
Employee Benefits	397,987	221,544	176,443	55.7%
Supplies & Services	554,920	284,031	270,889	51.2%
Total Operations	1,756,994	862,833	894,161	49.1%
Maintenance Dept				
Employee Salaries/Pay	2,471,305	983,677	1,487,628	39.8%
Employee Benefits	1,202,871	645,915	556,956	53.7%
Supplies & Services	3,374,159	1,264,806	2,109,353	37.5%
Total Maintenance	7,048,335	2,894,398	4,153,937	41.1%
Administration Costs	2,200,489	1,067,480	1,133,009	48.5%
Administration Costs allocated to GM	(264,838)	(62,969)	(201,869)	23.8%
Total Operations & Maintenance	10,740,980	4,761,741	5,979,238	44.3%
Special Projects				
Cost Recovery	-	-	-	
Spending	1,457,390	410,001	1,047,389	28.1%
Total Special Projects	1,457,390	410,001	1,047,389	28.1%
Total OM&R	12,198,370	5,171,742	7,026,628	42.4%

Friant Water Authority
Budget vs Actual Expenses
YTD - 03/31/2023

Budget year: 50.0% Completed

Budget vs Actual Expenses		Total			Labor			Materials													
YTD - 03/31/2023		Annual Budget	YTD Actual	% Of Bud	Projected Remaining	Budget	YTD Actual	Projected Remaining	Budget	YTD Actual	Projected Remaining										
MAINTENANCE																					
Vehicle & Equipment Service	\$	759,318	\$	267,186	35.2%	\$	492,132	\$	180,284	\$	75,377	41.8%	\$	104,907	\$	579,034	\$	191,810	33.1%	\$	387,224
Maintenance Supervision		341,127		126,618	37.1%		214,510		241,127		125,125	51.9%		116,002		100,000		1,492	1.5%		98,508
USBR Inspections		-		-	0.0%		-		-		-	0.0%		-		-		-	0.0%		-
Right-of-Way Management		50,784		28,874	56.9%		21,910		50,784		28,874	56.9%		21,910		-		-	0.0%		-
Weed & Pest Control		1,039,248		195,004	18.8%		844,244		336,331		127,206	37.8%		209,125		702,917		67,798	9.6%		635,119
Implem Biol. Opinion		22,000		5,050	23.0%		16,950		-		-	0.0%		-		22,000		5,050	23.0%		16,950
Road Maintenance		60,673		13,695	22.6%		46,979		36,723		6,524	17.8%		30,199		23,951		7,171	29.9%		16,780
Yard & Building Maintenance		339,973		159,399	46.9%		180,574		162,763		108,594	66.7%		54,169		177,210		50,805	28.7%		126,405
Structure & Gate Maintenance		72,677		48,733	67.1%		23,944		65,232		42,121	64.6%		23,112		7,445		6,612	88.8%		833
Cleaning Right-of-Way		69,608		29,182	41.9%		40,426		69,608		29,182	41.9%		40,426		-		-	0.0%		-
Bargate & Guardrail Maint		41,526		2,972	7.2%		38,554		19,023		2,203	11.6%		16,820		22,503		770	3.4%		21,734
Embankment Maintenance		85,276		83,735	98.2%		1,541		77,116		82,765	107.3%		(5,649)		8,159		970	11.9%		7,190
Bridge Maintenance		63,193		4,440	7.0%		58,753		26,632		4,320	16.2%		22,312		36,561		120	0.3%		36,441
Miscellaneous Maintenance		-		111	0.0%		(111)		-		-	0.0%		-		-		111	0.0%		(111)
Reverse Flow Pumping		-		11,707	0.0%		(11,707)		-		7,278	0.0%		(7,278)		-		4,429	0.0%		(4,429)
Concrete Lining Maintenance		19,483		13,698	70.3%		5,785		10,700		12,706	118.8%		(2,006)		8,783		992	11.3%		7,791
Drainditch & Channel Maint.		37,870		17,690	46.7%		20,179		37,870		17,690	46.7%		20,179		-		-	0.0%		-
Fence Maintenance		81,666		3,955	4.8%		77,711		64,242		3,463	5.4%		60,780		17,424		492	2.8%		16,931
Mudjacking		25,181		-	0.0%		25,181		22,941		-	0.0%		22,941		2,240		-	0.0%		2,240
Painting		56,933		7,556	13.3%		49,377		44,707		5,224	11.7%		39,484		12,225		2,332	19.1%		9,893
Sump Pump Maintenance		2,057		190	9.2%		1,867		1,107		-	0.0%		1,107		950		190	20.0%		760
Cross Drainage Structure Mtce		1,107		367	33.2%		740		1,107		367	33.2%		740		-		-	0.0%		-
Rip-Rapping		2,625		-	0.0%		2,625		2,625		-	0.0%		2,625		-		-	0.0%		-
Finance Charge		-		116	0.0%		(116)		-		-	0.0%		-		-		116	0.0%		(116)
Operations Supervision		50,438		27,425	54.4%		23,013		50,438		27,425	54.4%		23,013		-		-	0.0%		-
Water supply coordination & monitoring		632,218		440,107	69.6%		192,112		162,023		70,431	43.5%		91,592		470,195		369,676	78.6%		100,520
Water Quality		-		-	0.0%		-		-		-	0.0%		-		-		-	0.0%		-
Legal Expense - Direct		110,000		46,764	42.5%		63,236		-		-	0.0%		-		110,000		46,764	42.5%		63,236
Safety & First Aid Training		34,717		8,465	24.4%		26,251		20,299		2,398	11.8%		17,901		14,418		6,068	42.1%		8,350
Office Admin (Typing etc.)		83,705		27,555	32.9%		56,150		83,705		27,555	32.9%		56,150		-		-	0.0%		-
Payroll Preparation		12,707		2,015	15.9%		10,692		12,707		2,015	15.9%		10,692		-		-	0.0%		-
Meetings		385,847		188,106	48.8%		193,917		195,274		77,840	39.9%		117,433		190,573		110,265	57.9%		80,308
Education & Training		50,597		8,193	16.2%		42,404		33,683		6,681	19.8%		27,002		16,914		1,512	8.9%		15,402
Procurement		20,085		3,414	17.0%		16,671		20,085		3,414	17.0%		16,671		-		-	0.0%		-
Inventory & Property Mgt.		1,388		-	0.0%		1,388		1,388		-	0.0%		1,388		-		-	0.0%		-
Employee Benefits		1,202,871		645,915	53.7%		557,646		326,225		189,817	58.2%		136,408		876,646		-	0.0%		421,238
Personnel Administration		103,340		86,212	83.4%		17,128		103,340		86,212	83.4%		17,128		-		-	0.0%		-
Workers Comp. Insurance		64,354		27,656	43.0%		36,699		-		-	0.0%		-		64,354		27,656	43.0%		36,699
Utilities		88,423		43,457	49.1%		44,966		-		-	0.0%		-		88,423		43,457	49.1%		44,966
Dues & Subscriptions		10,615		6,022	56.7%		4,593		-		-	0.0%		-		10,615		6,022	56.7%		4,593
Budget Preparation		3,624		-	0.0%		3,624		3,624		-	0.0%		3,624		-		-	0.0%		-
Archiving & Data Storage		7,596		-	0.0%		7,596		7,596		-	0.0%		7,596		-		-	0.0%		-
Vehicle & Equipment Acquisition		1,013,489		312,816	30.9%		700,673		-		-	0.0%		-		1,013,489		312,816	30.9%		700,673
TOTAL EXPENSES: MAINTENANCE		7,048,335	2,894,398	41.1%	4,153,937	2,471,305	1,173,494	47.5%	1,297,811	4,577,030	1,720,904	37.6%	2,856,126								

Friant Water Authority
Budget vs Actual Expenses
YTD - 03/31/2023

Budget year: 50.0% 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	Projected Remaining
WATER OPERATIONS												
44 Vehicle & Equipment Service	\$ 1,084	\$ 368	33.95%	\$ 716	\$ -	\$ -	0.00%	\$ -	\$ 1,084	\$ 368	33.95%	\$ 716
45 Yard & Building Maintenance	63,974	21,686	33.90%	42,288	10,602	10,319	97.33%	283	53,372	11,367	21.30%	42,005
46 Structure & Gate Maintenance	199,735	65,585	32.84%	134,150	58,309	34,061	58.41%	24,248	141,425	31,524	22.29%	109,902
47 Cleaning Right-of-Way	3,468	304	8.76%	3,164	2,508	299	11.91%	2,209	960	5	0.52%	955
48 Bargate & Guardrail Maint	2,632	728	27.66%	1,904	-	-	0.00%	-	2,632	728	27.66%	1,904
49 Reverse Flow Pump	-	9,367	0.00%	(9,367)	-	-	0.00%	-	-	9,367	0.00%	(9,367)
50 Sump Pump Maintenance	15,791	4,470	28.31%	11,321	-	-	0.00%	-	15,791	4,470	28.31%	11,321
51 Finance Charge	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-
52 C & I General Mtce	-	5,749	0.00%	(5,749)	-	3,733	0.00%	(3,733)	-	2,016	0.00%	(2,016)
53 C. & I. Maint (ESI Equipment)	259,634	195,291	75.22%	64,343	39,500	17,865	45.23%	21,635	220,134	177,426	80.60%	42,708
54 Meter Repair	111,318	42,675	38.34%	68,642	30,096	24,783	82.35%	5,313	81,222	17,893	22.03%	63,329
55 Canal Patrol	339,292	153,334	45.19%	185,958	338,575	153,076	45.21%	185,499	718	259	36.07%	459
56 Operations Reports	106,163	82,709	77.91%	23,455	105,805	82,709	78.17%	23,096	359	-	0.00%	359
57 Operations Supervision	86,606	23,263	26.86%	63,343	86,606	23,263	26.86%	63,343	-	-	0.00%	-
58 Water Measurement	9,273	1,942	20.94%	7,331	7,837	1,317	16.80%	6,521	1,436	625	43.54%	810
59 Miscellaneous Operations	-	1,655	0.00%	(1,655)	-	1,337	0.00%	(1,337)	-	317	0.00%	(317)
60 Groundwater & Seepage Well Measurement	-	770	0.00%	(770)	-	770	0.00%	(770)	-	-	0.00%	-
61 Safety & First Aid Training	3,886	1,527	39.31%	2,358	1,254	261	20.79%	993	2,632	1,267	48.13%	1,365
62 Meetings	1,881	2,920	155.25%	(1,039)	1,881	2,920	155.25%	(1,039)	-	-	0.00%	-
63 Education & Training	6,637	544	8.20%	6,093	1,254	544	43.40%	710	5,383	-	0.00%	5,383
64 Employee Benefits	397,987	221,544	55.67%	176,443	119,859	67,254	56.11%	52,605	278,128	154,290	55.47%	123,839
65 Workers Comp. Insurance	31,130	13,299	42.72%	17,831	-	-	0.00%	-	31,130	13,299	42.72%	17,831
66 Utilities	35,302	13,102	37.11%	22,200	-	-	0.00%	-	35,302	13,102	37.11%	22,200
67 Vehicle & Equipment Acquisition	81,200	-	0.00%	81,200	-	-	0.00%	-	81,200	-	0.00%	81,200
TOTAL EXPENSES: WATER OPERATIONS	\$ 1,756,994	\$ 862,833	49.1%	\$ 894,161	\$ 804,086	\$ 424,512	52.8%	\$ 379,574	\$ 952,907	\$ 438,321	46.0%	\$ 514,587

Friant Water Authority
Budget vs Actual Expenses
YTD - 03/31/2023

Budget year: 50.0% 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	Projected Remaining
ADMINISTRATION												
68 Water supply coordination & monitoring	\$ 61,314	\$ 56,134	91.55%	\$ 5,181	\$ 44,303	\$ 46,568	105.11%	\$ (2,265)	\$ 17,011	\$ 9,566	56.23%	\$ 7,446
69 Safety & First Aid Training	94,652	18,079	19.10%	76,573	6,880	1,239	18.01%	5,642	87,772	16,840	19.19%	70,932
70 Office Admin (Typing etc.)	141,116	58,207	41.25%	82,909	141,116	58,127	41.19%	82,989	-	80	0.00%	(80)
71 Payroll Preparation	14,186	4,343	30.62%	9,843	14,186	4,343	30.62%	9,843	-	-	0.00%	-
72 Meetings	90,793	21,255	23.41%	69,538	46,873	9,582	20.44%	37,291	4,400	1,269	28.84%	3,131
74 Education & Training	90,915	14,702	16.17%	76,213	30,885	7,630	24.70%	23,255	60,030	7,072	11.78%	52,958
75 Miscellaneous Administrative	-	1,144	0.00%	(1,144)	-	695	0.00%	(695)	-	449	0.00%	(449)
76 Inventory & Property Mgt.	3,651	451	12.35%	3,200	3,651	451	12.35%	3,200	-	-	0.00%	-
77 Employee Benefits	509,814	276,352	54.21%	233,462	111,920	63,368	56.62%	48,553	397,894	212,985	53.53%	184,909
78 Data Processing	260,585	142,481	54.68%	118,105	15,576	28,123	180.55%	(12,547)	245,010	114,358	46.67%	130,651
79 Accounting & Auditing	431,743	171,689	39.77%	260,054	354,743	171,689	48.40%	183,054	77,000	-	0.00%	77,000
80 Personnel Administration	132,129	66,002	49.95%	66,127	68,130	42,317	62.11%	25,813	63,999	23,685	37.01%	40,314
82 Liability Insurance	142,825	139,131	97.41%	3,694	-	-	0.00%	-	142,825	139,131	97.41%	3,694
83 Workers Compensation Insurance	9,499	1,260	13.26%	8,240	-	-	0.00%	-	9,499	1,260	13.26%	8,240
84 Finance Charge	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-
85 Utilities	72,307	29,944	41.41%	42,363	-	-	0.00%	-	72,307	29,944	41.41%	42,363
86 Office Supplies	29,069	13,689	47.09%	15,380	-	-	0.00%	-	29,069	13,689	47.09%	15,380
87 Postage	7,747	4,183	53.99%	3,565	-	-	0.00%	-	7,747	4,183	53.99%	3,565
88 Dues & Subscriptions	9,034	605	6.70%	8,428	-	-	0.00%	-	9,034	605	6.70%	8,428
89 Budget Preparation	11,067	1,240	11.20%	9,827	11,067	1,240	11.20%	9,827	-	-	0.00%	-
90 Achieving & Data Storage	12,655	-	0.00%	12,655	12,655	-	0.00%	12,655	-	-	0.00%	-
91 Lease office equipment	37,323	18,598	49.83%	18,725	-	-	0.00%	-	37,323	18,598	49.83%	18,725
92 Vehicle & Equipment Acquisition	38,063	27,991	73.54%	10,071	-	-	0.00%	-	38,063	27,991	73.54%	10,071
93 Admin Reimb - GM Fund	(264,838)	(62,969)	23.78%	(201,869)	-	-	0.00%	-	(264,838)	(62,969)	23.78%	(201,869)
TOTAL EXPENSES: ADMINISTRATION	\$ 1,935,651	\$ 1,004,511	51.9%	\$ 931,140	\$ 861,986	\$ 435,822	50.6%	\$ 426,164	\$ 1,073,665	\$ 568,689	53.0%	\$ 504,976

Administration Total Allocated out

O&M 94% \$ 1,004,511
GM 6% \$ 62,969

BUDGET ITEM	FYE 9/30/22	CURRENT YTD	REMAINING
CARRY OVER ITEMS FY 2022			
Vehicles			
94 Motor Grader	323,732		323,732
95 Foreman Pickup - Delano	33,600	47,190	(13,590)
96 CSO Pickup - Orange Cove	25,290	33,662	(8,372)
97 CSO Pickup - Delano	25,290	33,662	(8,372)
98 Limitorque Actuators	-		-
99 Canal Sump Pump	-		-
TOTAL CARRY OVER ITEMS FY 2022	407,912	114,514	293,398

Note:

Price	Incr %	Dollar Inc	Total
Price	Inc %	Incr dollar	
Received in February	\$ 47,190.31	-447%	\$ 60,780.62
Received in February	\$ 33,661.82	-502%	\$ 42,033.64
	\$ 33,661.82	-502%	\$ 42,033.64
	\$ 80,852.13	-468%	\$ 102,814.26
\$ 21,000	Part of carry over from FY2022 but supply chain delivered in FY2022		
\$ 9,000	Part of carry over from FY2022 but supply chain delivered in FY2022		

Friant Water Authority
Budget vs Actual Expenses
YTD - 03/31/2023

Budget year: 50.0% Completed												
Total					Labor				Materials			
Annual Budget	YTD Actual	% Of Bud	Projected Remaining		Budget	YTD Actual		Projected Remaining	Budget	YTD Actual		Projected Remaining
SPECIAL PROJECTS												
100 Benefits	\$313,515	\$20,772	6.6%	\$292,743	\$82,655	\$20,772	25.1%	\$61,883	\$230,860	\$0	0.0%	\$230,860
101 Subsidence - System Wide	151,304	162,434	107.4%	(11,130)	41,304	28,985	70.2%	12,319	110,000	133,448	121.3%	(23,448)
102 GSA Engagement - East	322,292	131,947	40.9%	190,345	102,292	15,935	15.6%	86,356	220,000	116,012	52.7%	103,988
103 GSA Engagement - West	194,539	5,035	2.6%	189,504	15,767	935	5.9%	14,831	178,773	4,100	2.3%	174,673
104 Water Quality	475,741	89,814	18.9%	385,928	68,241	8,843	13.0%	59,399	407,500	80,971	19.9%	326,529
TOTAL EXPENSES: SPECIAL PROJECTS	\$1,457,390	\$410,001	28.1%	\$1,047,389	\$310,258	\$75,470	24.3%	\$234,788	\$1,147,133	\$334,531	29.2%	\$812,601

BUDGET TO ACTUALS REPORT

				% of Budget YTD
Consultants	FY 2023 Approved Budget	FY 2023 Actuals	Surplus /(Shortage)	50.00%
General Counsel				
Burke, Williams & Sorenson, LLC	3,000	-	3,000	
Special Counsel				
Water & Power Law Group	230,000	108,668	121,332	47.25%
Burke, Williams & Sorensen, LLC	39,000	26,750	12,250	68.59%
Somach Simmons	119,000	25,165	93,835	21.15%
BiOps Litigation (Kaplan & Kirsch)	156,000	79,731	76,269	51.11%
CEQA Litigation (Stoel Rives)	126,000	11,920	114,080	9.46%
Additional Special Counsel (TBD)	55,500		55,500	
Special Counsel Subtotal	725,500	252,234	473,266	34.77%
Professional Support - Operations				
General Consulting - as needed (Luce, Steve O. & MBK)	111,950	7,860	104,091	7.02%
Kan Ventures	60,000	25,424	34,576	42.37%
Additional Legal/Operations Consultant (TBD)	16,000	-	16,000	
Professional Support - Operations Subtotal	187,950	33,283	154,667	17.71%
Professional Support - Communications & Outreach				
External Affairs - Federal (Ferguson Group)	50,000	19,184	30,816	38.37%
External Affairs - State (Villines)	50,000	19,440	30,560	38.88%
Media & Materials - (Commuter Industries)	30,000	5,150	24,851	17.17%
Professional Support - Comm. & Outreach Subtotal	130,000	43,774	86,226	33.67%
Consultants Subtotal	1,046,450	329,291	717,159	31.47%
Staff				
Leadership	635,327	344,700	290,627	54.26%
Staff Subtotal	635,327	344,700	290,627	54.26%
Other Activities				
CDTFA - State Water Resources Control Board	67,500	89,344	(21,844)	132.36%
Family Farm Alliance	15,000	15,000	0	100.00%
CVPWA dues	40,000	37,249	2,751	93.12%
SJV Blueprint	15,000	-	15,000	
Public Policy Institute of California	10,000		10,000	
Misc Organizational Contributions	15,000	6,871	8,129	45.81%
Dues & Fees Subtotal	162,500	148,464	14,036	91.36%
Other Supplies & Services				
Travel	60,000	10,328	49,672	17.21%
Hotel	37,500	13,786	23,714	36.76%
Meals	35,000	13,942	21,058	39.84%
Miscellaneous visa receipts	15,000	3,463	11,537	23.09%
Meeting expenses -	45,000	34,910	10,090	77.58%
Other Supplies & Services Subtotal	192,500	76,430	116,070	39.70%
Admin Allocation	175,000	62,969	112,031	35.98%
Direct Expenses (including rent, mileage)				
Mileage	27,500	7,200	20,300	26.18%
Rent	34,620	24,048	10,573	69.46%
Office Expenses	2,500	43	2,457	1.71%
Office Supplies	7,500	2,525	4,975	33.67%
Utilities	1,000	-	1,000	
Direct Expenses Subtotal	73,120	33,815	39,305	46.25%
Other Activities Subtotal	603,120	321,678	281,442	53.34%
Subtotal Base Budgets	2,284,897	995,668	1,289,229	43.58%
Special Projects				
Regulatory Engagement & Advocacy	200,000		200,000	
Total Special Projects	200,000	0	200,000	0.00%
Total Budgets	2,484,897	995,668	1,489,229	40.07%

Middle Reach Capacity Correction Project, Phase 1

Bureau of Reclamation and Friant Water Authority

Monthly Financial Status Report - Budget to Actual Spending

Expenditures through March 31, 2023

Sources of Funds	Federal Funding		FWA Spending Plan Funds		Friant Water Authority Funding					
	SJRRP funds	WIIN funds	Advance Payments for Construction Costs		FWA Contractors	Eastern Tule GSA	Pixley GSA	Delano GSA	State Funding-DWR	Total FWA funds
Anticipated Funding	\$41M-\$46.9M	\$210,550,000	\$118,645,000		\$50,000,000	\$125M-\$200M	\$11,000,000	\$1,200,000	\$59,584,000	
Funds Secured/Received to date	\$41,900,000	\$208,100,000	\$67,118,000		\$50,283,107	\$11,152,201	\$11,010,817	In progress	\$25,946,246	\$98,392,371
Expenditures to date	(39,818,956)	(108,982,905)	\$(33,720,258)		(35,878,759)	(11,152,201)	(11,010,817)	-	(25,946,246)	(83,988,023)
Remaining Funding Available	\$2,081,044	\$99,117,095	\$33,397,743		\$14,404,348	\$-	\$-	In progress	\$-	\$14,404,348

Project Cost Category	Budget Estimate (2023)			Prior Period Expenditures (Cumulative)		March 31, 2023 Expenditures		Total Expenditures through March 31, 2023		Remaining Budget	
	Reclamation	FWA (Non-Federal)	Total	Reclamation Expenditures	FWA Expenditures	Reclamation Expenditures	FWA Expenditures	Reclamation Expenditures	FWA Expenditures	Reclamation	FWA (Non-Federal)
Prior-Period Preconstruction Costs (thru September 30, 2021)	\$23,081,048	\$3,525,733	\$26,606,782	\$23,081,048	\$3,525,733	\$-	\$-	\$23,081,048	\$3,525,733	\$-	\$0
ROW & Land Acquisition	\$8,288,108	\$14,013,460	\$22,301,568	\$6,996,312	\$12,327,177	\$18,257	\$143,811	\$7,014,569	\$12,470,988	\$1,273,539	\$1,542,472
Legal & Administration (Facilitating Services) & IT Services	\$517,667	\$506,000	\$1,023,667	\$302,806	\$434,646	\$130	\$15,860	\$302,936	\$450,506	\$214,732	\$55,494
Permitting, NEPA/CEQA, Cultural Resources, & Environmental Monitoring	\$1,176,106	\$500,000	\$1,676,106	\$761,698	\$101,908	\$(816)	\$-	\$760,882	\$101,908	\$415,224	\$398,092
Project Management	\$2,360,302	\$1,987,500	\$4,347,802	\$881,439	\$264,750	\$62,319	\$41,457	\$943,758	\$306,206	\$1,416,544	\$1,681,294
Construction Management	\$12,000,000	\$-	\$12,000,000	\$4,175,276	\$-	\$443,497		\$4,618,773	\$-	\$7,381,227	\$-
Design & Specifications	\$1,785,380	\$-	\$1,785,380	\$1,716,172	\$-	\$6,238	\$-	\$1,722,410	\$-	\$62,969	\$-
Construction Support	\$13,561,832	\$-	\$13,561,832	\$6,815,919	\$11,985	\$140,899	\$2,697	\$6,956,817	\$14,682	\$6,605,015	\$(14,682)
Construction Contract - Phase 1 Replacement Pump Stations	\$8,629,262	\$8,629,262	\$17,258,525	\$186,422	\$-			\$186,422	\$-	\$8,442,840	\$8,629,262
Construction Contract - MRCCP Phase 1	\$69,454,038	\$111,691,787	\$181,145,825	\$99,757,069	\$41,500,000	\$3,457,172	\$25,618,000	\$103,214,242	\$67,118,000	\$(33,760,204)	\$44,573,787
Construction Contract Contingency	\$5,396,257	\$5,396,257	\$10,792,514	\$-	\$-			\$-	\$-	\$5,396,257	\$5,396,257
Total	\$146,250,000	\$146,250,000	\$292,500,000	\$144,674,161	\$58,166,198	\$4,127,696	\$25,821,825	\$148,801,857	\$83,988,023	\$(2,551,856)	\$62,261,977

% Cost-Share50%50%64%36%

Please Note:

Actual cost-share percentages:58%42%

The difference is due to timing of when the FWA Spending Plan Funds are being expended by BOR.

Agenda Report

No. 4.A.

DATE: April 27, 2023

TO: Board of Directors

FROM: Ian Buck-Macleod, Water Resources Manager
Katie Duncan, Senior Water Resources EIT

SUBJECT: Resolution to Support Application for Snow Water Supply Forecast Program Funding Opportunity

SUMMARY:

Friant Water Authority (FWA) staff are currently coordinating with Airborne Snow Observatory Inc. (ASO) and other regional agencies in pursuing Federal grant funding under the Bureau of Reclamation's (Reclamation) Snow Water Supply Forecasting Program (Program). Awards range from \$300-999k for a three-year period to fund snow forecasting technologies. Funding under this Program would support improvements in forecasting capabilities and overall water supply management for Millerton Lake and in the San Joaquin Basin.

RECOMMENDATION:

That the Board of Directors approve the resolution authorizing Friant Water to submit an application for a grant from Reclamation for Snow Water Supply Forecasting, and if such grant application is approved, further authorizing the execution of all agreements and other documentation associated with the receipt of financial assistance.

SUGGESTED MOTION:

I move that the Board of Directors approve the resolution authorizing Friant Water Authority to submit an application for a grant from Reclamation for Snow Water Supply Forecasting, and if such grant application is approved, further authorizing the execution of all agreements and other documentation associated with the receipt of financial assistance.

BACKGROUND:

Reclamation's Program aims to improve snowpack measurement to benefit water supply forecasts and water management in the Western United States. In coordination with Reclamation and the California Department of Water Resources (DWR), operations for Millerton Lake have utilized Airborne Snow Observatory (ASO) data since 2017, pairing remote sensing with snowpack modeling, improvements to ground-based stations, and advanced modeling and data synthesis. For water year 2023, ASO will fly the San Joaquin Basin up to five times capturing peak snow water equivalent (SWE) and quantifying and calibrating run-off ratios. Due to the relatively small size of Millerton Lake, the accuracy and timeliness provided by ASO and associated snow forecasting tools are critical for water management for the Friant Division.

DISCUSSION:

FWA in coordination with Merced Irrigation District (MID), Kings River Water Association (KRWA), and ASO Inc. is developing a grant application for the Program which will propose funding for additional early-season or end-of-season flights to support sensitive year management of water resources for the San Joaquin Basin, additional on-ground, off-cycle (Bulletin 120) snow courses to help calibrate snow density measurements and better quantity run-off ratios during the critical melt period, and provide funding for refinement of existing modeling tools with the use of collected data.

Applications that include local cost share funding are more competitive and thus FWA staff do not anticipate reducing the annual budget for ASO, \$330,000 for fiscal year 2023, or DWR's budget for upper San Joaquin Basin snow surveys, which was approximately \$700,000 for 2023. MID and KRWA are expected to provide cost-matched funds as well. Program funding may be awarded over a 36-month project period. Table 1 shows a preliminary anticipated budget for the funding request to be included in the Program application package. Table 2 shows the preliminary cost match by funding source and activity.

Table 1. Preliminary Budget Proposal

Activity	Anticipated Budget
A total of three additional flights (early or late season, depending on water year conditions)	\$525,000
Supplemental lower-elevation snow free flight	\$175,000
Additional on-ground snow surveys to correspond with additional flights	\$200,000
Data synthesis and model calibration	\$99,999
Total	\$999,999

Table 2. Preliminary Cost Match

Funding Source	Activity	Anticipated Budget
Friant Water Authority	Annual budget for ASO in Upper San Joaquin Basin	\$990,000
KRWA	In-kind contribution, staff time for on-ground off-cycle snow surveys	\$10,000
MID	In-kind contribution, staff time	\$TBD
	Total	\$1,000,000

Additionally, FWA staff have been coordinating with other local agencies, staff at DWR, and Reclamation staff including Chad Moore with the San Joaquin River Restoration Program to ensure proposed activities and funding can support comprehensive water management in the San Joaquin Basin both above and below Friant Dam.

BUDGET IMPACT:

There is no additional budget impact associated with preparation of the grant application, or if awarded grant funds, the execution of the grant.

ATTACHMENTS:

1. Snow Water Supply Forecasting Program Notice of Funding Opportunity
2. Resolution No. 2023-XXX Authorizing Snow Water Forecasting Grant Application

Resolution No. 2023-____

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FRIANT WATER AUTHORITY AUTHORIZING THE APPLICATION FOR A GRANT FROM THE UNITED STATES BUREAU OF RECLAMATION FOR SNOW WATER SUPPLY FORECASTING, AND IF SUCH GRANT APPLICATION IS APPROVED, FURTHER AUTHORIZING THE EXECUTION OF ALL AGREEMENTS AND OTHER DOCUMENTATION ASSOCIATED WITH THE RECEIPT OF FINANCIAL ASSISTANCE.

The Board of Directors of the Friant Water Authority resolves as follows.

Section 1. Findings. The Board finds as follows:

A. The United States Bureau of Reclamation (“Reclamation”) constructed and owns the facilities of the Friant Division of the Central Valley Project, including the Friant Dam and the Friant-Kern Canal (“FKC”) which conveys water from Millerton Lake to municipalities and water districts with long-term contracts with Reclamation along the 152-mile length of the FKC.

B. Since 1986, the Friant Water Authority (“FWA”), a California joint powers agency, and its predecessors have operated and maintained certain Friant Division facilities, including the FKC, on behalf of Reclamation, and since 1998 such operations, maintenance and replacement obligations have been governed by that certain Agreement to Transfer the Operations, Maintenance and Replacement and Certain Financial and Administrative Activities Related to the Friant-Kern Canal (FKC) and Associated Works (Contract No. 9-07-20-X0356-X, as amended) (“Transfer Agreement”) between Reclamation and FWA.

C. FWA in collaboration with the California Department of Water Resources and Reclamation have been utilizing Airborne Snow Observatory (“ASO”) data since 2017, pairing remote sensing with snowpack modeling, improvements to ground-based stations, and advanced modeling and data synthesis. ASO data has been valuable in effectively managing water supplies for the Friant Division in all water year types.

D. Reclamation has established a Snow Water Supply Forecasting Program (“Program”) that aims to improve snowpack measurement to benefit water supply forecasts and water management in the Western United States via emerging technologies to complement existing monitoring techniques and networks.

E. The Program provides funding that would benefit the Friant Division and the San Joaquin Basin and watershed by supporting the collection and synthesis of additional snow supply data to refine density measurements and calibrate run-off ratios that are critical for efficient reservoir management to maximize available water supplies.

F. FWA has the legal authority under its 2016 Amended and Restated Joint Powers Agreement (JPA), including but not limited to Section 2.04 [Powers] of the JPA, to participate in

the Program and to enter into and execute and deliver all necessary agreements and documents related to or required under the Program.

Section 2. Approval of Grant Application and Authorization to Execute all Necessary Application Documents. The Board authorizes the Chief Executive Officer and Chief Operating Officer, or their delegees, to take all necessary actions and execute and deliver all necessary documents related to or required in order to complete an application for grant funding under the Program.

Section 3. Authorization to Execute all Necessary Grant Program Document and Provide Requisite Funding or In-Kind Contributions.

A. The Board authorizes the Chief Executive Officer and Chief Operating Officer, or their delegees, to take all necessary actions and execute and deliver all necessary agreements and documents related to or required in order to comply with the Program if FWA's grant application is approved.

B. The Board further authorizes FWA to provide the requisite funding or in-kind contributions required under the Grant Program in an annual amount not to exceed \$990,000, or in such other amount as approved in its annual budget.

PASSED AND ADOPTED on April 23, 2023, by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

Dated: April 27, 2023

Jim Erickson
Chair, Board of Directors

Attest: April 27, 2023

Josh Pitigliano
Secretary-Treasurer, Board of Directors

Agenda Report

No. 4.B.

DATE: April 27, 2025

TO: Board of Directors

FROM: Wilson Orvis, CFO

SUBJECT: Financial Statements and Independent Audit Report for Fiscal Year (FY) Ending September 30, 2022

SUMMARY:

Friant Water Authority (FWA) contracted with Hudson, Henderson, & Company (HH&C) in May 2021. HH&C has now completed their audit of the Friant Water Authority Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2022 and are presenting them to the Finance Committee and 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, as stipulated in the audited report for the Fiscal Year Ending September 30, 2022, \$1,339,986 to FKC Contractors using the cost allocation that was in place in FY 2022.

DISCUSSION

Hudson, Henderson, & Co. (HH&C), Certified Public Accountants, performed the audit of the Financial Statements (FYE 2022) 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, no material weaknesses or significant deficiencies were identified, all previous years' findings were found to be fully implemented.

FINANCE COMMITTEE:

At the April 24, 2023 meeting, the Finance Committee acted to recommend that the Board of Directors accept the Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2022.

SUGGESTED MOTION:

I move that the Board of Directors accept the Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2022.

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, 2022



April 24, 2023

To the Board of Directors
Friant Water Authority

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Friant Water Authority (the Authority), for the year ended September 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *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 December 1, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

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. During 2022, the Authority implemented GASB Statement No. 87, *Leases*. We noted no transactions entered into by the Authority during the year 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 misstatements 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 April 24, 2023.

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 Authority’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 general fund, which are required supplementary information (RSI) that supplements the 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 financial statements, and other knowledge we obtained during our audit of the 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 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 the Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

HUDSON HENDERSON & COMPANY, INC.

A handwritten signature in blue ink that reads "Hudson Henderson & Company, Inc." The signature is written in a cursive, flowing style.

By: Brian Henderson, CPA

FRIANT WATER AUTHORITY

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2022**

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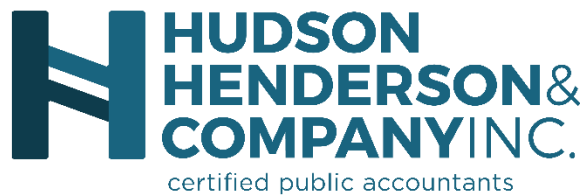
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Friant Water Authority

Report on the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the Authority's financial statements as listed in the table of contents.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 11 to the financial statements, in 2022, the Authority adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 general 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's financial statements. The budgetary comparison schedule-enterprise fund and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The 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 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 are 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 April 24, 2023, 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.

A handwritten signature in blue ink that reads "Hudson Henderson & Company, Inc." in a cursive script.

Fresno, California
April 24, 2023

FRIANT WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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, 2022. Please read this discussion and analysis in conjunction with the Authority's audited financial statements and the accompanying notes.

OVERALL PROGRAM HIGHLIGHTS

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 (the Agreement) became effective on June 2, 2016. The Agreement was entered into pursuant to the Joint Powers Act, California Government Code Section 6500. 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, regularly coordinates 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 increased by \$14,644,918 as a result of this year's operations. Net position of our business-type activities increased by \$15,863,849 and net position of our governmental activities decreased by \$1,218,931. Operating expenses were \$67,226,013, an increase of \$28,603,093 from the prior year.
- For the year, the Authority's governmental activities total expenditures of \$1,896,663 (see page 7, "Statements of Activities") were more than revenues by \$1,218,931. Last year, the revenues exceeded expenditures by \$146,644.
- Total liabilities are \$6,721,130, an increase of \$261,250 from the prior year.
- In the Authority's business-type activities, the total expenses were \$65,329,350 (see page 7, "Statements of Activities"). Operating revenues exceeded expenses by \$17,716,694. Last year, operating revenues exceeded expenses by \$11,523,010. The Authority had a \$1,339,986 payable representing 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 \$28,603,093 (74.06 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 the accompanying Notes to Financial Statements.

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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.
- 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 12 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, 2022

Analysis of Overall Financial Position and Results of Operation

The following analysis presents financial information for the years ended September 30, 2022 and 2021.

Statements of Net Position

	2022			2021
	Governmental Activities	Business-Type Activities	Total	Total Government
ASSETS				
Cash and investments	\$ -	\$ 5,962,149	\$ 5,962,149	\$ 14,646,649
Restricted cash and investments	-	27,780,071	27,780,071	1,808,621
Receivables and deposits	7,213	21,731,283	21,738,496	7,149,209
ETGSA receivable	-	120,127,324	120,127,324	136,000,000
Prepays	10,461	1,275,268	1,285,729	1,275,038
Right-to-use asset	-	139,268	139,268	-
Capital assets	-	3,553,497	3,553,497	5,398,379
Total Assets	17,674	180,568,860	180,586,534	166,277,896
LIABILITIES				
Accounts payable	236,707	4,143,367	4,380,074	2,011,556
Overdrawn cash balance	181,425	-	181,425	-
Payroll liabilities	-	21,081	21,081	7,485
Compensated absences	154,394	504,802	659,196	630,022
Lease liability	-	139,368	139,368	-
OM&R refund liability	-	1,339,986	1,339,986	3,810,817
Total Liabilities	572,526	6,148,604	6,721,130	6,459,880
DEFERRED INFLOWS				
Advanced Receipts	-	5,043,153	5,043,153	5,640,683
NET POSITION				
Net investment in capital assets	-	3,553,397	3,553,397	5,398,379
Restricted	-	147,907,395	147,907,395	137,808,621
Unrestricted	(554,852)	17,916,311	17,361,459	10,970,333
Total Net Position	\$ (554,852)	\$ 169,377,103	\$ 168,822,251	\$ 154,177,333

The Authority's combined net position from one year ago, increased by \$14,644,918, from \$154,177,333 to \$168,822,251. Last year's net position increased by \$146,466,926. 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.

FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2022

Net position of the Authority's governmental activities decreased from \$664,079 in 2021 to \$(554,852) in 2022. The decrease is due to expenditures for the fiscal year being more than originally anticipated.

The net position of business-type activities increased from \$153,513,254 in 2021 to \$169,377,103 in 2022. 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 22, 'OM&R Revenue Refunds'). The refund amount due to Friant Division Contractors as of 2022 is \$1,339,986 due to savings from budgeted projects and purchases, special projects carried over to fiscal year 2022, and additional revenues collected principally from temporary contract water deliveries. Spending in both fiscal years was below the budgeted dollars.

Statements of Activities

	2022			2021
	Governmental Activities	Business-Type Activities	Total Government	Total Government
REVENUES				
Membership assessments	\$ 624,219	\$ -	\$ 624,219	\$ 1,931,250
OM&R charges	-	53,256,603	53,256,603	41,454,446
Capital grants and contributions	-	28,449,455	28,449,455	5,558,005
General revenues				
Gain on disposal of equipment	-	-	-	53,247
Miscellaneous income	-	-	-	87,887
Investment earnings (loss)	53,513	(512,859)	(459,346)	5,011
MRCCP settlement revenue	-	-	-	136,000,000
Total Revenues	677,732	81,193,199	81,870,931	185,089,846
EXPENSES				
General Member	1,896,663	-	1,896,663	1,874,137
OM&R	-	63,989,364	63,989,364	35,489,441
OM&R reimbursement	-	1,339,986	1,339,986	1,259,342
Total Expenses	1,896,663	65,329,350	67,226,013	38,622,920
Net Change in Net Position	(1,218,931)	15,863,849	14,644,918	146,466,926
Net Position, Beginning of Year	664,079	153,513,254	154,177,333	7,710,407
Net Position, End of Year	\$ (554,852)	\$ 169,377,103	\$ 168,822,251	\$ 154,177,333

The table above, changes in net position, shows the Authority's total revenues for the year decreased by \$103,218,915 (55.77 percent), largely due to the MRCCP settlement revenue accrual of \$136M in the prior year. The total cost of all activities increased by \$28,603,093 (74.06 percent). Net position increased by \$14,644,918 and our analysis below separately considers the operations of governmental and business-type activities and the primary reasons that led to this year's increase in net position.

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Governmental Activities

Revenues for the governmental activities were lower in 2022 as compared to 2021 with total revenues decreasing by \$1,343,049 or 66.5 percent. In 2022, decreased revenues were primarily due to reduction of budget expenditures in general membership special projects as well as a reduction in quarterly calls for funds from members to reduce the overall cash balance held by FWA.

Business-type Activities

Operating revenues of the Authority's business-type activities increased by 73.8 percent, \$81,706,058 (FYE 2022) compared to \$47,012,451 (FYE 2021). The business-type activities fluctuate from year to year based on the expenditures of the fund. The increase is due to an increase in project funding received from DWR.

For the current fiscal year, these activities reported total expenses of \$65,329,350. The total expenses showed an increase of 77.8 percent compared to FY 2021.

The Authority's Funds

The Authority's governmental fund balance (as presented in the Balance Sheet on page 12) is \$(400,458) at the end of the fiscal year 2022. This is a decrease from last year's total fund balance of \$793,394. The primary reason for the General Fund's decrease is a decrease in collections to support General Member activities in order to reduce the overall balance.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Authority's governmental fund had original budgeted expenditures of \$2,496,880 and actual expenditures \$1,871,584 were less 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 31-34. 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 review.

CAPITAL ASSETS

As of September 30, 2022, the Authority had \$3,553,497 in capital assets, net of depreciation. Capital assets decreased by \$1,844,882.

	2022	2021	Net Increase/ (Decrease)
Business-type Activities			
Construction in progress	\$ 1,565,784	\$ 3,333,006	\$ (1,767,222)
Heavy machinery & light vehicles	3,072,168	2,589,887	482,281
Tools and other equipment	4,085,603	4,047,535	38,068
Accumulated depreciation	(5,170,058)	(4,572,049)	(598,009)
 Total Capital Assets	 <u>\$ 3,553,497</u>	 <u>\$ 5,398,379</u>	 <u>\$ (1,844,882)</u>

Additions consisted of machines, trailers, loaders, and various tools. There were no dispositions.

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In developing the budget for the 2022/2023 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, 2022**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ -	\$ 5,962,149	\$ 5,962,149
Restricted cash and investments	-	27,780,071	27,780,071
Accounts receivable	-	20,511,691	20,511,691
ETGSA receivable	-	120,127,324	120,127,324
Interest receivable	202	94,592	94,794
Prepaid expenses	10,461	1,275,268	1,285,729
Deposits	7,011	1,125,000	1,132,011
Right-to-use asset (net of accumulated amortization)	-	139,268	139,268
Capital assets (not being depreciated)	-	1,565,784	1,565,784
Capital assets (net of accumulated depreciation)	-	1,987,713	1,987,713
Total Assets	<u>17,674</u>	<u>180,568,860</u>	<u>180,586,534</u>
LIABILITIES			
Accounts payable	236,707	4,143,367	4,380,074
Overdrawn cash balance	181,425	-	181,425
Payroll liability	-	21,081	21,081
OM&R refund liability	-	1,339,986	1,339,986
Compensated absences			
Due within one year	45,992	147,798	193,790
Due in more than one year	108,402	357,004	465,406
Lease liability			
Due within one year	-	26,862	26,862
Due in more than one year	-	112,506	112,506
Total Liabilities	<u>572,526</u>	<u>6,148,604</u>	<u>6,721,130</u>
DEFERRED INFLOWS OF RESOURCES			
Advanced receipts	<u>-</u>	<u>5,043,153</u>	<u>5,043,153</u>
NET POSITION			
Net investment in capital assets	-	3,553,397	3,553,397
Restricted	-	147,907,395	147,907,395
Unrestricted	<u>(554,852)</u>	<u>17,916,311</u>	<u>17,361,459</u>
Total Net Position	<u>\$ (554,852)</u>	<u>\$ 169,377,103</u>	<u>\$ 168,822,251</u>

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

**FRIANT WATER AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

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	\$ 1,896,663	\$ -	\$ 624,219	\$ -	\$ (1,272,444)	\$ -	\$ (1,272,444)
Total Governmental Activities	1,896,663	-	624,219	-	(1,272,444)	-	(1,272,444)
Business-Type Activities:							
OM&R activities	65,329,350	53,256,603	-	28,449,455	-	16,376,708	16,376,708
Total Business-Type Activities	65,329,350	53,256,603	-	28,449,455	-	16,376,708	16,376,708
Total Primary Government	<u>\$ 67,226,013</u>	<u>\$ 53,256,603</u>	<u>\$ 624,219</u>	<u>\$ 28,449,455</u>	<u>(1,272,444)</u>	<u>16,376,708</u>	<u>15,104,264</u>
General Revenues:							
Investment earnings (loss)					53,513	(512,859)	(459,346)
Total General Revenues					53,513	(512,859)	(459,346)
Change in Net Position					(1,218,931)	15,863,849	14,644,918
Net Position, Beginning of Year					664,079	153,513,254	154,177,333
Net Position, End of Year					<u>\$ (554,852)</u>	<u>\$ 169,377,103</u>	<u>\$ 168,822,251</u>

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

**FRIANT WATER AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2022**

	<u>General Fund</u>
ASSETS	
Interest receivable	\$ 202
Prepaid expenses	10,461
Deposits	<u>7,011</u>
Total Assets	<u>\$ 17,674</u>
LIABILITIES AND FUND BALANCE (DEFICIT)	
Liabilities	
Accounts payable	\$ 236,707
Overdrawn cash balance	<u>181,425</u>
Total Liabilities	<u>418,132</u>
Fund Balance (Deficit)	
Unassigned	<u>(400,458)</u>
Total Fund Balance (Deficit)	<u>(400,458)</u>
Total Liabilities and Fund Balance (Deficit)	<u>\$ 17,674</u>
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position:	
Total Fund Balance (Deficit) - Governmental Fund	\$ (400,458)
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>(154,394)</u>
Total Net Position - Governmental Activities	<u>\$ (554,852)</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, 2022

	General Fund
REVENUES	
Membership assessment	\$ 624,219
Interest	54,908
Investment earnings (loss)	(1,395)
Total Revenues	<u>677,732</u>
EXPENDITURES	
City of Fresno vs USA (JDA)	67,758
Administrative	17,888
Administrative allocation	182,599
Friant supply, tracking, policies, & defense	326,412
Delta supply, tracking, policies, & defense	251,831
San Joaquin settlement	124,135
Reconsultation	139,907
Upstream storage	464
Annual strategic planning	32,573
Friant member & grower coordination	5,826
Outreach & engagement	100
Legislative affairs	82,575
State regulatory affairs	66,982
External affairs	247,081
Communications & media relations	35,039
Employee holiday, sick, vacation & jury	111,746
Travel expense	14,919
Retirement, health insurance & payroll taxes	162,883
SJV Blueprint	291
Finance charges	575
Total Expenditures	<u>1,871,584</u>
Net Change in Fund Balance	(1,193,852)
Fund Balance, Beginning of Year	<u>793,394</u>
Fund Balance (Deficit), End of Year	<u><u>\$ (400,458)</u></u>
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities:	
Net change in Fund Balance - Governmental Fund	\$ (1,193,852)
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.	<u>(25,079)</u>
Change in Net Position - Governmental Activities	<u><u>\$ (1,218,931)</u></u>

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

**FRIANT WATER AUTHORITY
STATEMENT OF NET POSITION
ENTERPRISE FUND
SEPTEMBER 30, 2022**

	OM&R Fund
ASSETS	
Current Assets	
Cash and investments	\$ 5,962,149
Restricted cash and investments	27,780,071
Accounts receivable	20,511,691
ETGSA receivable	120,127,324
Prepaid expenses	1,275,268
Interest receivable	94,592
	<hr/>
Total Current Assets	175,751,095
	<hr/>
Noncurrent Assets	
Deposits	1,125,000
Right-to-use asset (net of accumulated amortization)	139,268
Capital assets (not being depreciated)	1,565,784
Capital assets (net of accumulated depreciation)	1,987,713
	<hr/>
Total Noncurrent Assets	4,817,765
	<hr/>
Total Assets	180,568,860
	<hr/>
LIABILITIES	
Current Liabilities	
Accounts payable	4,143,367
Payroll liabilities	21,081
Compensated absences, current	147,798
Lease liability, current	26,862
OM&R refund liability	1,339,986
	<hr/>
Total Current Liabilities	5,679,094
	<hr/>
Noncurrent Liabilities	
Compensated absences, noncurrent	357,004
Lease liability, noncurrent	112,506
	<hr/>
Total Noncurrent Liabilities	469,510
	<hr/>
Total Liabilities	6,148,604
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
Advanced receipts	5,043,153
	<hr/>
NET POSITION	
Net investment in capital assets	3,553,397
Restricted	147,907,395
Unrestricted	17,916,311
	<hr/>
Total Net Position	\$ 169,377,103
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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, 2022

	OM&R Fund
OPERATING REVENUES	
OM&R charges	\$ 53,256,603
Federal assistance	1,927,616
DWR assistance	<u>26,521,839</u>
Total Operating Revenues	<u>81,706,058</u>
OPERATING EXPENSES	
SLDMWA OM&R expenses	14,633,046
FWA OM&R expenses:	
Maintenance	17,156,516
Operations	1,933,889
Administrative	875,906
Finance charges	1,515
FKC System Wide Capacity Correction Project	187,435
MRCCP Project	<u>29,201,057</u>
Total Operating Expenses	<u>63,989,364</u>
Operating Income (Loss)	<u>17,716,694</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment earnings (loss)	<u>(512,859)</u>
Total Non-Operating Revenues (Expenses)	<u>(512,859)</u>
OM&R Revenue Refund	<u>1,339,986</u>
Change in Net Position	15,863,849
Net Position, Beginning of Year	<u>153,513,254</u>
Net Position, End of Year	<u><u>\$ 169,377,103</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, 2022**

	OM&R Fund
Cash Flows from Operating Activities	
Cash received from customers	\$ 61,153,382
Cash payments to suppliers	(50,155,844)
Cash payments to employees	(6,235,851)
	<u>4,761,687</u>
Net cash provided (used) by operating activities	<u>4,761,687</u>
Cash Flows from Noncapital Financing Activities	
ETGSA legal settlements	<u>15,872,676</u>
Net cash provided (used) by noncapital financing activities:	<u>15,872,676</u>
Cash Flows from Capital and Related Financing Activities	
Acquisition of capital assets	<u>(1,779,863)</u>
Net cash provided (used) by capital and related financing activities:	<u>(1,779,863)</u>
Cash Flows from Investing Activities	
Investment income	<u>(600,129)</u>
Net cash provided (used) by investing activities	<u>(600,129)</u>
Net change in cash and investments	18,254,371
Cash and Investments, Beginning of Year	<u>15,487,849</u>
Cash and Investments, End of Year	<u><u>\$ 33,742,220</u></u>
Reconciliation of cash and investments to Statement of Net Position:	
Unrestricted assets - cash and investments	\$ 5,962,149
Restricted assets - cash and investments	<u>27,780,071</u>
Total cash and investments	<u><u>\$ 33,742,220</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, 2022**

	OM&R Fund
Reconciliation of Operating Income	
(Loss) to Net Cash Provided (Used)	
by Operating Activities	
Operating income (loss)	\$ 17,716,694
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
CIP DWR disposal included in operating expenses	3,026,736
Depreciation and amortization	600,369
Refund liability	(3,810,817)
Changes in assets and liabilities:	
Accounts receivable	(16,144,329)
Prepaid expenses	(12,745)
Deposits	1,642,505
Right-to-use asset	(141,628)
Accounts payable	2,338,969
Compensated absences	4,095
Lease liability	139,368
Deferred inflows	(597,530)
Net cash provided (used) by operating activities	<u>\$ 4,761,687</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. On October 5, 2020, the Transfer Agreement was renegotiated and renewed between the Bureau of Reclamation and the Authority.

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:

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 30.

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 31.

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.

Right-to-Use Asset: The Authority has recorded a right-to-use lease asset as a result of implementing GASB 87, *Leases*. The right-to-use asset is initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right-to-use asset is an intangible capital asset and is amortized on a straight-line basis over the life of the related lease.

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 \$5,000 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, 2022 is \$4,380,074.

Lease Liability: The Authority's lease liability is measured at the present value of payments expected to be made by the Authority during the lease term. As lease payments are made, the Authority will reduce the liability (principal portion of payment) and recognize interest expense.

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, 2022 is \$659,196.

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows and Inflows of Resources: In addition to assets, the Statement 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 as of year-end, but not earned due to passage of time.

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, 2022 is \$1,339,986.

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.

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance (continued):

- *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.

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, 2022, the Authority implemented the following standards.

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. 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 reporting periods beginning after June 15, 2021.

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.

GASB Statement No. 98 – *The Annual Comprehensive Financial Report*. The requirements of this statement are effective for reporting periods beginning after December 15, 2021

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

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. 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. 96 – *Subscription-Based Information Technology Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 99 – *Omnibus 2022*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 100 – *Accounting Changes and Error Corrections*. The requirements of this statement are effective for reporting periods beginning after June 15, 2023.

GASB Statement No. 101 – *Compensated Absences*. The requirements of this statement are effective for reporting periods beginning after December 15, 2023.

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 April 24, 2023, 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, 2022 is as follows:

Cash in bank	\$ 205,966
Local Agency Investment Fund	<u>33,354,829</u>
Total cash and investments	<u><u>\$ 33,560,795</u></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 the Authority's total deposits.

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2 – CASH AND INVESTMENTS (continued)

Custodial Credit Risk (continued): The Authority may waive collateral requirements for deposits on interest bearing accounts which are fully insured by Federal Deposit insurance up to \$250,000.

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 a fair market value as determined and given by LAIF.

NOTE 3 – RIGHT-TO-USE ASSET

The Authority recorded a right-to-use lease asset. The asset is for a right-to-use copier. The related lease is discussed in Note 5. The right-to-use asset is amortized on a straight-line basis over the terms of the related lease. Right-to-use activity for the year ended September 30, 2022 was as follows:

	Beginning Balance	Additions	Retirements/ Adjustments	Ending Balance
Right-to-use Asset				
Right-to-use copier	\$ -	\$ 141,628	\$ -	\$ 141,628
Accumulated amortization	-	(2,360)	-	(2,360)
 Total Right-to-use Asset	 \$ -	 \$ 139,268	 \$ -	 \$ 139,268

Amortization expense for the year ended September 30, 2022 was \$2,360.

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4 – CAPITAL ASSETS

Capital asset activity for business-type activities for the year ended September 30, 2022 is as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$3,333,006	\$ 1,259,515	\$(3,026,737)	\$ 1,565,784
Total capital assets not being depreciated	3,333,006	1,259,515	(3,026,737)	1,565,784
Capital assets being depreciated:				
Vehicles and heavy equipment	2,589,887	482,281	-	3,072,168
Tools and other	4,047,535	38,068	-	4,085,603
Total capital assets being depreciated	6,637,422	520,349	-	7,157,771
Less accumulated depreciation	4,572,049	598,009	-	5,170,058
Total capital assets being depreciated, net	2,065,373	(77,660)	-	1,987,713
Total capital assets, net	\$5,398,379	\$ 1,181,855	\$(3,026,737)	\$ 3,553,497

Depreciation expense for the year ended September 30, 2022 is \$598,009.

NOTE 5 – LEASE LIABILITY

The Authority has entered into an operating lease agreement with Power Business Technology whereby the Authority leases a copier through November 2027. Activity related to the lease liability is as follows for the year ended September 30, 2022:

	Beginning Balance	Additions	Principle Payments	Ending Balance	Due Within One Year
Lease liability	\$ -	\$ 141,628	\$ (2,260)	\$ 139,368	\$ 26,862

Future minimum lease and interest payments for the lease liability are as follows:

	For the years ending September 30,	Principal Payments	Interest Payments	Total
2023		\$ 26,862	\$ 254	\$ 27,116
2024		26,916	200	27,116
2025		26,970	146	27,116
2026		27,024	92	27,116
2027		27,078	38	27,116
Thereafter		4,518	1	4,519
Total		\$ 139,368	\$ 731	\$ 140,099

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 6 – DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS

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, 2022 was \$556,691.

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 occurred after three years of continuous service on December 31, 2020. The second occurred after two more years of continuous service on December 31, 2022.

NOTE 7 – 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 Authority used the operations and maintenance costs that were incurred in the Authority for the fiscal year to calculate the restricted amount of \$1,625,802.

MRCCP Settlement: In accordance with the terms of the settlement agreements associated with the Middle Reach Capacity Corrections Project for transitional overdraft pumping and anticipated subsidence damages to the Friant Kern Canal, these funds as awarded to the Authority are to be used towards the Middle Reach Capacity Corrections Project. As funds are used by the Authority, they will reduce the restricted amounts as presented in restricted net position. The amount of restricted net position representing this settlement as of September 30, 2022 is \$120,127,324 and \$26,154,269, for the receivable and cash, respectively.

NOTE 8 – 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.

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 8 – COMMITMENTS AND CONTINGENCIES (continued)

Joint Powers Insurance Authority (JPIA) (continued): 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.

Condensed financial information of the JPIA's most recent audited year is as follows:

	September 30, 2022
Total assets	\$ 246,615,214
Deferred outflows of resources	6,108,562
Total liabilities	137,126,606
Deferred inflows of resources	2,813,249
Net position	<u>\$ 112,783,921</u>
Total revenues	\$ 175,619,417
Total expenditures	212,646,028
Net increase in net position	<u>\$ (37,026,611)</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 8 – 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 9 – DEFICIENCY OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2022, expenditures exceeded budgeted appropriations as follows:

Expenditures	Amount
General Fund - General Member	
San Joaquin Settlement	\$ 92,535
Legislative Affairs	16,663
State Regulatory Affairs	24,982
External Affairs	120,081
Enterprise Fund-OM&R Fund	
Canal maintenance	\$ 11,152,673
Water operations	30,143

NOTE 10 – 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. A vaccination has been created and is being administered throughout the State, including the Authority's service area. The ultimate impact of COVID-19 on the Authority is unknown.

NOTE 11 – CHANGE IN ACCOUNTING PRINCIPLE

GASB Statement No. 87, *Leases*, establishes specific criteria used to account for contracts that meet the definition of a lease. Implementation of GASB Statement No. 87 requires lessee to recognize a lease liability and an intangible right-to-use asset, and lessor to recognize a lease receivable and a deferred inflow of resources. The Statement is to enhance the relevance and consistency of information about governments' leasing activities.

As of September 30, 2022, the Authority had one lease that meets the criteria of GASB Statement No. 87 and the Authority has implemented the Statement accordingly. As of September 30, 2022, the Authority recognized a right-to-use asset (net of accumulated amortization) of \$139,268 and lease liability of \$139,368 for the lease in which the Authority is a lessee.

FRIANT WATER AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
Revenues				
Membership assessment	\$ 2,496,880	\$ 2,496,880	\$ 624,219	\$ (1,872,661)
Airborne snow observatory	-	-	-	-
Interest	-	-	54,908	54,908
Investment earnings (loss)	-	-	(1,395)	(1,395)
Total Revenues	2,496,880	2,496,880	677,732	(1,819,148)
Expenditures				
City of Fresno vs USA (JDA)	-	-	67,758	(67,758)
GM administrative costs	86,960	86,960	17,888	69,072
Administration allocation	239,477	239,477	182,599	56,878
Friant supply, tracking, policies & defense	467,564	467,564	326,412	141,152
Delta supply, tracking, policies & defense	113,257	113,257	251,831	(138,574)
San Joaquin Settlement	49,698	49,698	124,135	(74,437)
Consultation	-	-	139,907	(139,907)
Upstream storage	11,794	11,794	464	11,330
Annual strategic planning	70,692	70,692	32,573	38,119
Friant member & grower coordination	134,900	134,900	5,826	129,074
Outreach & engagement	-	-	100	(100)
Legislative affairs	269,063	269,063	82,575	186,488
State regulatory affairs	31,612	31,612	66,982	(35,370)
External affairs	11,802	11,802	247,081	(235,279)
Communications & media relations	58,782	58,782	35,039	23,743
Employee holiday, sick, vacation & jury	122,079	122,079	111,746	10,333
Travel expense	-	-	14,919	(14,919)
Retirement, health ins. & payroll taxes	259,123	259,123	162,883	96,240
Utilities	2,055	2,055	-	2,055
Reconsultation	568,022	568,022	-	568,022
Finance charges	-	-	575	(575)
SJV Blueprint	-	-	291	(291)
Total Expenditures	2,496,880	2,496,880	1,871,584	625,296
Net Change in Fund Balance	\$ -	\$ -	(1,193,852)	\$ (2,444,444)
Fund Balance, Beginning of Year			793,394	
Fund Balance (Deficit), End of Year			\$ (400,458)	

FRIANT WATER AUTHORITY

SUPPLEMENTARY INFORMATION

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
REVENUES				
FWA OM&R revenues	\$ 10,005,520	\$ 10,005,520	\$ 24,666,303	\$ 14,660,783
OM&R federal assistance	-	-	1,927,616	1,927,616
OM&R DWR assistance	-	-	26,521,839	26,521,839
FKC-MRCCP cost-share revenues	-	-	28,590,300	28,590,300
Interest	40,000	40,000	140,049	100,049
Decrease in investment fair value	-	-	(652,908)	(652,908)
Total FWA OM&R Revenues	<u>10,045,520</u>	<u>10,045,520</u>	<u>81,193,199</u>	<u>71,147,679</u>
Total Revenues:	<u>10,045,520</u>	<u>10,045,520</u>	<u>81,193,199</u>	<u>71,147,679</u>
Expenses:				
Canal maintenance				
Vehicle and equipment				
acquisition	760,044	760,044	-	760,044
Vehicle and equipment service	603,109	603,109	572,108	31,001
Supervision	322,177	322,177	298,491	23,686
Communications and information	-	-	4,951	(4,951)
Right of way management	55,437	55,437	63,167	(7,730)
Weed and pest control	673,239	673,239	681,854	(8,615)
Friant Biological Opinion Imp	21,000	21,000	-	21,000
Road maintenance	157,909	157,909	27,133	130,776
Yard and building maintenance	255,603	255,603	288,720	(33,117)
Structure and gate maintenance	94,389	94,389	56,080	38,309
Cleaning right-of-way	87,324	87,324	45,596	41,728
Bargate, guardrail and lock				
maintenance	56,036	56,036	45,138	10,898
Embankment maintenance	84,962	84,962	206,477	(121,515)
Bridge maintenance	69,854	69,854	79,488	(9,634)
Miscellaneous maintenance	13,137	13,137	31,332	(18,195)
Concrete lining maintenance	15,253	15,253	5,386	9,867
Drain ditch and channel				
maintenance	50,576	50,576	34,379	16,197
Fence maintenance	50,718	50,718	60,522	(9,804)
Mud jacking	18,713	18,713	531	18,182
Painting	44,161	44,161	46,814	(2,653)
Sump pump maintenance	1,053	1,053	-	1,053
Cross drainage and structure				
maintenance	1,053	1,053	-	1,053
Rip-rapping	936	936	-	936
USBR Pump-Back project	22,360	22,360	522,709	(500,349)
FKC Subsidence- Expenses- Attorney	-	-	455,976	(455,976)
FKC Capacity Correction (FWA)	-	-	102,740	(102,740)
FKC Capacity Correction-Consultant	-	-	1,251,375	(1,251,375)

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
GSA Engagement	\$ 207,820	\$ 207,820	\$ 241,315	\$ (33,495)
Canal Patrol	-	-	-	-
Operations supervision	41,054	41,054	124,294	(83,240)
Water supply coordination & monitoring	474,536	474,536	560,242	(85,706)
Water quality	40,203	40,203	56,851	(16,648)
Legal - direct	-	-	66,591	(66,591)
Safety and first aid training	41,775	41,775	55,239	(13,464)
Office admin	58,076	58,076	242,684	(184,608)
Payroll preparation	841	841	1,417	(576)
Meeting expenses	246,626	246,626	355,007	(108,381)
Training and education	62,209	62,209	53,295	8,914
Procurement expense	4,721	4,721	-	4,721
Inventory and property management	-	-	2,326	(2,326)
Employee holiday, sick, vacation and jury duty	274,909	274,909	340,284	(65,375)
Travel	29,789	29,789	4,262	25,527
Personnel administration	8,851	8,851	88,544	(79,693)
Employee Retirement	230,527	230,527	287,682	(57,155)
Medical & Disability	568,809	568,809	629,443	(60,634)
Workers' compensation insurance	53,157	53,157	41,203	11,954
Legal expense-indirect	45,000	45,000	-	45,000
Payroll Taxes	43,228	43,228	40,121	3,107
Utilities	84,793	84,793	158,374	(73,581)
Telephone	-	-	399	(399)
Merit Awards	914	914	32,863	(31,949)
Dues and subscriptions	18,323	18,323	12,862	5,461
Budget Preparation	4,563	4,563	6,685	(2,122)
Achieving & Data Storage	4,076	4,076	-	4,076
Data processing	-	-	183,628	(183,628)
Implementation of Bio Opinion	-	-	14,966	(14,966)
Lease office equipment	-	-	34,536	(34,536)
Liability Insurance	-	-	120,522	(120,522)
MRCCP	-	-	8,120,765	(8,120,765)
Depreciation	-	-	378,661	(378,661)
Accounting and auditing	-	-	16,759	(16,759)
Reverse flow pumping	-	-	3,729	(3,729)
Total canal maintenance	6,003,843	6,003,843	17,156,516	(11,152,673)
Water operations				
Vehicle and equipment acquisition	50,580	50,580	-	50,580
Vehicle and equipment service	1,084	1,084	866	218
Weed and pest control	-	-	89	(89)
Yard and building maintenance	88,394	88,394	56,417	31,977
Structure and gate maintenance	281,624	281,624	225,661	55,963
Cleaning right-of-way	1,230	1,230	1,397	(167)
Bargate, guardrail and lock maintenance	5,740	5,740	-	5,740
Sump pump maintenance	29,744	29,744	21,797	7,947
Reverse flow pumping	-	-	43,690	(43,690)

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

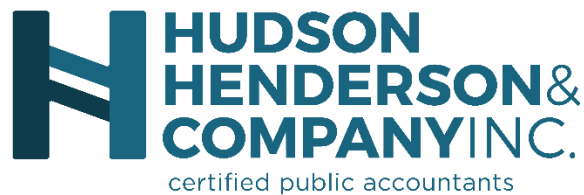
	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Communications and information	\$ 311,355	\$ 311,355	\$ 247,325	\$ 64,030
Meter repair and calibration	147,347	147,347	86,521	60,826
Canal patrol	274,453	274,453	302,726	(28,273)
Operations reports	59,627	59,627	106,132	(46,505)
Supervision	75,489	75,489	-	75,489
Water measurement	14,938	14,938	8,898	6,040
Water quality	42,677	42,677	9,316	33,361
Miscellaneous	9,114	9,114	61,194	(52,080)
Ground water and seepage well measurement	-	-	3,529	(3,529)
Safety and first aid training	10,039	10,039	5,621	4,418
Meeting expenses	4,834	4,834	369	4,465
Training and education	23,961	23,961	120	23,841
Employee holiday, sick, vacation and jury duty	103,784	103,784	239,186	(135,402)
Utilities	32,093	32,093	34,251	(2,158)
Telephone expenses	-	-	1,061	(1,061)
Employee retirement	81,480	81,480	87,172	(5,692)
Medical and disability insurance	214,819	214,819	180,928	33,891
Payroll taxes	11,694	11,694	12,340	(646)
Workers' compensation insurance	27,646	27,646	48,264	(20,618)
Depreciation	-	-	149,019	(149,019)
Total water operations	1,903,746	1,903,746	1,933,889	(30,143)
Administration				
Vehicle and equipment acquisition	28,547	28,547	-	28,547
USBR Pump Back Project	15,878	15,878	-	15,878
Upper Reach	13,306	58,265	-	58,265
Communications and information	26,346	26,346	-	26,346
Water supply coordination & monitoring	14,425	14,425	45,906	(31,481)
Legal expense-direct	31,500	31,500	41,756	(10,256)

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
FKC Capacity Correction (FWA)	\$ 5,878	\$ -	\$ -	\$ -
Administrative supervision	13,173	13,173	4,053	9,120
Safety and first aid training	41,781	41,781	2,282	39,499
Office admin	91,066	91,066	240	90,826
Payroll preparation	9,211	9,211	11,892	(2,681)
Meeting expense	110,986	110,986	10,242	100,744
Training and education	43,389	43,389	13,714	29,675
Miscellaneous	290	290	-	290
Inventory and property management	12,851	12,851	40	12,811
Employee holiday, sick, vacation and jury duty	111,874	138,249	67,321	70,928
Data processing	235,986	235,986	1,907	234,079
Travel expense	58,787	58,787	47,483	11,304
Accounting and auditing	374,796	374,796	349,786	25,010
Personnel administration	136,555	136,555	1,919	134,636
Liability insurance	162,146	162,146	29,774	132,372
Workers' compensation insurance	8,764	8,764	1,419	7,345
Utilities	120,364	120,364	-	120,364
Office supplies	35,288	35,288	84	35,204
Merit awards	30,927	30,927	-	30,927
Postage	5,287	5,287	-	5,287
Dues and subscriptions	59,765	59,765	840	58,925
Budget preparation	6,181	6,181	23,411	(17,230)
Lease office equipment	35,138	35,138	-	35,138
Employee retirement	93,073	93,073	58,189	34,884
Medical and disability insurance	268,050	268,050	93,457	174,593
Payroll taxes	12,940	12,940	8,896	4,044
Depreciation	-	-	70,328	(70,328)
Achievin & data storage	11,064	11,064	-	11,064
Administration allocated	-	-	(14,762)	14,762
Amortization	-	-	2,360	(2,360)
MRCCP Lands Soft Costs	-	-	3,369	(3,369)
Total administration	2,225,612	2,291,068	875,906	1,415,162
Total FWA OM&R expenses	\$ 10,133,201	\$ 10,198,657	\$ 19,966,311	\$ (9,767,654)

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 each major fund of the Friant Water Authority (the Authority) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and we have issued our report thereon dated April 24, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

A handwritten signature in blue ink that reads "Hudson Henderson & Company, Inc." in a cursive script.

Fresno, California
April 24, 2023



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

Opinion on 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, 2022. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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, 2022.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

Auditors' Responsibilities for the Audit of Compliance

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

A handwritten signature in blue ink that reads "Hudson Henderson & Company, Inc." in a cursive script.

Fresno, California
April 24, 2023

**FRIANT WATER AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Federal Grantor/ Pass-through Grantor/ Program or Cluster Title	Federal CFDA No.	Grant Number	Pass- Through to Sub- recipients	Federal Expenditures
<u>U.S. DEPARTMENT OF THE INTERIOR</u>				
Direct Programs				
FKC Capacity Correction Project				
San Joaquin River Restoration Settlement	15.555	R19AC00013	\$ -	\$ 1,707,287
Subtotal- FKC Capacity Correction Project			<u>-</u>	<u>1,707,287</u>
TOTAL U.S. DEPARTMENT OF INTERIOR			<u>-</u>	<u>1,707,287</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ -</u></u>	<u><u>\$ 1,707,287</u></u>

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 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, 2022**

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? _____ Yes X 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)? _____ Yes X 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 Settlement

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, 2022**

SECTION II – FINANCIAL STATEMENT FINDINGS

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

SECTION III – FEDERAL AWARD FINDINGS

There are no federal award findings.

**FRIANT WATER AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

SECTION II – FINANCIAL STATEMENT FINDINGS

There were no findings in the prior year that were reported in accordance with *Government Auditing Standards*.

SECTION III – FEDERAL AWARD FINDINGS

Finding 2021-001 – Significant Deficiency

Program: San Joaquin River Restoration Settlement

CFDA No.: 15.555

Federal Agency: U.S. Department of the Interior

Award Number: R19AC00013

Award Year: 2020/21

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 three 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, suspension or termination of the federal award, initiation of suspension or debarment proceedings, withholding of 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 instituted internal procedures to ensure that required financial and performance reports are submitted timely. The Board of Directors approved these procedures as part of a comprehensive update of FWA's purchasing policy (Exhibit C, Section H.) at the June 23, 2022 Board of Directors meeting. In addition, FWA created a Project Accountant/Financial Analyst position to assist with ensuring compliance, including reporting compliance, under financial assistance agreements with Federal agencies.

Current Year Status:

Implemented.



Begin Phase 1 Project

Avenue 136

T

LTRID

Porterville
Municipal
Airport

T

TPDWD

Avenue 128

Siphon 4

T

SID

Avenue 120

Avenue 112

Siphon 5

T

T

DCTRA

SID

Avenue 104

Deer Creek Check/Siphon

T

TBID

Siphon 6

Siphon 7

Road 208

T

SID

Avenue 88

Siphon 8

Avenue 80

Siphon 9

T

SID

T

DEID

Siphon 10

Avenue 64

End Phase 1 Project

FRIANT-KERN CANAL MIDDLE REACH CAPACITY CORRECTION PROJECT PHASE 1

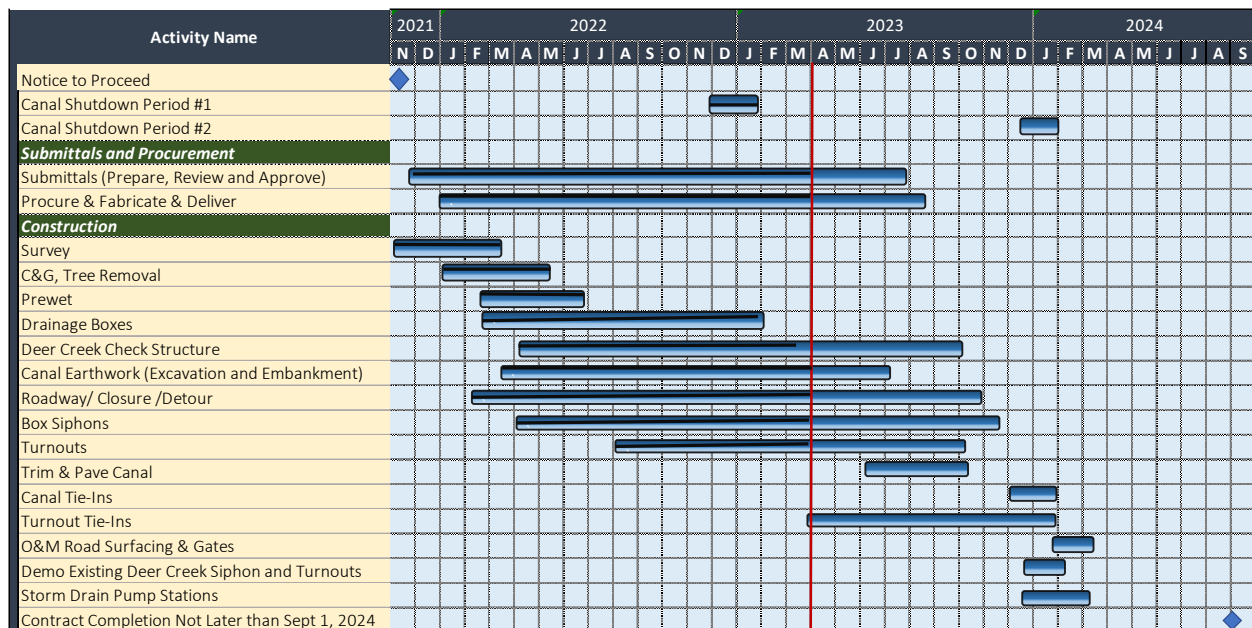
Construction Progress Report: March 2023



Summary of Work Accomplished

- The Contractor has worked 450 calendar days as of March 25th.
- Turnout work continued, with work being conducted at Casa Blanca, Teapot Dome, and SID-S1 turnouts.
- A severe storm system swept through the project area in early March and caused flooding at several locations. The Deer Creek work area was significantly impacted, with multiple berm breaches contributing to flooding at the site.
- Canal embankment was placed between Terra Bella Avenue working towards Road 208 and between Road 192 and Avenue 64.
- At the Avenue 88 siphon, work included installing reinforcing bars and pouring structural concrete.
- At the Avenue 112 siphon, formwork was stripped.
- At the Road 192 siphon, work included installing reinforcing bars, formwork, and placing structural concrete in several deck and slab sections.
- Road closures for Terra Bella Avenue and Avenue 88 and 128 siphons remain in effect, and a temporary shoofly continues to be in place at Road 192.

Schedule Progress



Work completed through end of March (based on cost) is approximately 59.2 percent of the original contract amount, and the elapsed time represents approximately 50 percent of the total contract time.

Construction Narrative

There were significant rain events this month that severely impacted construction activities. Impacted dates included 2/27 to 3/1, 3/10 to 3/25. There was over 3-inches of rain spread over that time period.

Canal embankment was placed between Terra Bella Avenue working towards Road 208 using borrow material from the TBID borrow site and between Road 192 and Avenue 64 at the southern end of the alignment using borrow material from the former Fletcher property. The embankment completion varies along the alignment, with the highest completion from Avenue 88 northwards.

Starting the weekend of March 10th severe weather swept through the project area causing flooding at multiple work sites. High flows in Deer Creek caused the creek to come out of its banks and breach through the DCTRA recharge basins, with water flooding through to the TBID borrow site. The Contractor's temporary berm at the new siphon was breached and water flooded into the new canal prism. Large dewatering pump systems were brought to the site and started pumping out the flooded borrow pit on March 18th. Prior to the storm event work was conducted at several work sites. At the Avenue 88 siphon, the Contractor placed reinforcement and placed structural concrete in walls from their batch plant. At the Avenue 112 siphon, the forms were stripped, and the collapsed deck sections were removed after the investigations were completed. At the Road 192 siphon, work included reinforcing bar placement, installing formwork, and placing structural concrete in several deck and wall sections. Excavation for the new roadway siphon at Terra Bella Avenue continued and excavation for the Avenue 128 siphon was completed. Initiated excavation for the Road 208 siphon.

Some minor work was conducted at several irrigation and drainage box extensions to backfill previously placed work. The Contractor repaired leaks in several irrigation bypass lines. Turnout work continued, with work being conducted at Casa Blanca, Teapot Dome, and SID-S1 turnouts. Work included excavation, placing formwork, installing reinforcing bars and concrete placement for the structures. The remaining parts of the canal trimming and paving equipment were received on site. The contractor stockpiled approximately 20,000 cubic yards of material at 2 locations for the future pump station construction.

Environmental

Biological construction monitoring continued and there are now several nesting bird buffers in place. To-date, no evidence has been found to indicate the presence of kit fox or burrowing owls within the work area.

Change Orders

There were 2 change orders this month totaling \$478,000. The largest change order was to dewater the TBID borrow pit area after the flooding in early March.

Construction Progress Photographs¹



Casa Blanca Turnout Formwork in Progress.



SID-S1 Turnout Concrete Placement.

¹ Photographs courtesy of Reclamation



Avenue 88 Roadway Replacement at new Siphon.



Road 192 Siphon Structure.



Ave. 95 Siphon (Terra Bella) Excavation and Adjacent Canal Embankment.



Deer Creek Siphon and Check Prior to the March Flooding.

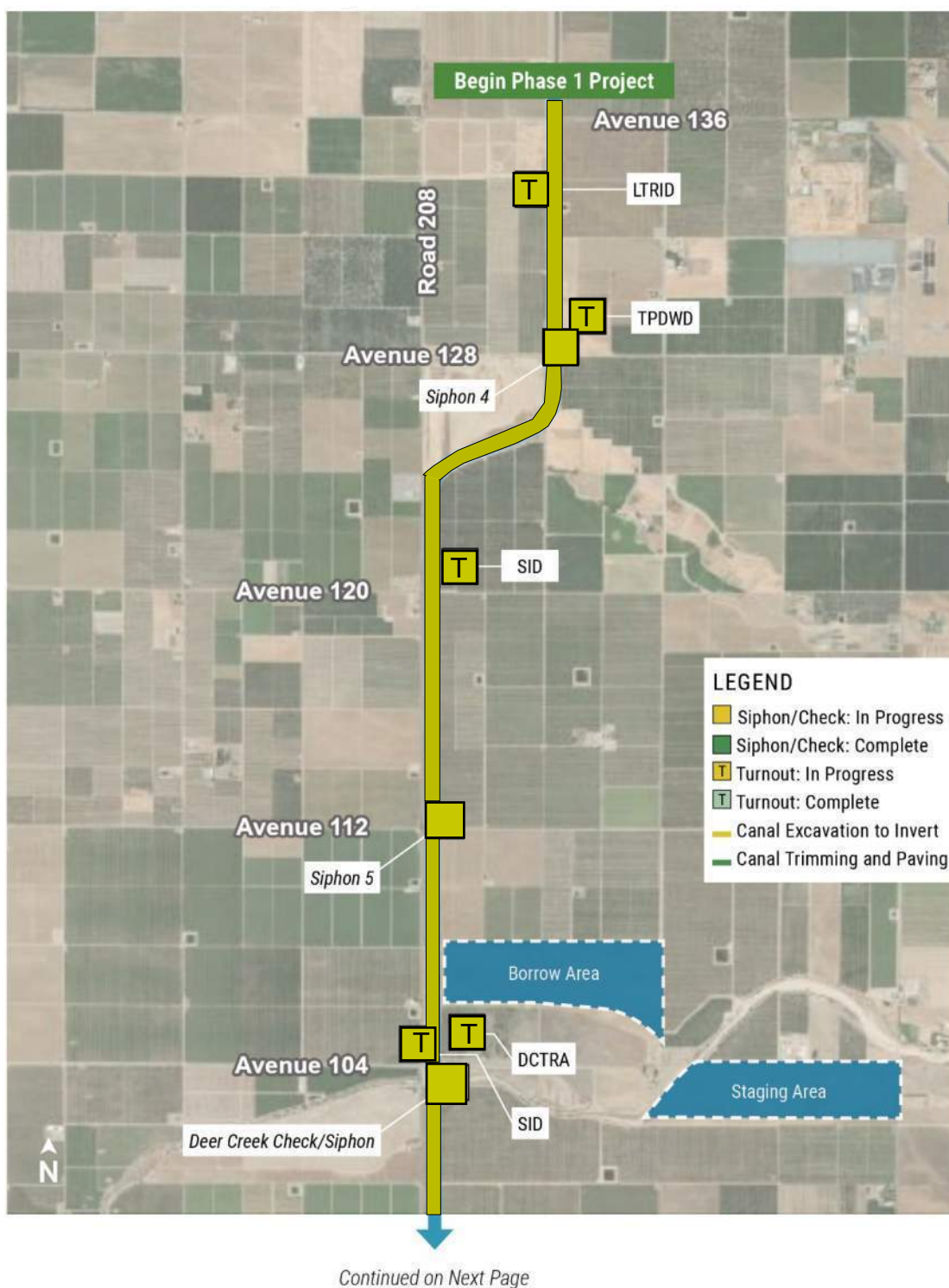


Deer Creek Work Area Site Flooding (View Looking to the North).

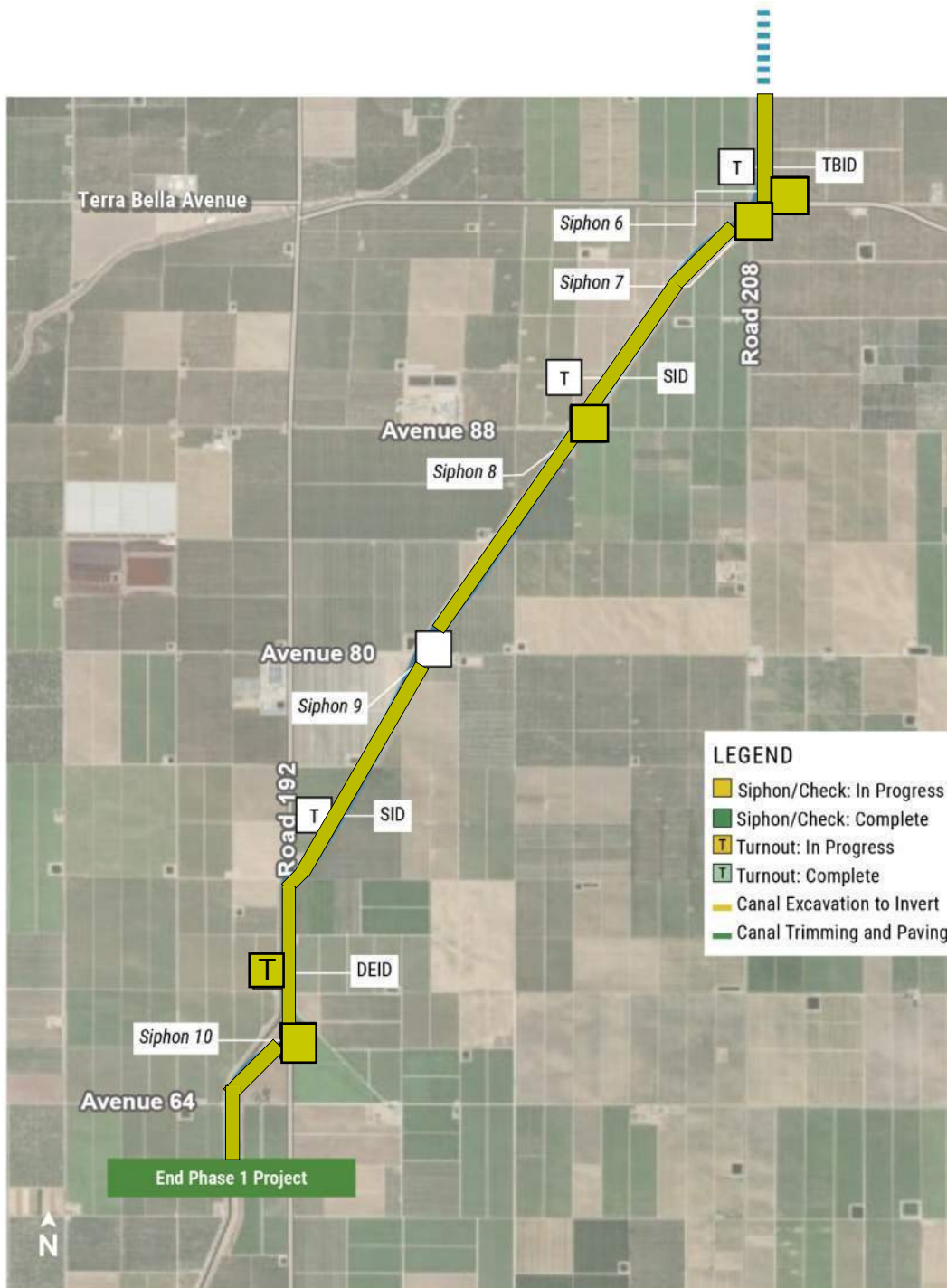


Terra Bella Borrow Pit Flooded.

Progress Map



Progress Map continued



Financial Summary

Monthly Financial Status Report - Budget to Actual Spending Expenditures through March 31, 2023

Sources of Funds	Federal Funding		FWA Spending Plan Funds		Friant Water Authority Funding					
	SJRRP funds	WIIN funds	Advance Payments for Construction Costs		FWA Contractors	Eastern Tule GSA	Pixley GSA	Delano GSA	State Funding-DWR	Total FWA funds
Anticipated Funding	\$41M-\$46.9M	\$ 210,550,000	\$ 118,645,000		\$ 50,000,000	\$125M-\$200M	\$ 11,000,000	\$ 1,200,000	\$ 59,584,000	
Funds Secured/Received to date	\$ 41,900,000	\$ 208,100,000	\$ 67,118,000		\$ 50,283,107	\$ 11,152,201	\$ 11,010,817	In progress	\$ 25,946,246	\$ 98,392,371
Expenditures to date	(39,818,956)	(108,982,905)	(33,720,258)		(35,878,759)	(11,152,201)	(11,010,817)	-	(25,946,246)	(83,988,023)
Remaining Funding Available	\$ 2,081,044	\$ 99,117,095	\$ 33,397,743		\$ 14,404,348	\$ -	\$ -	In progress	\$ -	\$ 14,404,348

Project Cost Category	Budget Estimate (2023)			Prior Period Expenditures (Cumulative)		March 31, 2023 Expenditures		Total Expenditures through March 31, 2023		Remaining Budget	
	Reclamation	FWA (Non-Federal)	Total	Reclamation Expenditures	FWA Expenditures	Reclamation Expenditures	FWA Expenditures	Reclamation Expenditures	FWA Expenditures	Reclamation	FWA (Non-Federal)
Prior-Period Preconstruction Costs (thru September 30, 2021)	\$ 23,081,048	\$ 3,525,733	\$ 26,606,782	\$ 23,081,048	\$ 3,525,733	\$ -	\$ -	\$ 23,081,048	\$ 3,525,733	\$ -	\$ 0
ROW & Land Acquisition	\$ 8,288,108	\$ 14,013,460	\$ 22,301,568	\$ 6,996,312	\$ 12,327,177	\$ 18,257	\$ 143,811	\$ 7,014,569	\$ 12,470,988	\$ 1,273,539	\$ 1,542,472
Legal & Administration (Facilitating Services) & IT Services	\$ 517,667	\$ 506,000	\$ 1,023,667	\$ 302,806	\$ 434,646	\$ 130	\$ 15,860	\$ 302,936	\$ 450,506	\$ 214,732	\$ 55,494
Permitting, NEPA/CEQA, Cultural Resources, & Environmental Monitoring	\$ 1,176,106	\$ 500,000	\$ 1,676,106	\$ 761,698	\$ 101,908	\$ (816)	\$ -	\$ 760,882	\$ 101,908	\$ 415,224	\$ 398,092
Project Management	\$ 2,360,302	\$ 1,987,500	\$ 4,347,802	\$ 881,439	\$ 264,750	\$ 62,319	\$ 41,457	\$ 943,758	\$ 306,206	\$ 1,416,544	\$ 1,681,294
Construction Management	\$ 12,000,000	\$ -	\$ 12,000,000	\$ 4,175,276	\$ -	\$ 443,497		\$ 4,618,773	\$ -	\$ 7,381,227	\$ -
Design & Specifications	\$ 1,785,380	\$ -	\$ 1,785,380	\$ 1,716,172	\$ -	\$ 6,238	\$ -	\$ 1,722,410	\$ -	\$ 62,969	\$ -
Construction Support	\$ 13,561,832	\$ -	\$ 13,561,832	\$ 6,815,919	\$ 11,985	\$ 140,899	\$ 2,697	\$ 6,956,817	\$ 14,682	\$ 6,605,015	\$ (14,682)
Construction Contract - Phase 1 Replacement Pump Stations	\$ 8,629,262	\$ 8,629,262	\$ 17,258,525	\$ 186,422	\$ -			\$ 186,422	\$ -	\$ 8,442,840	\$ 8,629,262
Construction Contract - MRCCP Phase 1	\$ 69,454,038	\$ 111,691,787	\$ 181,145,825	\$ 99,757,069	\$ 41,500,000	\$ 3,457,172	\$ 25,618,000	\$ 103,214,242	\$ 67,118,000	\$ (33,760,204)	\$ 44,573,787
Construction Contract Contingency	\$ 5,396,257	\$ 5,396,257	\$ 10,792,514	\$ -	\$ -			\$ -	\$ -	\$ 5,396,257	\$ 5,396,257
Total	\$ 146,250,000	\$ 146,250,000	\$ 292,500,000	\$ 144,674,161	\$ 58,166,198	\$ 4,127,696	\$ 25,821,825	\$ 148,801,857	\$ 83,988,023	\$ (2,551,856)	\$ 62,261,977

% Cost-Share

50%

50%

64%

36%

Please Note:		
Actual cost-share percentages:	58%	42%
The difference is due to timing of when the FWA Spending Plan Funds are being expended by BOR.		

DATE: April 27, 2023

TO: Board of Directors

FROM: Ian Buck-Macleod, Water Resources Manager

SUBJECT: Water Operations Update

SUMMARY:

The exceptionally wet hydrology for most of the winter continued through March and has resulted in major improvements in water supply outlooks. April precipitation has generally been well below average, although a recent rise in temperatures has allowed the snowpack to ripen and begin to melt. Flood releases from Millerton to the river and uncontrolled season resumed on March 9th. On April 20th, Reclamation updated 2023 allocations with South-of-Delta agricultural water service contractor allocation increasing to 100%. Friant allocations of 100% Class 1 allocations and 70% Class 2 remained the same.

DISCUSSION:

Inflow Forecasts

Late-February and March returned to being exceptionally wet throughout most of the State. Precipitation in the Upper San Joaquin watershed is approximately 275% of average, with snow-water equivalent (SWE) ranging from 220% to over 300% of average. Five DWR snow stations in the San Joaquin watershed set historical records for SWE. Current forecasts suggest peak SWE likely occurred around April 6th. Elsewhere, statewide precipitation currently ranges from 128% to 200% of average to date, while statewide SWE currently ranges from 217% to 322% of average to date (and 183% to 272% of the April 1 average). Longer range forecast models suggest near normal to below normal precipitation over the coming weeks, with a high degree of uncertainty. After near to slightly above average temperatures over the past week and through this weekend, temperatures are expected to drop below normal for the first week of May.

Table 1 shows the unimpaired inflow forecasts for Shasta Lake and Millerton Lake from the California Nevada River Forecast Center (CNRFC) and CA Department of Water Resources (DWR). The current CNRFC Millerton 50% forecast would result in a water year inflow that is 250% of average and just below the historical maximum. The CNRFC Shasta 50% forecast would result in a water year inflow that is 103% of average. Current observed unimpaired inflow to Shasta is around 3.5 MAF. With observed flow and current forecasts, this year will not be a Shasta Critical year.

Table 1. Unimpaired Inflow Forecasts for WY 2023

Item	Exceedance		
	90%	50%	10%
CNRFC Shasta Unimpaired Inflow (TAF) ¹	5,710	5,820	6,130
DWR Shasta Unimpaired Inflow (TAF) ²	5,620	5,995	6,555
CNRFC Millerton Unimpaired Inflow (TAF) ¹	4,370	4,490	4,580
DWR Millerton Unimpaired Inflow (TAF) ²	4,470	4,680	5,000
SCCAO Blended Unimpaired Inflow (TAF) ³	4,345	4,570	4,980

Notes:

¹ As of April 24.

² As of April 18.

³ As of April 24.

CVP NOD Operations

Overall CVP North-of-Delta reservoirs are now beginning to manage snowmelt runoff, and storage levels for this week based on the 15-year average – Trinity, Shasta, and Folsom are 52%, 121%, and 104% of average, respectively. Combined CVP storage is currently almost 4 MAF higher than this time last year (currently 104% of the 15-year average). Flood control releases have occurred at Folsom and Oroville, with elevated releases continuing to help manage reservoir fill. Increased releases are likely at Shasta in the coming weeks to help manage reservoir fill. Reclamation sent notice that this is not a Shasta Critical year and the agricultural service contract allocation was increased to 100% (up from 80%). The SWP also updated their Table A allocation to 100% on April 20th (from 75%).

Reclamation prepared forecasted operations at the 90% and 50% exceedance levels in late March based on March 1 inflow forecasts. Internal projections have also been prepared at 90% and 50% exceedance levels. Figures 1 and 2 show the projected Shasta Lake and Folsom Lake storage through June based off these projections, as compared to actuals to date. Shasta storage is currently trending near the internal 50% forecast (above both March CVO forecasts) and is expected to completely fill this spring. Folsom storage will be managed to control fill and best regulate available water supply over the next few months.

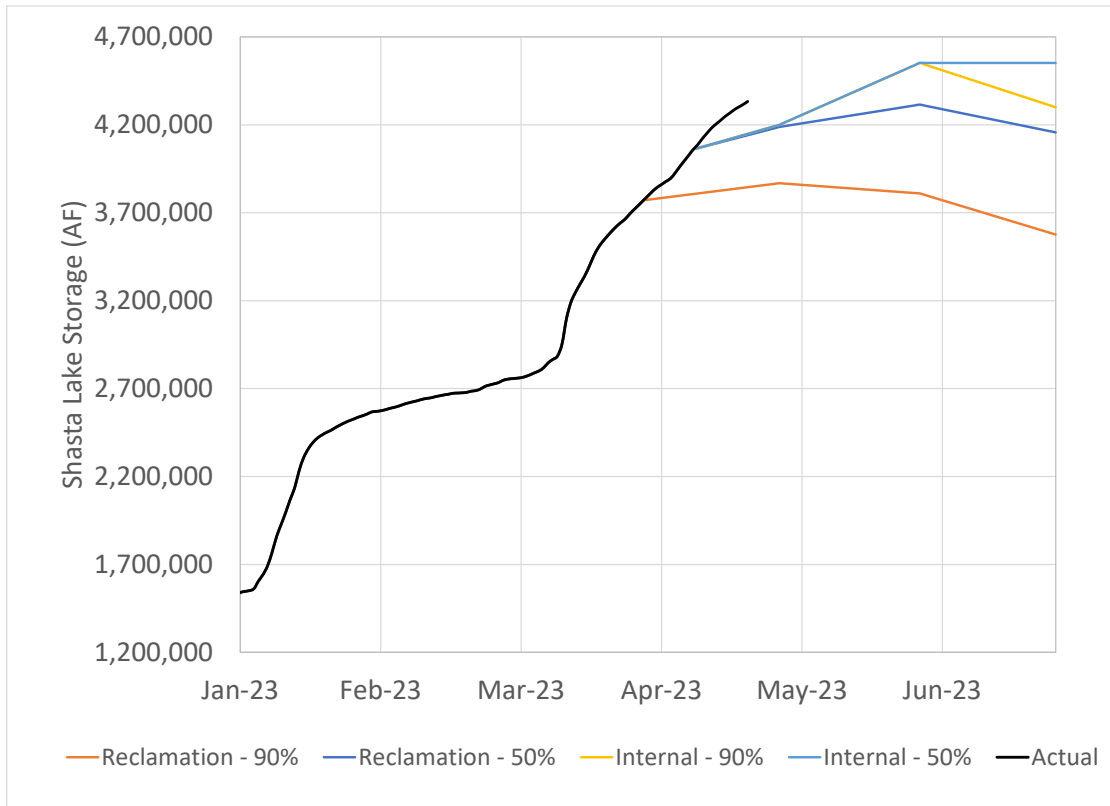


Figure 1. Shasta Lake Storage – March CVO / April Internal Projections

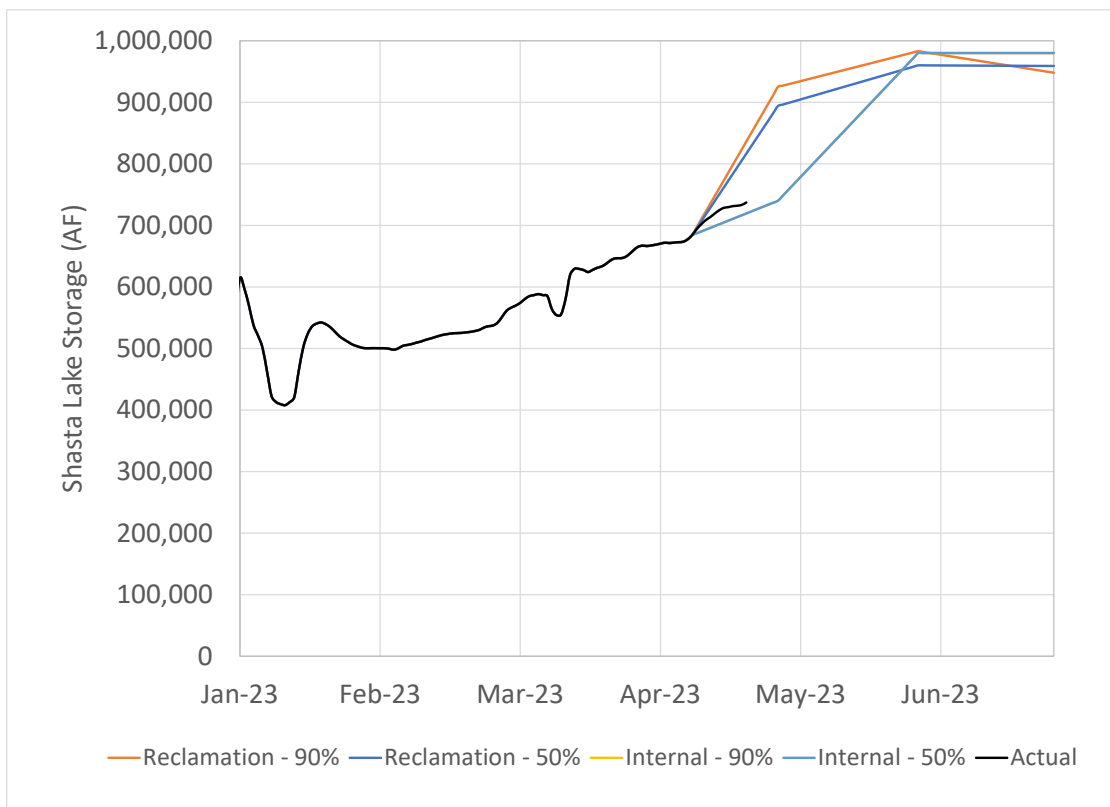


Figure 2. Folsom Lake Storage – March CVO / April Internal Projections

CVP SOD Operations

Delta Operations

Exports largely fluctuated between a 4- and 5-unit operation throughout winter, with occasional reductions caused by OMR requirements and limitations in using the DMC-CA Intertie. Exports have recently been cut back as CVP San Luis is essentially full and real-time demands are now beginning to increase. As flows at Vernalis are likely to remain high in the near future, exports will likely continue to only be limited by real-time demands. The Temporary Urgency Change Order was rescinded on March 9th by the State Board due to wet conditions. For April, Delta Outflow (for Spring X2) will have to be a 3-day average Delta Outflow of at least 29,200 cfs for the entire month, which should be easily met with current forecasts. Figure 3 shows the projected daily Jones pumping through June as compared to actuals to date. Exports are likely to remain below the forecasted volumes until real-time demand increases.

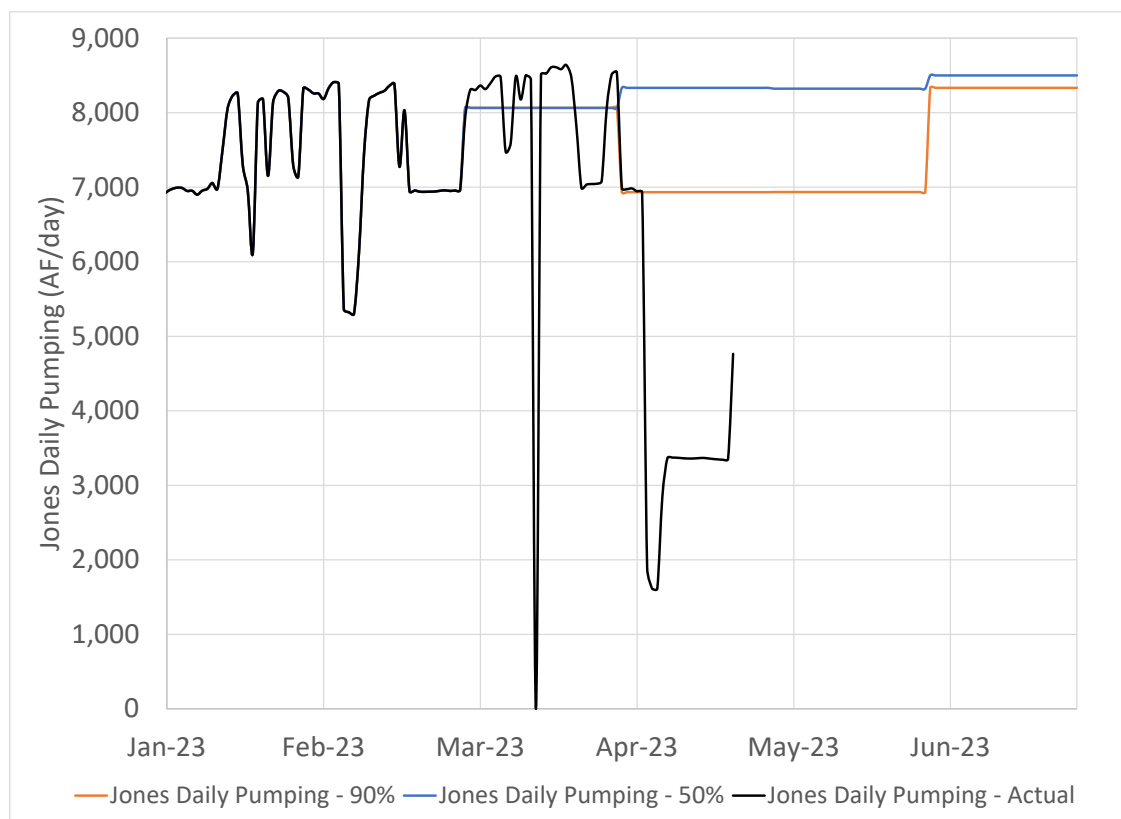


Figure 3. Daily Jones Pumping – March CVO Projections

San Luis Operations

CVP San Luis Reservoir storage is at 962 TAF—142% of its 15-year average and essentially full. As CVP San Luis has filled, rescheduled and non-Project water that was present in the reservoir is beginning to “spill”. The balance of this water (160 TAF at the end of January) is expected to spill by early May. Figure 4 shows the Internal projection for San Luis Federal storage through June, showing all rescheduled and non-Project water spilling due to foregone pumping in the next few weeks. CVP San Luis is likely to remain at capacity

through May. Contractors with stored Restoration Flows in San Luis Reservoir should evacuate them as soon as possible.

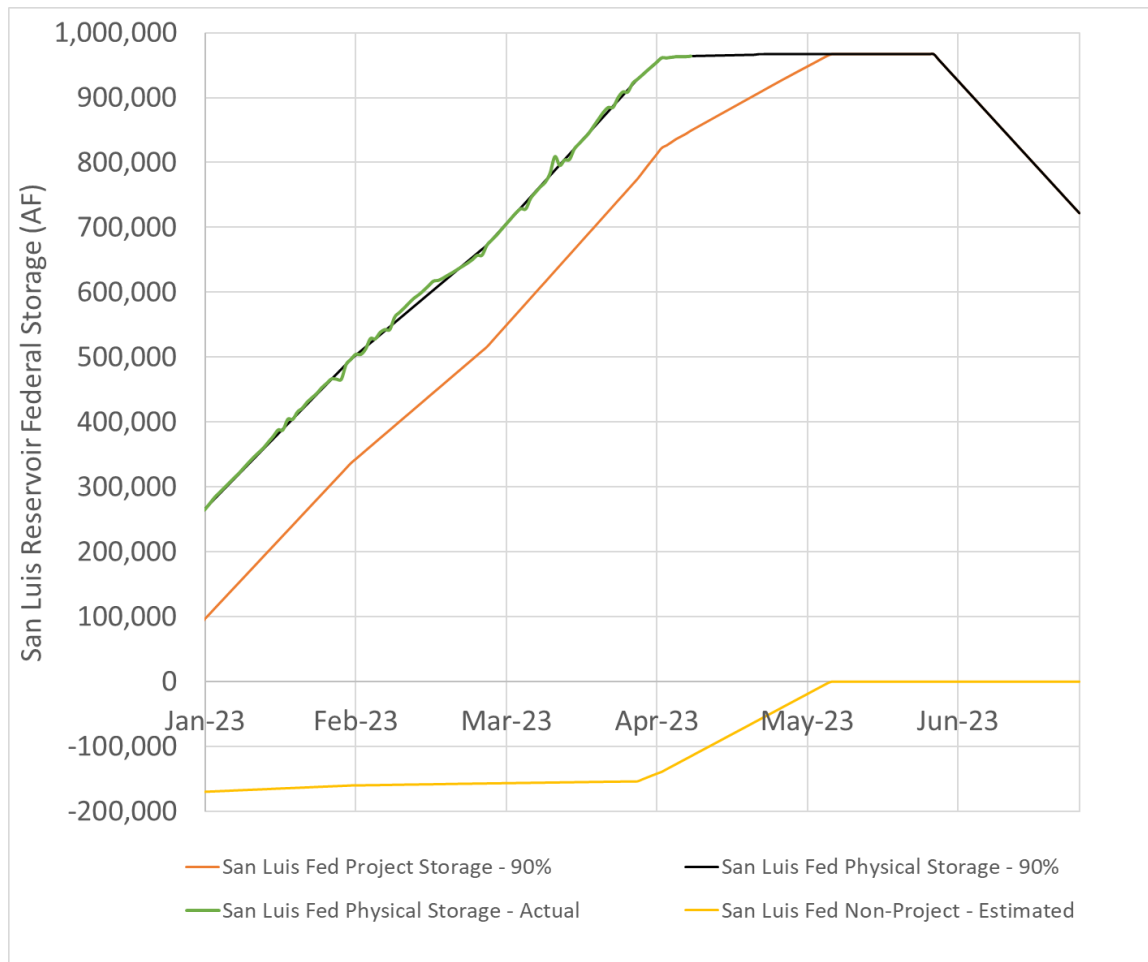


Figure 4. San Luis Federal Storage – April Internal Projections

Friant Division

Millerton and Friant Allocation

On March 7th, Reclamation increased the Friant Class 2 allocation from 20% to 70%, and subsequently, on March 9th announced Uncontrolled Season with availability of Section 215 supplies, and March 11th announced the availability of RWA water. Friant Dam river releases have increased to approximately 9,000 cfs since April 7 and have remained. Any 2022 Carryover Class 1 will need to be evacuated before end of uncontrolled season, which is forecasted to last into July.

On February 7th, Reclamation made 157 TAF (net at turnout) of 2023/24 Unreleased Restoration Flows (URF) available to Class 2 contractors at a rate of \$23/AF. On March 23rd, Reclamation made another 77 TAF (net) of URFs available. Both blocks of URFs must be taken by May 28th. It is anticipated another block of 95 TAF URFs will be made available around April 30 and will need to be used before the end of uncontrolled season.

Reclamation's recent April 21st 50% forecast, Millerton needs to be brought down to almost deadpool by end of April (which we are nearing) and maintain that into May in order to maximize water supply and limit flood releases. This forecast includes current 100% Class 1 and 70% Class 2 schedules although 260 TAF of Class 2 allocation is unscheduled, as well 120 TAF of URFs (some of which has yet to be released for sale). Under the 50% forecast, uncontrolled season is forecast to last into July with over 2.0 MAF of flood releases since February. Releases from Friant Dam will continue at similar level from through June and potentially at times exceed capacity. Unless the unscheduled allocation and URFs are used above the demands shown in the forecast during uncontrolled season, then this water will spill and the allocation will need to be reduced.

FWA also performed an internal forecast with current Reclamation inflow forecast under the 90% exceedance with scheduling all potential URFs and Class 2 allocation. Under this drier scenario, the Class 2 allocation may need to be reduced by 240 TAF (17%), which would need to occur sometime in July/August. This also assumes contractors use supply based on their current schedules and ability to take additional URFs.

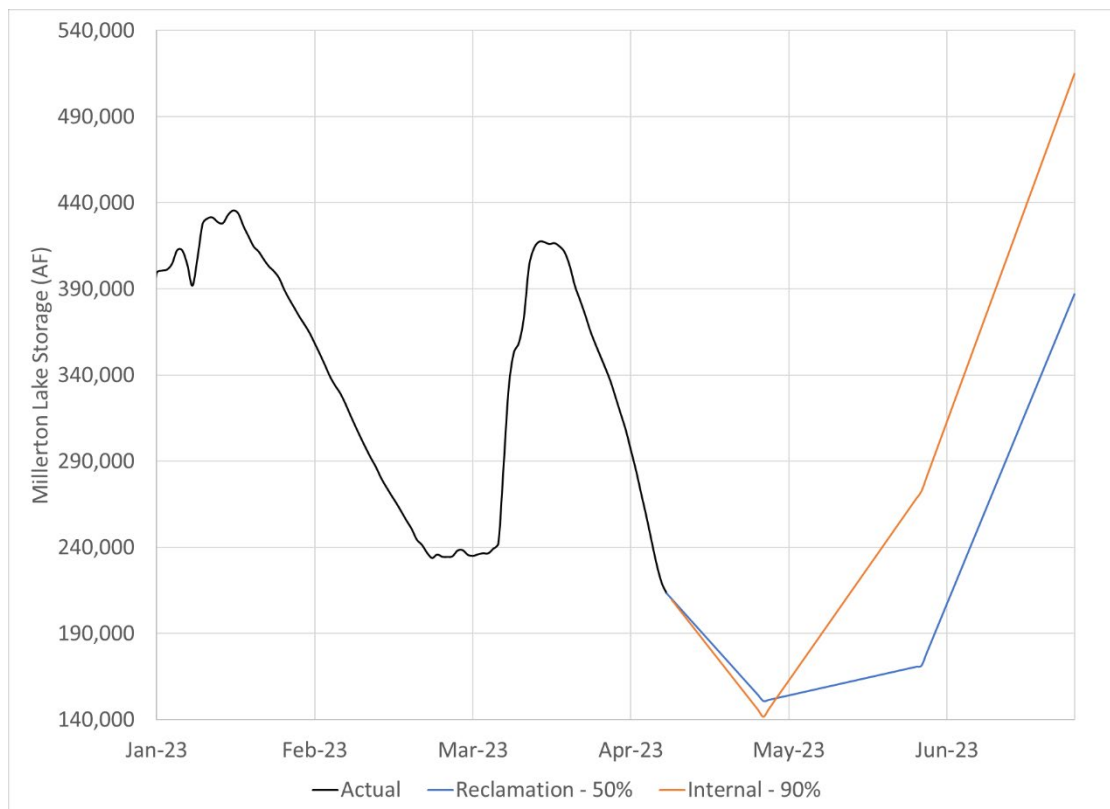


Figure 5. Millerton Storage – April Internal Projections

Airborne Snow Observatory

The third ASO flight of the year for the upper San Joaquin River Basin occurred on April 14th and 15th. SWE was estimated to be 3,421 +/- 137 TAF, an increase of 217 TAF from the March flight. Figure 6 compares the results of this year's three flights. There are two additional flights scheduled for the basin this year:

mid-May and late-June. Snow modeling since the last ASO flight estimates the snowpack exceeded 3,550 TAF on April 1 and likely peaked in the first week of April. Based on estimated runoff ratio, this equates to over 2,750 TAF of remaining in runoff for April through September under the most dry scenario.

FWA staff are currently coordinating with ASO and other regional agencies in pursuing Federal grant funding under Reclamation's Snow Water Supply Forecasting Program. This Program intends to award individual applicants between \$300-999k (total 12 to 20 awards) over a 36-month period (FY 2024-2026) to fund projects and snow forecasting technologies that support improved snowpack monitoring networks and corresponding watershed and reservoir management. Obtaining this grant funding would continue to support supply forecasting in the San Joaquin River basin and benefit the Friant Division by potentially providing additional end-of-season flights, on-ground validation and instrumentation to provide additional data and understanding of snow densities and runoff efficiencies, and/or support the development of intermediate range snow forecasting tools. Building a comprehensive dataset related to snow supply is important in extremely wet years like this year considering the magnitude of spring runoff and the ongoing existing risks of flood, as well as in dry and critical years when snow is scarce and efficient management of the resource is essential.

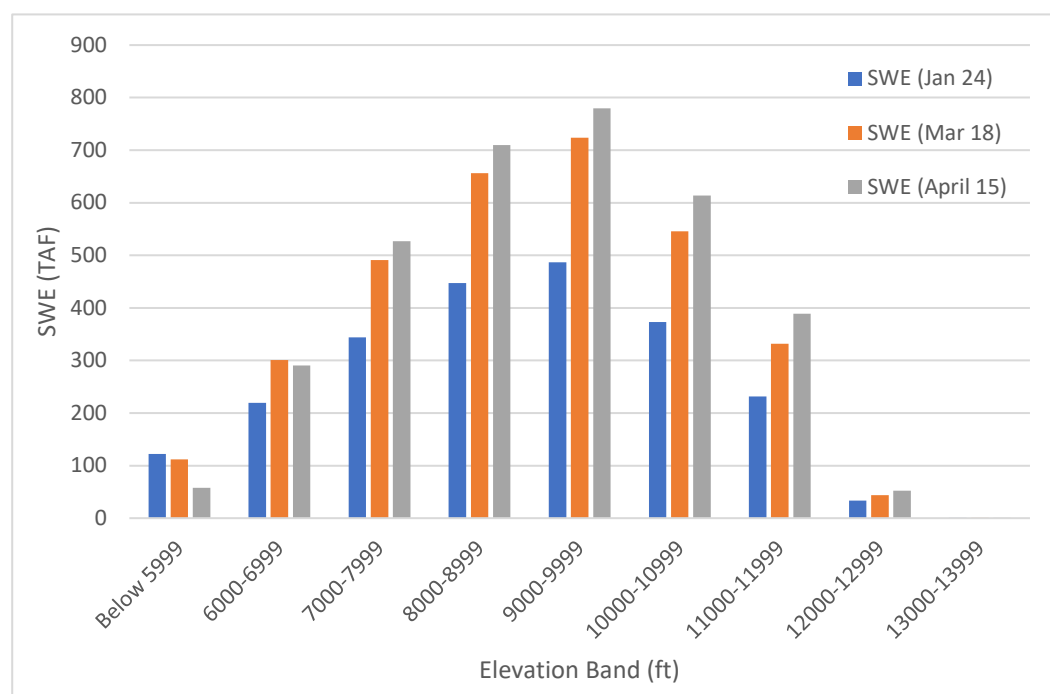


Figure 6. ASO Estimated Snow Water Equivalent by Elevation Band

San Joaquin River Restoration Allocation

On April 20th, Reclamation notified the Restoration Administrator (RA) that the allocation for WY 2023/24 remains at 556,542 AF (a Wet Year), as measured at Gravelly Ford. On March 21st the RA had submitted a revised schedule that includes the following: 1) provides maximum flow to the river (limited by seepage constraints) through May 28th; 2) then utilizes Riparian Recruitment flows to maintain a connected river (targeting at least 50 cfs at EBM through July 29th); 3) then utilizes URF exchange water to maintain a connected river through September; and 4) then generally returns to Exhibit B flows for the remainder of

the 2023 Restoration Year. The Recommendation anticipates the release of 186.567 TAF of Restoration Flows and 10.167 TAF of URF Exchanges to the river, leaving approximately 380 TAF as URFs. Reclamation approved the revised recommendation on March 23rd.

San Joaquin River Restoration Recapture

A total of 4,980 AF was recaptured by Banta-Carbona ID and Patterson ID in March, and 816 TAF in April. Reclamation has indicated that there can be no recapture of Restoration Flows when the Delta is in in Excess Conditions, which is currently the case and is expected to continue for the foreseeable future. Currently, districts are attempting to deliver/transfer as much of this previously recaptured water before San Luis Reservoir begins to drawdown (end of May) and this water 'spills'. Regardless, districts will still be required to compensate for conveyance costs of recapture water through the lower San Joaquin districts and to San Luis.

On March 8th, the State Board approved a temporary urgency petition by Reclamation to allow the diversion of Friant Division flood flows for various water supply purposes to take advantage of the wet conditions. The order also confirms Reclamation's authority and obligation to operate concurrently for Restoration and Flood Management, which allows them to preserve and redirect flood flows as Recaptured Restoration Flows.

AGENDA REPORT

NO. 5.C

DATE: April 27, 2023
TO: Board of Directors
FROM: Johnny Amaral, Chief of External Affairs and Mike Villines, Villines Group, LLC
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

The State legislature is working its way through the 2,700 bills introduced in January and early February. The last day to hear bills before they go to the floor for non-fiscal bills is May 5 and for fiscal bills is May 19, which means those bills have to go to Appropriations Committee. In all, many bills are being amended and some have already died, but generally bills are passing and moving along their respective chamber.

The state's fiscal outlook continues to worsen but legislators do not seem to be overly concerned since they have the budget reserve to lessen the blow this year. However, they are very concerned if this trend continues into next year. We can expect to see spending stay flat this year with not many new programs being created or funded. This puts pressure on infrastructure as was mentioned in last month's report.

The Governor will propose a budget revision (May revise) in mid-May where he will adjust his budget based on revenue trends. Since almost all Personal Income Taxes (PIT) were extended until September, it will be a moving target trying to gauge the realistic May revise numbers since they are usually based on PITs filed in mid-April. FWA will be watching this closely.

Water Rights Legislation:

There are three specific bills that FWA is actively opposing and working with a large coalition to oppose. The three bills in question are:

SB 389 (Allen) – Would authorize the State Water Resources Control Board to investigate the diversion and the use of water from a stream system to determine whether the diversion and use are based upon appropriation, riparian right or other basis of right. It is a direct attempt to control Private Water Rights. This bill is being heard in Senate Natural Resources and Water on Tuesday, April 25th. (Letter attached)

AB 460 (Bauer-Kahan) – Would provide expansive new authority to the State Water Resources Control Board to issue “interim relief orders” and eliminate and weaken constitutionally protected rights to judicial review of State Water Board actions. It is a direct attempt to control Private Water Rights for “Public Good.” This bill passed Assembly Water, Parks and Wildlife (The Authors committee) 9-4 (with 2 abstentions) and will be heard in Assembly Judiciary on Tuesday, April 25th. (Letter Attached)

AB 1337 (Wicks) – Would provide unprecedented statutory authority for the State Water Resources Control Board to restrict water diversions through regulation and to enforce. The regulation through orders curtailing the diversion or use of water under any claim of right. It is a direct attempt to control Private Water Rights. This bill passed Assembly Water, Parks and Wildlife (The Authors committee) 9-4 (with 2 abstentions) and will be heard in Assembly Judiciary on Tuesday, May 2nd. (Letter Attached)

State legislation FWA supports:

SB 366 (Caballero) - Would establish long-term water supply targets for the State to achieve, require a financing plan, and would update the requirement that state agencies develop a plan to achieve those targets, in consultation with local water agencies, wastewater service providers and other stakeholders. FWA is actively working with a large coalition in support. This bill is being heard in Senate Natural Resources and Water on Tuesday, April 25th. (Letter attached)

Federal Affairs

Congress is in session this week, featuring a busy week in the House as Speaker Kevin McCarthy (R-Calif.) hopes to garner enough support to pass his party’s proposal to prevent a federal default.

House GOP Unveils Debt Limit Proposal/Standoff Continues over Negotiations with WH

The “Limit, Save, Grow Act of 2023,” which Republicans intend to put on the House floor this week, is the GOP’s opening bid in negotiations with Democrats and the Biden Administration to extend the nation’s borrowing authority by mid-June, with a new estimate (thought to now be between early June and late July) on when the debt limit must be raised due from the Treasury this week or next.

The GOP proposal would undo many climate-related tax incentives from the Inflation Reduction Act (IRA) totaling about \$1.2 trillion. The bill also would include H.R. 1, the “Lower Energy Costs Act,” in its entirety,

which Republicans passed along party lines at the end of March. The GOP is, as well, including H.R. 277, the “Regulations from the Executive in Need of Scrutiny Act (REINS Act),” which would require that major agency rules be approved by Congress rather than through executive orders. In all, if enacted, the bill is said to provide about \$4.5 trillion in savings to the Treasury by returning FY 2024 discretionary spending back to FY 2022 levels and limiting the growth of overall federal spending to 1 percent per year.

House Speaker Kevin McCarthy (R-CA) is set to bring the bill to the House floor this week but is still working to get enough Republicans on board to ensure its passage (he can only afford to lose four GOP votes as few if any Democrats will vote for the bill). The GOP holdouts — both conservatives and moderates — have said the Speaker hasn’t yet won them over, but it appears they’ll have to vote this week before Treasury gives them a fresh deadline. But Senate Majority Leader Chuck Schumer (D-NY) has called the measure “dead on arrival” in the Democrat-controlled Senate.

Any next steps on the debt limit will be influenced by this new timeline, which could also be affected by how much revenue is collected on June 15, when the next tax installments are due, which could help bridge the gap until the next tranche of extraordinary measures on June 30 and extend the timeline further into the summer.

Meanwhile, President Biden and Speaker McCarthy continue to be locked in an impasse in negotiating a solution to the debt ceiling problem. Biden is demanding more concrete proposals, rejecting the spending cuts Speaker McCarthy and his fellow Republicans are seeking as a condition of lifting the borrowing cap and has said he wants a “clean” debt ceiling increase without conditions.

House and Senate appropriators and authorizing committees continue to hold FY 2024 budget oversight hearings with the heads of federal departments and agencies this week, including the Departments of Commerce, Veterans Affairs, and the Navy and the Federal Aviation Administration, the U.S. Forest Service, the US Geological Survey, and the Drug Enforcement Administration. The House Agriculture Subcommittee on General Farm Commodities, Risk Management, and Credit will hold a hearing on “Producer Perspectives on the 2023 Farm Bill,” the Senate Committee on Health, Education, Labor, and Pensions will hold a nomination hearing for “Julie Su to be Secretary of Labor,” and the House Financial Services Committee will hold a hearing on “The Reauthorization of the National Flood Insurance Program: FEMA’s Perspective.”

House Fails to Override Biden's Veto of WOTUS Resolution

The House last week failed to override President Joe Biden's veto of a resolution under the Congressional Review Act (CRA) to undo a rule defining the Clean Water Act's reach by defining “waters of the U.S.,” or WOTUS. House Republicans ultimately failed on a 227-196 vote to meet the two-thirds majority required to override a Presidential veto. Republicans did, however, get 10 Democrats to defy the President. They include House Agriculture ranking member David Scott and Rep. Sanford Bishop, ranking member of the Appropriations Subcommittee on Agriculture.

Nine House Democrats and four Senate Democrats joined Republicans in voting for the CRA resolutions against the EPA and Army Corps of Engineers WOTUS rule sending the measure to President Biden’s desk

last month. Now with that effort vetoed, WOTUS rule opponents are now looking to the courts for relief. Judges have already blocked the rule in 26 states. The Supreme Court's pending decision in *Sackett v. EPA* could materially affect the Biden rule's scope. And most recently, the U.S. Court of Appeals for the Sixth Circuit is temporarily blocking enforcement of the Biden Administration's WOTUS rule in Kentucky in order to provide a federal court in the Commonwealth time to consider state and industry motions for a preliminary injunction pending appeal, bringing to 27 the number of states where the Biden WOTUS rule has been stayed.

Three Former NOAA Leaders Unanimously Support Independent NOAA in House Hearing

During a House Science, Space and Technology Committee hearing last week, three former NOAA Administrators who all served during Republican Administrations, agreed that authorizing NOAA as a new executive branch agency and moving the agency out of the Department of Commerce would streamline and improve operations, bolster scientific integrity and facilitate crucial partnerships with private entities. But Congress has attempted to authorize NOAA as an independent agency more than a dozen times, despite bipartisan support. Now with the current focus on climate change and extreme weather events, Committee Chair Frank Lucas (R-OK) has said he wants to attempt to make the issue a priority again in this Congress.

Chairman Lucas' draft legislation, the "National Oceanic and Atmospheric Administration Act of 2023" would pull NOAA from Commerce and direct a study on whether NOAA's work on marine mammal protections and ESA-listed anadromous and catadromous fish species ought to be handled by the Interior Department instead. President Richard Nixon created NOAA under the Commerce Department by executive order in 1970. Since then, the agency has operated under patchwork more than 200 legislative authorities.

Trade Groups Support Continuation of Low-Income Water Aid

A coalition of five industry organizations this week offered formal policy recommendations to both the White House and Congress as justification for significant investment in combating expenses. The findings of a water sector study conclude that water affordability is a major challenge for 20 million households across the country, requiring annual federal assistance as high as \$7.9 billion. The push comes from the American Water Works Association (AWWA), Association of Metropolitan Water Agencies (AMWA), National Association of Clean Water Agencies, National Association of Water Companies and Water Environment Federation. The groups commissioned the water report and are citing its findings as a wake-up call for legislators and regulators.

At the heart of their recommendations is an appeal to build on the Low-Income Household Water Assistance Program (LIHWAP) at the Department of Health and Human Services, with an eye toward making its components permanent. That new emergency program established in 2021 has provided funding for low-income households struggling with water costs. But federal funding for LIHWAP expires this year, and the water sector is concerned that letting the program wind down could have dramatic implications. The Biden Administration's FY 2024 budget proposal released earlier this year acknowledged LIHWAP's pending expiration but made no move to extend the program. The LIHWAP initially offered

\$638 million when it was first appropriated, with another \$500 million coming to the program under the American Rescue Plan Act in 2021. With no additional funding allotted to the initiative, it will wind down by September 30, according to the trade group's study.

BUDGET IMPACT:

None.

ATTACHMENTS:

Family Farm Alliance Executive Director's Report; Farm Water Update (March 2023); SB 389 Coalition; AB 460 Coalition; AB 1337 Coalition

**AB 460 (BAUER-KAHAN) STATE WATER RESOURCES CONTROL BOARD: WATER RIGHTS AND
USAGE: INTERIM RELIEF: PROCEDURES**





April 11, 2023

TO: Members, Assembly Water, Parks, and Wildlife Committee

SUBJECT: **AB 460 (BAUER-KAHAN) STATE WATER RESOURCES CONTROL BOARD: WATER RIGHTS AND USAGE: INTERIM RELIEF: PROCEDURES
OPPOSE - AS AMENDED MARCH 30, 2023
SCHEDULED FOR HEARING APRIL 18, 2023**

The undersigned organizations must respectfully **OPPOSE AB 460**, which would provide expansive new authority for the State Water Resources Control Board to issue “interim relief orders,” on its own motion or upon petition of an interested party, to apply or enforce such things as the Reasonable Use and Public Trust Doctrine. The bill would also eliminate and weaken constitutionally protected rights to judicial review of State Water Board actions. While our organizations believe that illegal diversions are serious and should not be sanctioned, **AB 460** goes far beyond what is needed for the State Water Board to enforce and discourage illegal water diversions. **AB 460** is not only contrary to both the State and Federal constitutions, and in conflict with California’s Administrative Procedures Act, but it portends ill-conceived and uninformed water management actions that will, in all likelihood, result in worse outcomes for the fish and wildlife resources that the bill purports to protect.

The Scope Is Overly Broad and Implicates Questions Unsuitable for Interim Relief

We are concerned that this bill encompasses far more than alleged illegal diversions of surface water or violations of State Water Board orders. First, the bill proposes to authorize interim relief order and limit judicial review of numerous constitutional, statutory and common law doctrines that, by definition, require robust evidentiary records and full judicial review. For example, in addition to the Reasonable Use and Public Trust Doctrines, **AB 460** would authorize interim relief in actions concerning standards promulgated under the state’s comprehensive water quality law (Porter-Cologne). For example, Water Code section 13241 governs the State Water Board’s and regional water quality control boards’ (Regional Boards) obligations to set water quality objectives, and the considerations and balancing that the boards must undertake when establishing and amending objectives. Water Code section 13241 includes, for instance, the need to develop housing in the area and the need to develop and use recycled water, among other local and regional considerations, when setting water quality objectives. Water Code sections 13550 *et seq.* relate directly to uses of recycled water. This bill would allow third parties to use the interim enforcement proceedings in **AB 460** as a new pathway to attack decisions relating to housing and recycled water projects.

Furthermore, as part of Porter-Cologne, Water Code sections 13241 and 13550 *et seq.* are already subject to a different set of mechanisms for enforcement and interim relief.¹ It is concerning that this could create a different, duplicative procedure for aggrieved parties to seek State Water Board investigation of water quality-related orders, discharges to water, or uses of recycled water. It is unnecessary to create new enforcement authority to address water quality issues when Porter-Cologne already provides adequate enforcement authority.

In addition, **AB 460** allows the State Water Board to issue interim relief for alleged violations of the Public Trust Doctrine, which is not defined in the bill. While the concept of public trust has long been interwoven in water and environmental law, courts have struggled to define exactly what it means and when it applies. For example, the doctrine requires the state to hold in trust designated resources for the benefit of the people; but, to which natural resources it applies has been subject to debate. And even the *National Audubon* case, which famously applies the Public Trust Doctrine to the State Water Board’s allocation decisions,² requires the State Water Board to balance the interests of the environmental and other beneficial uses of water. Moreover, we are aware of no authority that would extend the SWRCB’s public trust authority and balancing to riparian and pre-1914 appropriative water rights.

¹ See Wat. Code §§ 13301-13304, 13320, 13330.

² *National Audubon Society v. Superior Court* (1983) 33 Cal.3d 419.

Given these nebulous legal concepts and applications, it is concerning that the State Water Board would be able to issue an interim relief order on these grounds without an evidentiary hearing and regardless of the basis of right. These concerns are particularly heightened when there are limited opportunities for a diverter to understand the basis for the allegations and defend themselves. And **AB 460**'s proposed restrictions on independent judicial review of these types of State Water Board actions further heightens our concerns about the implications of this bill.

The bill also allows the State Water Board to issue interim relief to enforce Fish & Game Code section 5937. Again, this section contains language that makes the potential violations that could be implicated much broader than illegal diversions in critically dry conditions. For instance, Fish & Game Code section 5937 provides that dam owners must ensure sufficient flows through or around the dam in order to maintain in "good condition" any fish populations below the dam. **AB 460** would allow interested parties who disagree with dam releases to seek immediate state intervention and authorize the State Water Board to essentially take over operations, potentially at a moment's notice.

Plenary Discretion Given to State Water Board to Initiate and Shape Interim Relief Proceedings

We are also concerned that this bill conflicts with the California Administrative Procedures Act, including the Administrative Bill of Rights, because the bill provides significant discretion to the State Water Board in pursuing and issuing interim relief orders, particularly in the event that the relief is initiated by the State Water Board itself. For instance, the bill outlines the requirements that an interested party must meet if it petitions for an interim relief order, but the same does not appear to apply to an own-motion process initiated by the State Water Board.

More concerning is that the State Water Board could immediately issue an interim relief order before holding a hearing if it makes certain findings. This is unnecessary given that the State Water Board already has the authority to act swiftly to address, for example, violations of curtailment regulations. Water Code section 1052 allows the State Water Board to go to court to obtain a temporary restraining order to stop diversions that are impacting fish and wildlife. A temporary restraining order is much more effective and enforceable than an interim relief order and, importantly, is issued by a neutral arbitrator. **AB 460** lacks the procedural protections that should be afforded to all property rights. This bill would have the State Water Board serve as prosecutor, judge, jury, and executioner in deciding whether an interim relief order is warranted. This is critical considering that a diverter's rights to water are at stake without sufficient time to prepare a real case in defense.

Once the process has been initiated, the bill grants broad authority to the State Water Board to determine what evidence will be allowed at the hearing on the matter and how arguments will be presented. This is on a case-by-case basis, meaning that a diverter has no way to know ahead of time what evidence they may want or need to provide in order to defend themselves. The right to present evidence and testimony, to cross examine witnesses and to test evidence against you is a fundamental civil right that must be guaranteed before the state may restrict the use of vested property rights, including water rights.

Due Process and Access to Judicial Review Are Limited or Eliminated

Water rights are property rights, and as such may not be infringed without due process of law. As written, **AB 460** deprives diverters of due process when the State Water Board makes certain findings. Under this scenario, the State Water Board does not have to provide at least 10 days' notice before a hearing to consider interim relief. Rather, the interim relief order may issue *without* notification or opportunity to be heard until after the fact, and only upon the diverter's request.

The bill would also allow an interim relief order to remain in place for 180 days. 180 days (or 6 months) is an entire irrigation season. This means that a diverter has no real opportunity to defend themselves for an entire 6-month period, and in the meantime, their right to divert water has been suspended.

AB 460 would not only provide expansive new administrative authorities to the State Water Board, but would also substantially weaken the existing, long-standing standards of review and, in many cases, eliminate any judicial review at all. Moreover, the bill would provide a very limited and unreasonably deferential standard of review for review of interim relief orders and preclude judicial review until the State Water Board acts on the underlying matter. In short, this bill deprives water rights holders from seeking any judicial or administrative review of an interim order. Given that the interim relief order may be issued with no due process, this compounds the injury to water rights holders.

We understand that AB 460 is motivated in part by certain illegal actions that occurred in violation of the State Water Board's curtailment orders in late summer 2022. We do not condone such actions and do support efforts to better deter illegal water diversions. Flagrant violations of the law should not be merely a cost of doing business. However, we believe that AB 460 goes well beyond enforcement and grants the State Water Board broad new authority that injects new risks and infringes upon due process for water rights holders. For these and other reasons, the undersigned organizations must respectfully **OPPOSE AB 460**.

Sincerely,

Brenda Bass
Policy Advocate
On behalf of

Agricultural Council of California, Tricia Geringer
Association of California Egg Farmers, Debbie Murdock
Association of California Water Agencies, Kristopher Anderson
Antelope Valley-East Kern Water Agency, Matthew Knudson
California Alfalfa and Forage Association, Nicole Helms
California Apple Commission, Todd Sanders
California Blueberry Association, Todd Sanders
California Blueberry Commission, Todd Sanders
California Business Properties Association, Matthew Hargrove
California Association of Winegrape Growers, Michael Miiller
California Association of Wheat Growers, Brooke Palmer
California Bean Shippers Association, Jane Townsend
California Building Industry Association, P. Anthony Thomas
California Chamber of Commerce, Brenda Bass
California Cotton Ginners and Growers Association, Roger Isom
California Farm Bureau, Alexandra Biering
California Fresh Fruit Association, Ian LeMay
California Grain and Feed Association, Chris Zanobini
California Manufacturers & Technology Association, Dean Talley
California Municipal Utilities Association, Andrea Abergel
California Pear Growers Association, Debbie Murdock
California Seed Association, Donna Boggs
Carmichael Water District, Cathy Lee
City of Roseville, Bruce Houdesheldt
Coachella Valley Water District, J.M. Barrett
Coastside County Water District, Mary Rogren
Cucamonga Valley Water District, John Bosler
Desert Water Agency, Mark Krouse
Dunnigan Water District, William Vanderwaal
East Turlock Subbasin Groundwater Sustainability Agency, Mike Tietze
Elsinore Valley Municipal Water District, Bruce Kamilos
Friant Water Authority, Jason Phillips
Grower-Shipper Association of Central California, Christopher Valdez
Humbolt Bay Municipal Water District, John Friedenbach
International Bottled Water Association, James Toner
Kern County Water Agency, Thomas McCarthy
Kings River Conservation District, David Merritt
Kings River Water Association, Steven Haugen
Lake Arrowhead Community Services District, Catherine Cerri
McKinleyville Community Services District, Patrick Kaspari
Mesa Water District, Paul Shoenberger
Modesto Irrigation District, Ed Franciosa
Mojave Water Agency, Allison Febbo
Montecito Water District, Tobe Plough

Napa County Flood Control & Water Conservation District, Rick Thomasser
Northern California Water Association, Ivy Brittain
Oakdale irrigation District, Scott Moody
Olive Growers Council of California, Todd Sanders
Pacific Egg & Poultry Association, Debbie Murdock
Pinedale County Water Agency, Jason Franklin
Placer County Water Agency, Anthony Firenzi
Regional Water Authority, James Peifer
Rosedale-Rio Bravo Water Storage District, Trent Taylor
Rowland Water District, Tom Coelman
San Gabriel Valley Municipal Water District, Darin Kasamoto
San Geronio Pass Water Agency, Lance Eckhart
San Juan Water District, Paul Helliker
San Joaquin River Exchange Contractors Water Authority, Chris White
San Luis & Delta-Mendota Water Authority, J. Scott Petersen
Santa Clarita Valley Water Agency, Matt Stone
Santa Margarita Water District, Daniel R. Ferons
Santa Clarita Valley Water Agency, Matt Stone
Solano County Water Agency, Chris Lee
Solano Irrigation District, Cary Keaten
South San Joaquin irrigation District, Peter M. Rietkerk
Southern California Water Coalition, Glenn Farrel
Stockton East Water District, Richard Atkins
Tehachapi-Cummings County Water District, Tom Neisler
Three Valleys Municipal Water District, Matthew Litchfield
Tranquillity Irrigation District, Danny Wade
Tuolumne County Water Agency, Kathleen K. Haff
Tuolumne Utilities District, Don Perkins
Turlock Irrigation District, Michelle Reimers
Tri-County Water Authority, Deanna Jackson
United Water Conservation District, Mauricio Guardado
Valley Center Municipal Water District, Gary Arant
Western Agricultural Processors Association, Roger Isom
Western Growers Association, Gail Delihant
Western Municipal Water District, Craig Miller
Wine Institute, Noelle Cremers
Western Plant Health Association, Renee Pinel
Yuba Water Agency, Willie Whittlesey

Cc: Legislative Affairs, Office of the Governor
Estefani Avila, Office of Assemblymember Bauer-Kahan
Pablo Garza, Assembly Water, Parks, and Wildlife Committee
Todd Moffitt, Assembly Republican Caucus

**AB 1337 (Wicks): State Water Resources Control Board: water
shortage enforcement
OPPOSE**



April 11, 2023

Honorable Rebecca Bauer-Kahan
Chair, Assembly Water, Parks, and Wildlife Committee
1020 N Street, Room 160
Sacramento, CA 95814

RE: AB 1337 (Wicks) – State Water Resources Control Board: water shortage enforcement.
Position: OPPOSE

Dear Chair Bauer-Kahan:

The undersigned organizations write to respectfully express our opposition to AB 1337, which would provide unprecedented statutory authority for the State Water Resources Control Board (State Water Board) to restrict water diversions through regulation and to enforce the regulations through orders curtailing the diversion or use of water under any claim of right.

Water suppliers are collectively responsible for delivering water for domestic, agricultural, and industrial purposes throughout the state. Many of these agencies also provide water for fish and wildlife uses. These agencies rely on a water rights priority system that is essential to our state's economic, social, and environmental stability. The water rights that the people, the Legislature, and the courts have developed over the past century provide the legal framework upon which billions of dollars have been invested to make water consistently available to Californians.

AB 1337 would overhaul how California has managed and delivered water for more than a century. The bill's vision for future water management is little more than handing the State Water Board unfettered authority to control water use as it sees fit. Under this proposed system of water management, water managers would operate at the whims of the state. Reliability in water rights would be severely diminished, and many water agencies would struggle to meet the needs of homes and businesses throughout the state.

AB 1337 threatens to undermine the basic foundation of water management and water delivery in California by proposing to authorize the State Water Board to reallocate water rights with little or no constitutional process.

The bill would authorize the State Water Board to adopt sweeping regulations and to enforce them by later orders curtailing diversions or use of water under any claim of right. The bill would not require the State Water Board to hold a hearing before issuing curtailment orders when a hearing would be "impractical." Of course, this would be incredibly subjective. Given the absence of specificity regarding these regulations, it is impossible to know whether or how any curtailment orders would be tailored to specific factual situations. The bill excludes the involvement of a neutral arbitrator to evaluate whether a diverter is complying with regulations. Instead, the bill is structured so the State Water Board may write the rules and enforce them when and how it sees fit. AB 1337 proposes no less than to strip every water right holder in California of their state and federal constitutional guarantee of due process.

If the State Water Board did afford diverters and users of water a hearing before curtailing their rights, AB 1337 would allow the Board to tailor the hearing to the "circumstances" of the order—a vague standard that provides almost no assurances to water right holders. In addition, the hearing could be collective rather than an individual process and may be an oral or written process. The bill lacks any

specifics as to how a hearing would be conducted. It is silent as to the burden of proof, standard of review, who would oversee the hearing, how a party or parties subject to an order could defend their diversions or uses, whether they would have an opportunity to present or cross-examine witnesses, etc. The State Water Board could seemingly satisfy its obligations for issuing a curtailment order by merely giving each party a minute or two to present their case before making a final determination.

Furthermore, this raises the question of timing and delay. It would be infeasible for the State Water Board to fill up every Board agenda for months with hearings. Water diverters who have been curtailed without an opportunity to be heard first would be at the mercy of whenever the State Water Board can put their hearing on the agenda, further compromising due process protections and water supply reliability. This “process” would provide little more comfort to those subject to a curtailment order than issuing a curtailment order without any due process.

AB 1337 would allow the State Water Board to remake water management through unconstrained rulemaking authority

Compounding our concerns over the absence of constitutional due process guarantees is that AB 1337 would authorize the State Water Board to adopt sweeping, and *permanent*, regulations. Neither the proponents nor opponents of this bill know what regulations the State Water Board would adopt in accordance with the bill. The rulemaking authority that would be afforded to the State Water Board is almost entirely without guardrails. The State Water Board would merely need to argue any regulations advance the reasonable use doctrine, protect public trust resources, promote water conservation, or further any of the other enumerated justifications provided in the bill.

Proposing to hand the State Water Board unbounded rulemaking authority ignores the plethora of tools already available to implement, manage, and enforce California’s water rights system. The State Water Board has a century’s worth of laws, regulations, and court decisions it commonly relies on to balance consumptive and environmental demands.

Exempting regulations and curtailment orders from CEQA would prevent the State Water Board from understanding the environmental impacts of these decisions

AB 1337 would exempt all regulations and orders issued in accordance with the bill or Water Code Section 1058.5, which allows the State Water Board to adopt emergency regulations during extreme droughts, from the California Environmental Quality Act (CEQA). This would be extremely problematic, as it would authorize the State Water Board to ignore impacts within the service areas of a water supplier.

For example, if regulations and curtailment orders limited a municipal water supplier’s diversions, the water supplier would need to make up for this loss of supply through increased use of other sources, such as groundwater or desalination. Alternative water sources have their own environmental costs and benefits. In addition, reducing diversions may also decrease the amount of recycled water a water supplier has access to, as inputs to the system decrease. A CEQA exemption would prevent the State Water Board from considering these impacts.

The CEQA exemption further underscores why decisions regarding reasonable use and public trust cannot be made in a regulatory process without giving the affected parties the right to present evidence

of the impacts of these decisions. A robust regulatory and hearing process provides neutral decisionmakers with information and scientific evidence sufficient to make a truly informed decision.

Instead of proposing to radically overhaul water management in California, we support the Legislature modernizing the administration of the existing water rights system

There are a number of promising proposals this year that would modernize administration of the water rights priority system with improved data, efficiency, and transparency, while maintaining the existing priority system as its legal and operational foundation. Governor Newsom has proposed appropriating more than \$30 million to implement a new State Water Board project called Updating Water Rights Data for California (UPWARD). This program is intended to improve the way the state collects and manages its water rights data and information, which will be critical for data-driven water management decisions, particularly when hydrology affects supply, such as during droughts. In addition, we support proposals that have been introduced that would lead to increased deployment of stream gages, which would provide data essential to better water management. The Legislature has recognized the importance of improved data, as well, investing more than \$82 million over the past two years to help advance this important effort.

The consequences of AB 1337 should not be considered lightly. This bill would provide unfettered authority for the State Water Board to adopt regulations when it sees fit and for any purpose it sees fit. Once those regulations are adopted, the bill would hand the State Water Board punitive authority to curtail and penalize diverters and users without the information needed to make informed decisions. This bill represents an unconstitutional violation of state and federal due process protections. Ultimately, the real losers of AB 1337 will be the communities and industries that depend on the reliable supply of water that California's existing water rights system ensures.

For these reasons, we respectfully request a "NO" vote when AB 1337 is heard in the Assembly Water, Parks and Wildlife Committee on April 18. For questions about our position or comments, please contact Kristopher Anderson, Legislative Advocate with the Association of California Water Agencies, at (916) 441-4545 or krisa@acwa.com.

Sincerely,

Tricia Geringer
Vice President of Government Affairs
Agricultural Council of California

Matthew Knudson
General Manager
Antelope Valley-East Kern Water Agency

Kristopher M. Anderson, Esq.
Legislative Advocate
Association of California Water Agencies

Michael Müller
Director of Government Relations
California Association of Winegrape Growers

P. Anthony Thomas
Senior Vice President of Legislative Affairs
California Building Industry Association

Brenda Bass
Policy Advocate
California Chamber of Commerce

Chris Reardon
Director, Government Affairs
California Farm Bureau

Robert Spiegel
Senior Policy Director
California Manufacturers & Technology
Association

Andrea Abergel
Manager of Water Policy
California Municipal Utilities Association

Matthew Hargrove
President and Chief Executive Officer
California Business Properties Association

Cathy Lee
General Manager
Carmichael Water District

Bruce Houdesheldt
Mayor
City of Roseville

J.M. Barrett
General Manager
Coachella Valley Water District

Mary Rogren
General Manager
Coastside County Water District

John Bosler
General Manager/CEO
Cucamonga Valley Water District

Mark Krause
General Manager and Chief Engineer
Desert Water Agency

William Vanderwaal
General Manager
Dunnigan Water District

Mike Tietze
General Manager
East Turlock Subbasin Groundwater
Sustainability Agency

Greg Thomas
General Manager
Elsinore Valley Municipal Water District

Bruce Kamilos, P.E.
General Manager
Florin Resource Conservation District/Elk Grove
Water District

Jason Phillips
Chief Executive Officer
Friant Water Authority

John Friedenbach
General Manager
Humboldt Bay Municipal Water District

Thomas McCarthy
General Manager
Kern County Water Agency

Catherine Cerri
General Manager
Lake Arrowhead Community Services District

Patrick Kaspari, P.E.
General Manager
McKinleyville Community Services District

Paul E. Shoenberger, P.E.
General Manager
Mesa Water District

Ed Franciosa
General Manager
Modesto Irrigation District

Allison Febbo
General Manager
Mojave Water Agency

Tobe Plough
Board President
Montecito Water District

Rick Thomasser, P.G.
District Manager
Napa County Flood Control & Water
Conservation District

Ivy Brittain
Legislative Affairs Director
Northern California Water Association

Scot Moody CSDM
General Manager
Oakdale Irrigation District

Jason Franklin
General Manager
Pinedale County Water District

Anthony Firenzi
Director of Strategic Affairs
Placer County Water Agency

James Peifer
Executive Director
Regional Water Authority

Trent Taylor
Water Resources Manager
Rosedale-Rio Bravo Water Storage District

Tom Coleman
General Manager
Rowland Water District

Darin Kasamoto
General Manager
San Gabriel Valley Municipal Water District

Lance Eckhart
General Manager
San Geronio Pass Water Agency

Paul Helliker
General Manager
San Juan Water District

J. Scott Petersen, P.E.
Water Policy Director
San Luis & Delta-Mendota Water Authority

Daniel R. Ferons
General Manager
Santa Margarita Water District

Matt Stone
General Manager
Santa Clarita Valley Water Agency

Chris Lee
Interim General Manager
Solano County Water Agency

Cary Keaten
General Manager
Solano Irrigation District

Peter M. Rietkerk
General Manager
South San Joaquin Irrigation District

Charles Wilson
Executive Director
Southern California Water Coalition

Richard Atkins
Board President
Stockton East Water District

Tom Neisler
General Manager
Tehachapi-Cummings County Water District

Matthew Litchfield
General Manager
Three Valleys Municipal Water District

Danny Wade
General Manager
Tranquillity Irrigation District

Kathleen K. Haff
Chair, Tuolumne County Board of Supervisors
Tuolumne County Water Agency

Don Perkins
General Manager
Tuolumne Utilities District

Michelle Reimers
General Manager
Turlock Irrigation District

Deanna Jackson
Executive Director
Tri-County Water Authority

Mauricio E. Guardado, Jr.
General Manager
United Water Conservation District

Gary Arant
General Manager
Valley Center Municipal Water District

Erik Hitchman
General Manager
Walnut Valley Water District

Gail Delihant
Senior Director, CA Government Affairs
Western Growers Association

Craig Miller
General Manager
Western Municipal Water District

Noelle Cremers
Director, Environmental & Regulatory Affairs
Wine Institute

Willie Whittlesey
General Manager
Yuba Water Agency

cc: The Honorable Buffy Wicks
Honorable Members, Assembly Water, Parks, and Wildlife Committee
Pablo Garza, Chief Consultant, Assembly Water, Parks, and Wildlife Committee
Brent Finkel, Consultant, Assembly Republican Caucus

SB 389 (Allen): State Water Resources Control Board: determination of water right OPPOSE





April 14, 2023

The Honorable Dave Min
Chair, Senate Natural Resources and Water Committee
1021 O Street, Room 3220
Sacramento, CA 95814

RE: SB 389 (Allen): State Water Resources Control Board: determination of water right
Position: Oppose

Dear Chair Min:

The undersigned organizations write to express our opposition to SB 389, which would authorize the State Water Resources Control Board (State Water Board) to investigate the diversion and use of water from a stream system to determine whether the diversion and use are based upon appropriation, riparian right, or other basis of right.

Of California's 40,000 active water rights claims, public water agencies hold approximately 80 percent of the surface water right claims by volume. Water suppliers are collectively responsible for delivering water to cities, farms, and businesses throughout the state. Many of these agencies also provide water for fish and wildlife uses across the state. Dependability in water rights is essential to our state's economic, social, and environmental stability.

SB 389 threatens to undermine the reliability of any water right, and, in turn, interests that depend on these rights. The bill would authorize the State Water Board to drag any water rights holder before the Board to defend its claim of right. Once the State Water Board begins adjudicating a claim, the bill would stack the deck against all right holders forced into these proceedings by providing minimal due process protections and placing the burden of proof on the right holder. This bill is not designed to create a fair and transparent process, nor is it narrowly tailored to investigate dubious claims to right.

SB 389 threatens to undermine water rights reliability by authorizing the State Water Board to strip claimants of their rights with little due process.

The consequences of SB 389 would be of interest to all water right holders. The bill would not require the State Water Board to provide a basis for initiating an investigation of a water right claim, meaning

any claimant could be subject to an investigation at any time. Once an investigation is initiated, water right claimants would be subject to onerous reporting requirements, forced to provide countless amounts of information in the hopes of proving the validity of their right.

The investigative process and ultimate decision on the validity or scope of right in SB 389 is designed to allow the State Water Board to operate in the dark. The only opportunity for the claimant to participate in the investigation is “after notice and opportunity for a hearing.” Unfortunately, SB 389 provides no further details about the hearing process. The claimant may have no opportunity to present evidence and testimony, to cross examine witnesses, and to test evidence against them. These are all fundamental civil rights that must be afforded before the state may restrict the use of property. Ultimately, the final decision on the validity or scope of the water right would not be made by a neutral arbitrator, but the State Water Board itself. Despite the fact that the bill allows the State Water Board to investigate and make a decision without meaningful involvement of the water right claimant, the burden of proof would still rest with the claimant.

The investigative process proposed in this bill is a far cry from the requirements the State Water Board must comply with during statutory adjudications. Under existing law, the State Water Board is authorized to initiate a statutory adjudication of all water rights to a stream system upon petition of a water rights claimant.¹ The State Water Board proceeds, after giving notice to all interested parties, by receiving claims, conducting an investigation, holding hearings, and making an order of determination. This process offers water right claimants a robust opportunity for involvement in the investigative process. After an investigation, the State Water Board is required to provide claimants with a preliminary report describing water supply and claims of water rights. This report is provided to all claimants, with an opportunity to inspect the evidence and object to the findings. The hearing on objections includes the ability to offer testimony and present and cross-examine witnesses. The State Water Board’s order of determination is filed with a court—a neutral arbitrator—and the court then issues a final decree.

Unfortunately, SB 389 provides none of the safeguards that existing law recognizes as essential to making informed and defensible decisions on the validity and scope of water rights. Instead, SB 389 is designed to insulate the State Water Board and would enable arbitrary outcomes.

Authorizing the State Water Board to conclude water rights have been forfeited in the absence of a conflicting claim would disrupt settled law.

Two key concepts govern appropriative water rights. First, their relative priorities are based on the concept of “first in time, first in right.” Second, they are based on use, so they are lost if that use ceases. In other words, an appropriative right holder must “use it or lose it.” Courts have held that forfeiture does not occur “in the abstract,” but rather a competing claim to the unused water must be asserted by a rival diverter who is using, or is prepared to use, the surplus water. If no competing claim is asserted, an appropriative right holder may resume full use of its right.

SB 389 would authorize the State Water Board to determine that all or a part of an appropriative water right is forfeited regardless of whether a conflicting claim within the stream system during the period of forfeiture existed. This provision seeks to overturn two Court of Appeal decisions: *North Kern Water Storage Dist. v. Kern Delta Water Dist.* (2007) 147 Cal.App.4th 555 and *Millview County Water Dist. v.*

¹ Water Code § 2500 *et seq.*

State Water Resources Control Bd. (2014) 229 Cal.App.4th 879. Courts in this state have long recognized there is no policy justification for finding a forfeiture until an alternative use has been asserted, as the purpose of the forfeiture doctrine is to free unused water for beneficial use. If no other beneficial use has been asserted, there is no reason to find a forfeiture.

Investigating individual water right holders would waste resources that should be directed to efforts that would allow the State to better manage water resources at a watershed-scale during droughts.

SB 389 claims to provide the State Water Board with authority necessary to obtain up-to-date data for assessing water availability for all right holders in a watershed. Individual watersheds may have hundreds or thousands of water rights. The proposition that authorizing the State Water Board to allocate extensive resources toward investigating the claims of an individual water right holder would not improve water management in dry years when demand outpaces supply. An investigation of an individual water right—if properly done with adequate due process protections—would take months or more to complete. The costs of SB 389 far outweigh any benefits the bill would provide.

There is a need for the State to improve information and data collection efforts to support the existing water rights structure. However, instead of creating a piecemeal and inefficient process, the Legislature should support measured efforts that would modernize administration of the water rights priority system with improved data, efficiency, and transparency.

Governor Newsom has proposed appropriating more than \$30 million to implement a new State Water Board project called Updating Water Rights Data for California (UPWARD). This program is intended to improve the way the state collects and manages its water rights data and information, which will be critical for data-driven water management decisions, particularly when hydrology affects supply, such as during droughts. In addition, we support proposals that have been introduced that would lead to increased deployment of stream gages, which would provide data essential to better water management. The Legislature has recognized the importance of improved data, as well, investing more than \$82 million over the past two years to help advance this important effort.

SB 389 presents significant concerns, namely that it would unjustly expand the authority of the State Water Board and subject water right holders to costly and resource intensive investigations without adequate due process protections. For these reasons, we oppose SB 389 and respectfully request your “NO” vote when the bill is heard in the Senate Natural Resources and Water Committee. If you have any questions regarding this position, please contact Kristopher Anderson, Legislative Advocate with the Association of California Water Agencies, at KrisA@acwa.com.

Sincerely,

Will Scott, Jr.
President
African American Farmers of California

Tricia Geringer
Vice President of Government Affairs
Agricultural Council of California

Matthew Knudson
General Manager
Antelope Valley-East Kern Water Agency

Kristopher M. Anderson, Esq.
Legislative Advocate
Association of California Water Agencies

David Coxey
General Manager
Bella Vista Water District

Jennifer Galenti
Director of Operations
California Alliance for Jobs

Michael Miiller
Director of Government Relations
California Association of Winegrape Growers

P. Anthony Thomas
Senior Vice President of Legislative Affairs
California Building Industry Association

Matthew Hargrove
President and Chief Executive Officer
California Business Properties Association

Brenda Bass
Policy Advocate
California Chamber of Commerce

Roger Isom
President and Chief Executive Officer
California Cotton Ginners and Growers
Association

Alexandra Biering
Senior Policy Advocate
California Farm Bureau

Dean Talley
Policy Director
California Manufacturers & Technology
Association

Andrea Abergel
Manager of Water Policy
California Municipal Utilities Association

Ian LeMay
President
California Fresh Fruit Association

Robert Verloop
Executive Director and Chief Executive Officer
California Walnut Commission

Cathy Lee
General Manager
Carmichael Water District

Bruce Houdesheldt
Mayor
City of Roseville

J.M. Barrett
General Manager
Coachella Valley Water District

Mary Rogren
General Manager
Coastside County Water District

John Bosler
General Manager/CEO
Cucamonga Valley Water District

Mark Krause
General Manager and Chief Engineer
Desert Water Agency

William Vanderwaal
General Manager
Dunnigan Water District

Mike Tietze
General Manager
East Turlock Subbasin Groundwater
Sustainability Agency

Greg Thomas
General Manager
Elsinore Valley Municipal Water District

Jim Abercrombie
General Manager
El Dorado Irrigation District

Bruce Kamilos, P.E.
General Manager
Florin Resource Conservation District/Elk Grove
Water District

Jason Phillips
Chief Executive Officer
Friant Water Authority

John Friedenbach
General Manager
Humboldt Bay Municipal Water District

David Merritt
General Manager
Kings River Conservation District

Steven Haugen
Watermaster
Kings River Water Authority

Thomas McCarthy
General Manager
Kern County Water Agency

Catherine Cerri
General Manager
Lake Arrowhead Community Services District

Patrick Kaspari, P.E.
General Manager
McKinleyville Community Services District

Paul E. Shoenberger, P.E.
General Manager
Mesa Water District

Ed Franciosa
General Manager
Modesto Irrigation District

Allison Febbo
General Manager
Mojave Water Agency

Tobe Plough
Board President
Montecito Water District

Rick Thomasser, P.G.
District Manager
Napa County Flood Control & Water
Conservation District

Manuel Cunha, Jr.
President
Nisei Farmers League

Ivy Brittain
Legislative Affairs Director
Northern California Water Association

Scot Moody CSDM
General Manager
Oakdale Irrigation District

Dennis LaMoreaux
General Manager
Palmdale Water District

Jason Franklin
General Manager
Pinedale County Water District

Anthony Firenzi
Director of Strategic Affairs
Placer County Water Agency

Trent Taylor
Water Resources Manager
Rosedale-Rio Bravo Water Storage District

Tom Coleman
General Manager
Rowland Water District

Darin Kasamoto
General Manager
San Gabriel Valley Municipal Water District

Lance Eckhart
General Manager
San Geronio Pass Water Agency

Chris White
Executive Director
San Joaquin River Exchange Contractors
Water Authority

Paul Helliker
General Manager
San Juan Water District

J. Scott Petersen, P.E.
Water Policy Director
San Luis & Delta-Mendota Water Authority

Daniel R. Ferons
General Manager
Santa Margarita Water District

Matt Stone
General Manager
Santa Clarita Valley Water Agency

Chris Lee
Interim General Manager
Solano County Water Agency

Cary Keaten
General Manager
Solano Irrigation District

Peter M. Rietkerk
General Manager
South San Joaquin Irrigation District

Charles Wilson
Executive Director
Southern California Water Coalition

Richard Atkins
Board President
Stockton East Water District

Tom Neisler
General Manager
Tehachapi-Cummings County Water District

Matthew Litchfield
General Manager
Three Valleys Municipal Water District

Danny Wade
General Manager
Tranquillity Irrigation District

Kathleen K. Haff
Chair, Tuolumne County Board of Supervisors
Tuolumne County Water Agency

Don Perkins
General Manager
Tuolumne Utilities District

Michelle Reimers
General Manager
Turlock Irrigation District

Deanna Jackson
Executive Director
Tri-County Water Authority

Mauricio E. Guardado, Jr.
General Manager
United Water Conservation District

Bob Reeb
Executive Director
Valley Ag Water Coalition

Gary Arant
General Manager
Valley Center Municipal Water District

Erik Hitchman
General Manager
Walnut Valley Water District

Roger Isom
President and Chief Executive Officer
Western Agricultural Processors Association

Gail Delihant
Senior Director, CA Government Affairs
Western Growers Association

Craig Miller
General Manager
Western Municipal Water District

Noelle Cremers
Director, Environmental & Regulatory Affairs
Wine Institute

Willie Whittlesey
General Manager
Yuba Water Agency

cc: The Honorable Benjamin Allen
Honorable Members of the Senate Natural Resources and Water Committee
Genevieve Wong, Principal Consultant, Senate Natural Resources and Water Committee
Todd Moffitt, Consultant, Senate Republican Caucus

Farm Water Update

AT THE CROSSROADS OF WATER & GROWING FOOD



MARCH 2023

Food Insecurity and Inflation are Major Concerns for Californians

Images of empty produce shelves in Europe, like the photo seen here from Glasgow, Scotland, are not yet common in California, however, supply chain disruptions as late as January 2022 led to more empty shelves in U.S. grocery stores. Global food supply has already shrunk and if we force more and more farmland out of production at home, we'll be putting ourselves in a position of having to compete with the rest of the world for scarce supplies and higher prices from countries with less safe food production.

Global grain supplies have hit a 10-year low due to reduced shipments from war-torn Ukraine, smaller harvests, and poor weather in the U.S., France, and China.

**Today's world is full of uncertainties.
Our food supply shouldn't be one of them.**

Henry Martinez, general manager of the Imperial Irrigation District: **"You don't want to get to the point of creating a food crisis to solve a water crisis."**

A recent survey by the Public Policy Institute of California (PPIC) voiced the very real concerns Californians have about pocketbook issues.

"Solid majorities (61%) also say that rising prices are causing financial hardship, with half of lower-income residents saying that rising prices are causing serious financial hardship."

Source | bit.ly/3ZGdAes

**Food Prices Are Forecast to Continue Rising,
Adding to Consumer Concerns, Especially in
Lower-Income and Minority Communities.**

In 2022, food-at-home prices increased by 13.5 percent, 48.3% higher than the average for all consumer goods.

All food categories grew faster than their historical average rate, and the 20-year average inflation rate increased for all food categories.

According to the U.S. Department of Agriculture (USDA), "food prices are expected to grow more slowly in 2023 than in 2022 but still at above historical average rates," with as much as another 8% increase in food we buy at the grocery store.

Source | bit.ly/2FejBGP



Cllr Andrea Cowan
@AndreaCowanSNP · Follow



I'm sorry, @tesco this is not good enough in your Dalmarnock store on a Friday afternoon 😞 Lots more shelves with empty boxes throughout the store. Rising prices are bad enough but lack of basic foodstuffs is unacceptable.



Minimizing Disruption to California's Farm Production Should be a Top Priority in Order to Protect Consumers

Excellent soils and a Mediterranean climate make California one of the most productive agricultural centers in the world, allowing the state to produce two-thirds of the nation's fruits and nuts, and one-third of its vegetables. Because of this unique Mediterranean climate, one of only five in the world and the only one in North America, what we grow here cannot be easily transferred elsewhere.

Keeping the state as a reliable source of food provides many benefits to Californians.

- Keeps prices affordable.
- Provides a diverse source of healthy food. California's safety standards are much higher than many other countries.
- Delivers most of our winter vegetables when growing is literally impossible in most of the country.
- Reduces shipping and greenhouse gas emissions, helping California to more easily meet our climate goals.



The rate of change in food prices on a monthly basis Source: [U.S. Bureau of Labor Statistics](#)



Mediterranean climate regions exist in only five main locations across the globe.

Farm Production is Threatened on Many Fronts

Much of the impact could be decreased through legislative leadership.

Lack of Water Storage

Lack of water storage impacts every single water user in the state. We all know that we must capture more water in wet years like this one, yet already-approved projects remain undone. Making new storage a reality removes much of the conflict between farms, cities and towns, and the environment.

More water storage would also help mitigate the impacts of the Sustainable Groundwater Management Act (SGMA) which is already affecting [water users](#). It would also contribute to the recovery of underground aquifers by reducing groundwater dependence.

More storage also negates any need for PPIC's suggestion to renegotiate CVP and SWP contracts. PPIC recommends this step because contractors "may" have received more water in 2021 than they would have under pre-contract conditions. This fails to acknowledge that regulatory changes have caused the system to be operated differently today than it was 20 years ago. The solution to this is to increase the state's surface and groundwater storage and conveyance capacity to be able to meet BOTH environmental and water supply demands.

Out-of-Date Rules

Inflexible, calendar-based rules contained in Federal Biological Opinions and State permits have prevented our state from capturing much of the water from near-record storms in January during the winter's series of atmospheric rivers. In order to cope with climate change, we must be able to capture water during wet years to save for the inevitable future dry years, helping support the Governor's recent executive order for State agencies to streamline groundwater recharge projects.

Threats to Water Rights

While the administration and enforcement of our existing water rights system require modernization to protect legal users of water and the environment, throwing out existing water rights to reallocate water

supplies strikes at the very foundation of California's economy and raises serious constitutional questions at both the state and federal level. Reallocating water rights would further impact food supply by forcing even more farmland out of production.

Our system of water rights supports some predictability across all water year types and not only in times of scarcity. Cities, businesses, and rural communities in addition to farms need a better idea of available supply during every water year type in order to plan and adjust. Water supply reliability—the foundation of which is the State's water rights system—is necessary for cities and counties to approve new housing under the "Show Me the Water" laws.

Upending California's long-standing water rights system in the name of "equity" would create considerable chaos. And California consumers would once again be the ones paying the price as our domestic food supply shrinks, more farmworkers are unemployed, rural economies crumble, and we're forced to rely on scarce, higher-priced, and often less-safe food supplies from other countries.



Valley Ag Water Coalition | Bob Reeb bobr@water-warrior.com

The mission of the Valley Ag Water Coalition is to represent the collective interests of its San Joaquin Valley member agricultural water companies and agencies in California legislative and regulatory matters by providing leadership and advocacy on issues relating to the development and delivery of a reliable farm water supply.

California Farm Water Coalition | Mike Wade mwade@farmwater.org

CFWC is a non-profit, educational organization that provides fact-based information on farm water issues to the public.

April 11, 2023

To the California Farm Water Coalition:

Congratulations! The **California Farm Water Coalition** has been selected to receive a donation of \$5,000 as part of the Association of California Water Agencies' 2023 Excellence in Water Leadership Award – Building a World of Difference®. This award is sponsored by Black & Veatch Corporation.

This year's award recipient, Ed Pedrazzi, Operations & Maintenance Manager at Vallecitos Water District, has chosen the California Farm Water Coalition to receive the donation and use the funds to contribute to the enhancement, protection or development of water resources in California.

Please find enclosed a Donation Acceptance Agreement form. Please sign the agreement and return it to ACWA by email to dang@acwa.com (cc carolinem@acwa.com). Once ACWA receives your completed form, a \$5,000 check will be issued to your organization.

If you have any questions, please contact Dan Gumpert, ACWA Finance Manager at dang@acwa.com.

Sincerely,



Dave Eggerton
ACWA Executive Director

Public and Media Outreach

Social Media

- Continued Imperial Valley-focused IVH2O Social Program.
- Monitored and managed Facebook, Twitter/Cultivate metrics.
- Continued Cultivate CA recipe outreach integration for social use.

Member Outreach

News Line & Water Wire Production

- Conducted review of content and inclusion for News Line in cooperation with M. Wade.

Other Activities and Services

Research

- Material development for websites and public commentary.
- Reviewed new materials from CRS, PPIC, and others.

San Luis and Delta Mendota Water Authority

- Coordinated distribution of SLMDWA e-mail communications for Executive Director In- Brief and Authority Insider employee newsletters.
- Assisted in statement publication.
- Continued Verification of Authority Social Media properties on Facebook.
- Coordinated Media Monitor Delivery.
- Helped SLDMWA staff maintain SLDMWA.org & DeltaMendota.org websites.
- Provided support to SLDMWA staff for posting on SLDMWA.org website.
- Provided ongoing emergency support for SLDMWA.org IT staff re: website access and email.
- Began review of requirements to deploy site on .gov or .ca.gov servers

Other Websites

- Provided support to Triangle T WD on website maintenance and materials.
- Conducted revisions on Triangle T WD site.
- Cultivate California website adjustments, continued with audience tracking.
- Major salvage and restoration action on farmwater.org after provider software change.
- Began development of new farmwater.org site with social integrations and automation to reduce staff time requirements on posting.
- Created landing page for Hill ad in cooperation with IVH2O.

Staff Support and Development

- Worked on accounting and record-keeping systems.
- Provided staff support as needed.

Useful Links

PPIC Fact Sheets

Water Use in CA
<https://bit.ly/2VGmN4T>

Water Use in CA Communities
<https://bit.ly/3MZv0PG>

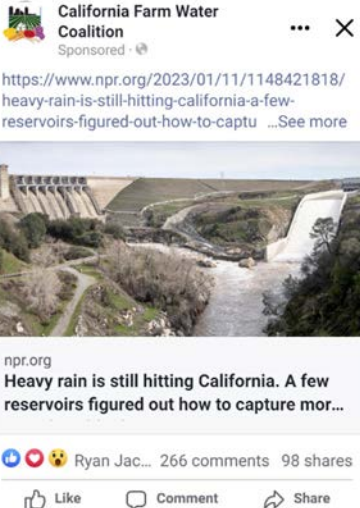

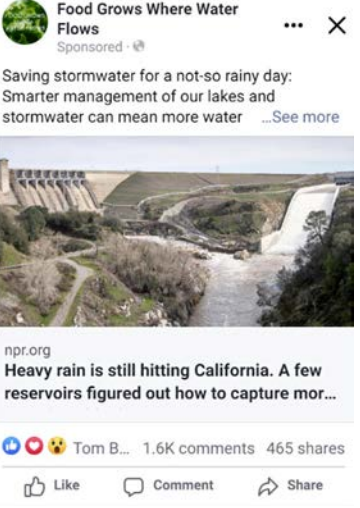













Water Use in CA Environment
<https://bit.ly/41LOHi6>

Water Use in CA Agriculture
<https://bit.ly/3KVIJ7t>

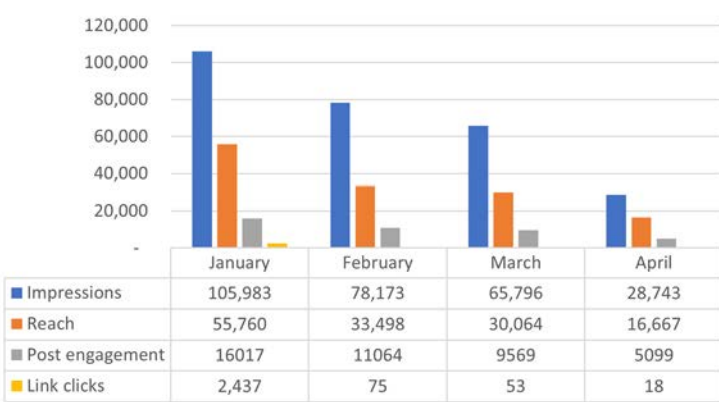
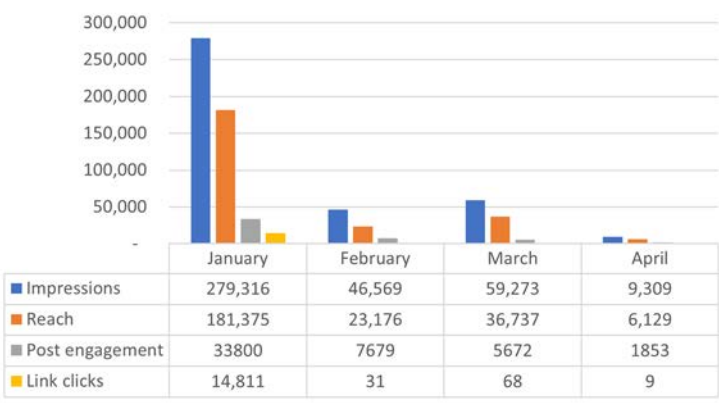
NCWA 2023 Update and Outlook

Water Year Update
<https://bit.ly/41MNZkC>


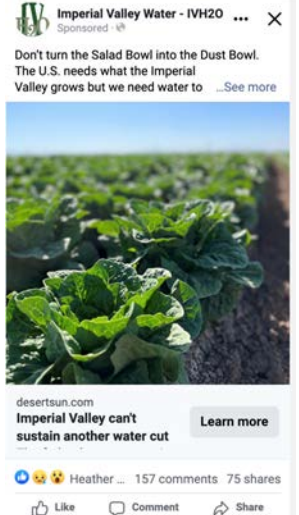
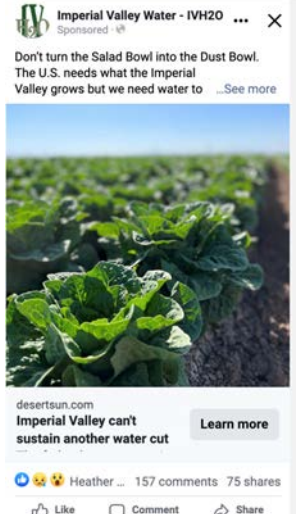
Social Media Overview

		California Farm Water Coalition	Food Grows Where Water Flows	Cultivate California
Target Audiences		Policy Makers, Industry, Agriculture-affiliated industries	Policy Makers, Urban Californians & General Public	Urban Californians & General Public
Message Examples	Facebook	 <p>California Farm Water Coalition Sponsored · 🌱</p> <p>https://www.npr.org/2023/01/11/1148421818/heavy-rain-is-still-hitting-california-a-few-reservoirs-figured-out-how-to-captu... See more</p>  <p>npr.org Heavy rain is still hitting California. A few reservoirs figured out how to capture mor...</p> <p>👍👎🗨️ Ryan Jac... 266 comments 98 shares</p> <p>👍 Like 🗨️ Comment ➦ Share</p>	 <p>Food Grows Where Water Flows Sponsored · 🌱</p> <p>Saving stormwater for a not-so rainy day: Smarter management of our lakes and stormwater can mean more water ... See more</p>  <p>npr.org Heavy rain is still hitting California. A few reservoirs figured out how to capture mor...</p> <p>👍👎🗨️ Tom B... 1.6K comments 465 shares</p> <p>👍 Like 🗨️ Comment ➦ Share</p>	 <p>Cultivate California Sponsored · 🌱</p> <p>"There is a lot of art involved in the irrigation of trees. The way they demand water is different. Water, for us, is a precious ... See more</p>  <p>👍👎🗨️ Sue Burns ... 21 comments 12 shares</p> <p>👍 Like 🗨️ Comment ➦ Share</p>
	Instagram	 <p>California Farm Water Coalition Sponsored · 🌱</p> <p>California agriculture irrigates about 7 million to 9 million acres; utilizing 34 million acre-feet of surface and groundwater in the state.</p>  <p>👍👎🗨️ Kel Dem an... 20 comments 6 shares</p> <p>👍 Like 🗨️ Comment ➦ Share</p>	 <p>Food Grows Where Water Flows Sponsored · 🌱</p> <p>Alfalfa Key to Food Chain Whether you prefer hamburgers, milk, ice cream, cheese, or yogurt, alfalfa is ... See more</p>  <p>👍👎🗨️ William Bo... 13 comments 24 shar</p> <p>👍 Like 🗨️ Comment ➦ Share</p>	 <p>Cultivate California Sponsored · 🌱</p> <p>According to the Consumer Price Index, the cost of groceries surged by almost 12% for the year ending in May. That's the ... See more</p>  <p>youtube.com Climate Change And Drought Forcing Hard... Learn more</p>
	Twitter	 <p>California Farm Water Coalition @farmwater</p> <p>More than 95% of California's farms are still family-owned. Many farmers offer tours and u-pick days for you to see your food grown firsthand!</p>  <p>11:01 AM · Mar 30, 2023 · 276 Views</p>		 <p>Cultivate California @CultivateCA</p> <p>If water reaches the end of a field, it is called runoff. Managing it is an important part of irrigation, and doing so can save millions of gallons of water over a growing season. One way farmers manage runoff is by recycling it as a supply for other fields or other uses.</p>  <p>12:01 PM · Mar 30, 2023 · 60 Views</p>

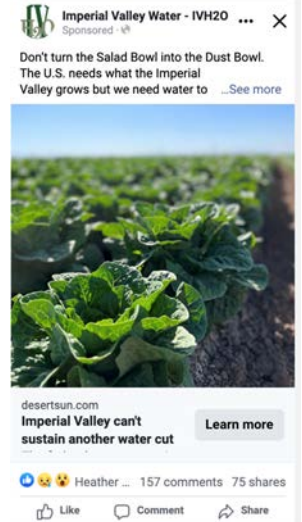



Metrics

		Ad Costs																										
California Farm Water Coalition	<div>CFWC</div>  <table><tr><th></th><th>January</th><th>February</th><th>March</th><th>April</th></tr><tr><td>Impressions</td><td>105,983</td><td>78,173</td><td>65,796</td><td>28,743</td></tr><tr><td>Reach</td><td>55,760</td><td>33,498</td><td>30,064</td><td>16,667</td></tr><tr><td>Post engagement</td><td>16017</td><td>11064</td><td>9569</td><td>5099</td></tr><tr><td>Link clicks</td><td>2,437</td><td>75</td><td>53</td><td>18</td></tr></table>		January	February	March	April	Impressions	105,983	78,173	65,796	28,743	Reach	55,760	33,498	30,064	16,667	Post engagement	16017	11064	9569	5099	Link clicks	2,437	75	53	18	January	\$350
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February	\$497																											
March	\$491																											
April	\$238																											
Food Grows Where Water Flows	<div>FGWWF</div>  <table><tr><th></th><th>January</th><th>February</th><th>March</th><th>April</th></tr><tr><td>Impressions</td><td>279,316</td><td>46,569</td><td>59,273</td><td>9,309</td></tr><tr><td>Reach</td><td>181,375</td><td>23,176</td><td>36,737</td><td>6,129</td></tr><tr><td>Post engagement</td><td>33800</td><td>7679</td><td>5672</td><td>1853</td></tr><tr><td>Link clicks</td><td>14,811</td><td>31</td><td>68</td><td>9</td></tr></table>		January	February	March	April	Impressions	279,316	46,569	59,273	9,309	Reach	181,375	23,176	36,737	6,129	Post engagement	33800	7679	5672	1853	Link clicks	14,811	31	68	9	January	\$950
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March	\$559																											
April	\$138																											
Cultivate California	<div>Cultivate CA</div>  <table><tr><th></th><th>January</th><th>February</th><th>March</th><th>April</th></tr><tr><td>Impressions</td><td>2,031,487</td><td>1,600,153</td><td>1,333,141</td><td>926,812</td></tr><tr><td>Reach</td><td>433,604</td><td>393,966</td><td>404,736</td><td>343,474</td></tr><tr><td>Post engagement</td><td>9101</td><td>9502</td><td>11451</td><td>6692</td></tr><tr><td>Link clicks</td><td>6,386</td><td>5,789</td><td>6,353</td><td>4,784</td></tr></table>		January	February	March	April	Impressions	2,031,487	1,600,153	1,333,141	926,812	Reach	433,604	393,966	404,736	343,474	Post engagement	9101	9502	11451	6692	Link clicks	6,386	5,789	6,353	4,784	January	\$12,600
			January	February	March	April																						
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Link clicks	6,386	5,789	6,353	4,784																								
February	\$12,719																											
March	\$12,880																											
April	\$7,922																											




IVH2O Public Outreach Progress Report

Ad End Date	Results	Reach	Impressions	Cost/Result	Spent	Ad Content
12/14/22 Winter vegetables Likes: 408 Comments: 35	379	15,416	36,090	\$1.24	\$470	
12/16/22 Desert Sun op-ed distributed to CRWUA attendees Clicks to op-ed: 206	206	8,386	28,979	\$1.82	\$375	
12/21/22 Desert Sun op-ed distributed to SoCal regional population Clicks to op-ed: 1,017	1,017	43,672	81,898	\$0.49	\$496.99	

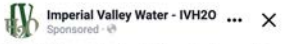

IVH2O Public Outreach Progress Report

<p>12/21/22 Don't turn Salad Bowl into Dust Bowl</p> <p>Likes: 293 Comments: 157 Shares: 75</p>	782	20,288	34,325	\$0.26	\$200	
<p>1/12/23 California Leads in Conservation</p> <p>Likes: 3,200 Comments: 476 Shares: 193</p>	9,029	64,160	104,484	\$0.08	\$700	
<p>1/18/23 Colorado River is Sole Source of Water for the Imperial Valley</p> <p>Likes: 1,100 Comments: 164 Shares: 84</p>	6,703	76,547	108,742	\$0.10	\$700	
<p>1/31/23 Conservation Investments</p> <p>Likes: 1,300 Comments: 17 Shares: 21</p>	6,639	36,328	59,828	\$0.21	\$1,400	

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<p>2/16/23 Working Together</p> <p>Likes: 6,700 Comments: 262 Shares: 342</p>	<p>7,628</p> <p>CA 7,218</p> <p>DC area 242</p>	<p>59,789</p>	<p>127,686</p> <p>CA 121,037</p> <p>DC area 5,501</p>	<p>\$0.18</p> <p>CA CTR 6.0%</p> <p>DC CTR 4.3%</p>	<p>\$1,400</p>	 <p>Imperial Valley Water - IVH2O ... X</p> <p>Sponsored · 4h</p> <p>Working Together- As we work together with our neighboring states and the federal ... See more</p> <p>Katie B... 134 comments 183 shares</p> <p>Like Comment Share</p>
<p>3/3/23 Alfalfa Key to Food Chain</p> <p>Likes: 2,900 Comments: 59 Shares: 116</p>	<p>9,772</p> <p>CA 8,465</p> <p>DC area 1,252</p>	<p>51,455</p>	<p>96,274</p> <p>DC 82,553</p> <p>DC area 12,453</p>	<p>\$0.14</p> <p>CA CTR 10.2%</p> <p>DC CTR 10.0%</p>	<p>\$1,400</p>	 <p>Imperial Valley Water - IVH2O ...</p> <p>Feb 17 · 5h</p> <p>Alfalfa Key to Food Chain - Whether you prefer hamburgers, milk, ice cream, cheese, or yogurt, alfalfa is critical because it feeds cows that produce the variety of dairy and beef products we love. Don't believe it? Click the article below. Imperial Valley farmers are twice as productive per acre growing alfalfa tha... See more</p> <p>2.9K</p> <p>2K 59 116</p>
<p>It's Not Complicated Ends 3/25/23</p> <p>Likes: Comments: 437 Shares: 140</p>	<p>10,347</p> <p>SCA 2,038 DC 1,407 PHX 1,348 DEN 1,336 LAS 1,254 SLC 1,175 SAF 993 CYS 796</p> <p>49,344 52,047 42,009 42,455 41,904 39,656 40,096 33,657</p>	<p>342,913</p>	<p>603,032</p> <p>69,630 82,162 65,016 71,969 71,958 71,148 86,681 84,468</p>	<p>\$0.35</p> <p>\$0.22 \$0.32 \$0.33 \$0.34 \$0.36 \$0.39 \$0.46 \$0.57</p>	<p>\$3,636.95</p>	 <p>Imperial Valley Water - IVH2O ... X</p> <p>Sponsored · 4h</p> <p>California Imperial Irrigation District General Manager, Henry Martinez, clears up the confusion over how to share ... See more</p> <p>https://www.reviewjournal.co... It's not complicated California Imperial Irrigati... Learn more</p> <p>Debbie ... 437 comments 140 shares</p> <p>Like Comment Share</p>

IVH2O Public Outreach Progress Report

Predictability Ends 4/11/23	7,707	383,167	717,382	\$0.52	\$3,996.97	 <p>Water rights are the foundation of water supply reliability for all water users. Solving the Colorado River's looming shortage with urban-funded on-farm water conservation in the seven Basin States will be smarter, faster and more predictable than a chaotic effort to change priority rights dating back more than 100 years.</p>  <p>https://www.usbr.gov/lc/region... Predictability Water rights are the found... Learn more</p>
Likes:	SCA 1,129	45,720	68,539	\$0.40		
	DC 1,129	41,239	78,599	\$0.40		
	PHX 945	42,072	65,695	\$0.47		
Shares:	DEN 1,274	42,816	74,045	\$0.36		
	LAS 861	52,895	93,245	\$0.52		
	SLC 1,037	39,520	78,918	\$0.44		
	SAF 710	44,528	74,045	\$0.61		
	CYS 622	35,984	83,302	\$0.70		
Totals CTR – 3.02% (result/imp.)	Results 60,309	Reach 1,102,121	Impressions 1,998,690	Cost/Result \$0.24	Spent \$14,775.91	



MEMORANDUM

TO: FRIANT WATER AUTHORITY BOARD OF DIRECTORS
FROM: DAN KEPPEL, EXECUTIVE DIRECTOR
SUBJECT: UPDATE REPORT
DATE: APRIL 24, 2023

This memo is intended to keep you apprised as to what is happening regarding policy issues the Family Farm Alliance (Alliance) is engaged in. In the past month, much of our efforts have focused on initiating action items following our 2023 annual conference, preparing for and testifying at a House subcommittee hearing, advancing farm bill ideas with Western Senator and committee staff, and engaging in litigation and administrative matters. These issues and other matters important to our members are further discussed in this memo.

BIDEN ADMINISTRATION

1. White House Science Office Announces Resources to Combat Climate Change

The United Nations (U.N.) and the White House continue to fan fears of dire global consequences resulting from climate change. President Biden is taking aggressive action to address climate challenges, one of the four pillars of his 2020 election platform. The U.N. last month rolled out its “World Water Development Report 2023”, which found that 26 percent of the world's population does not have access to safe drinking water, and 46 percent lacks access to basic sanitation. Continued climate change will cause seasonal shortages in countries that currently have enough water and will make other water-short regions even worse off, the report finds. At a fundraiser in Rancho Santa Fe (CALIFORNIA) last month, President Joe Biden warned his allies that future generations stand to suffer devastating consequences of climate change if global temperatures aren’t kept in check (*E&E News PM*).

The President backed up his words at last month’s White House Conservation in Action Summit, where his Office of Science and Technology Policy released a series of new resources for federal

and local government agencies working to combat climate change and adapt to its impacts. The new tools include a report to help [manage flood risk](#), a guide to help agencies [adapt to climate change](#), and an [“action plan”](#) aimed at making it easier for communities to access climate information. The announcement also included [a new framework](#) that’s intended to bolster communities’ resilience to issues such as natural disasters and aging infrastructure. The Administration also released its first-ever [Ocean Climate Action Plan](#), which is intended to find ocean-based solutions to climate change.

The White House also released the 2022 America the Beautiful Annual Report to update progress on achieving conservation of 30% of U.S. lands and waters by 2030. The report notes actions that impact the West, some of which include: 1) Launch of the “National Nature Assessment”; 2) Public comment period on development of the American Conservation and Stewardship Atlas; 3) NOAA development of Fisheries Equity and Environmental Justice Strategy currently being revised and finalized; and 4) Launch of the America the Beautiful grant challenge, which resulted in \$91 million for 55 conservation projects.

Additionally, the White House Council on Environmental Quality (CEQ) released its Guidance for Federal Departments and Agencies on Ecological Connectivity and Wildlife Corridors to “promote greater connectivity across terrestrial, marine, and freshwater habitats and across airspaces to sustain biodiversity and enable wildlife adaptation to environmental changes.” This guidance has already generated concerns with farmers and ranchers and elected officials with a recommendation that “connectivity and wildlife corridors” should be considered in areas including energy development planning and permitting and energy infrastructure management, ocean planning, port management and development, transportation planning and use management, and recreation and tourism management. We’re working with American Farm Bureau Federation and others to monitor this latest development.

2. Office of Information and Regulatory Affairs (OIRA): Regulatory Review

The White House Office of Management and Budget OIRA announced two important steps to improve the federal regulatory review process. First, President Biden signed an [executive order](#) that will increase the threshold for benefit cost analysis to \$200 million from \$100 million in annual effects and directs that it be adjusted for GDP growth every three years. This change is intended to help return the number of regulations subject to more rigorous review to levels consistent with earlier administrations. OIRA has also already been [engaging with members of the public](#) to seek feedback on ways to improve public participation in the regulatory process, and the executive order will build on this progress. Second, OIRA is also issuing proposed revisions to its government-wide guidance on regulatory analysis, Circular A-4, to help agencies better account for the full range of benefits and costs of their regulatory actions. The revision updates the discount rate that translates future costs and benefits into present-day values, provides greater support for analyzing distributional effects, and provides more thorough guidance for accounting for risk and uncertainty. OMB is also proposing regulations to [A-94](#), last revised in 1992, which provides guidance on how federal grant money is spent each year.

3. White House: Challenge to End Hunger and Build Healthy Communities

Last fall, I reported to you that the Biden administration had hosted a September conference focused on nutrition, health, and hunger in America. The White House said the conference was intended to help craft a national strategy to "identify steps the government will take and catalyze the public and private sectors to address the intersections between food, hunger, nutrition, and health." The conference's goals included improving food access and affordability, integrating nutrition and health, and empowering consumers to make healthy food choices. The timing of the conference was held amidst record-high food prices in this country. In the lead-up to the conference, the Biden administration announced billions of dollars in public and private contributions—the latter including money and other resources provided by companies such as Doordash, Chobani, Google, and the National Grocers Association—as part of a "transformational vision" to help end hunger and reduce diet-related diseases such as diabetes by 2030.

The White House recently rolled out its “Challenge to End Hunger and Build Healthy Communities” in an effort to meet President Biden’s goal to “end hunger and reduce diet-related diseases” by 2030. Here’s [the fact sheet](#) that announces new public and private sector actions to “continue momentum” from the “historic” White House hunger conference. As continues to be the case with this initiative, there is no mention made of the farmers who actually produce and provide healthy food, and the importance of keeping them in business.

4. White House CEQ: Snake River Dam Removal

On March 31, CEQ conducted a “listening” session to garner public input on proposals to remove Lower Snake River dams. Agricultural water users throughout the Pacific Northwest region have a strong interest in these discussions. Unfortunately, their voices have not been fully included in these processes. The Alliance’s request to speak at the March 31 listening session hosted by CEQ on the Lower Snake River dams to hear public perspectives on the projects was not granted. Still, some of our members participated in the listening sessions, which were advertised as opportunities for “non-parties” to the litigation to provide input. Instead, the vast majority of the comments generated at the sessions came from the plaintiff groups involved in the litigation, and their affiliates (“8-1 in favor of dam removal”, according to one person who participated). Our members “listened” in dismayed silence as pro-dam breaching advocates dominated the discussion with their talking points.

We were asked by some of our Idaho members to send a letter to U.S. Department of Agriculture (USDA) Secretary Vilsack to engage in this process to provide a new perspective. Last week, we transmitted a final letter that highlights our concerns and explains that dam removal would certainly impact irrigated agriculture's ability to export food. The letter highlights food security, which is one of our touchstones.

In the meantime, Congresswoman Cathy McMorris Rodgers and her colleague Rep. Dan Newhouse, both of Washington, introduced legislation last month to protect the four lower Snake

River dams. The move came just a few days after President Biden said at the White House Conservation Summit (*see Item 1, above*) that he is committed to working with Rep. Mike Simpson (R-IDAHO) and Washington senators Patty Murray and Maria Cantwell, both Democrats, to save Columbia and Snake river salmon (although the President mistakenly referred to the wrong river in his commitment to bring healthy and abundant salmon runs back to the Colorado River system). President Biden did not say he supports dam breaching and of the politicians he mentioned, only Rep. Simpson has publicly backed the idea.

5. Department of Interior, Bureau of Reclamation

a. Asset Management Report

In 2019, Congress passed the John D. Dingell, Jr. Conservation, Management, and Recreation Act, Public Law No. 116-9, Title VIII, Subtitle G – Bureau of Reclamation Transparency Act (Transparency Act). The Transparency Act requires the Bureau of Reclamation (Reclamation) to provide Congress with a detailed assessment of major rehabilitation and replacement (MR&R) needs, categorization of these repair needs, and regular reporting of information related to Reclamation’s investments in infrastructure. The Asset Management Report (Report) to Congress is a biennial submission. In compliance with the Transparency Act, Reclamation transmitted the first Report to Congress in 2021 and has now submitted the second Report to Congress, both of which can be accessed at <https://www.usbr.gov/infrastructure>.

In the coming months, your area office will be reaching out to you to further refine the dataset represented in the biennial Report. This additional information will allow Reclamation to appropriately characterize the level of need at all Reclamation facilities and the level of pending investment by our operating partners.

b. Climate Change Adaptation Strategy

Reclamation last week released its Climate Change Adaptation Strategy that outlines how Reclamation will combat climate change. The strategy also affirms Reclamation will use “leading science and engineering” to adapt to human-caused climate change. The strategy focuses on four goals:

1. Increase water management flexibility.
2. Enhance climate adaptation planning.
3. Improve infrastructure resilience.
4. Expand information sharing.

Reclamation's [2021 West-wide Climate and Hydrology Assessment](#) identified the human-induced climate change impacts expected to impact the West through the rest of this century. It identifies changes in temperature, precipitation, snowpack and streamflow across the West. You can read the entire Climate Change Adaptation Strategy at www.usbr.gov/climate.

c. Infrastructure Funding Announcements

Biden Administration Cabinet members and the White House have been busy in recent weeks, announcing boat loads of new infrastructure projects, funded courtesy of the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA). Recall that the IIJA includes \$8.3 billion for the Bureau of Reclamation (Reclamation), as part of a proposal advanced by over 230 water, ag and urban organizations. That coalition was led by a steering committee that included the Alliance, Association of California Water Agencies, California Farm Bureau Federation, National Water Resources Association and Western Growers. The IIJA investment will repair aging water delivery systems, secure dams, complete rural water projects, and protect aquatic ecosystems. Detailed information on Reclamation programs and funding provided in the IIJA is available on Reclamation's website: <https://www.usbr.gov/bil/>. The IRA is investing another \$4.6 billion to address Western drought.

i. Water Conservation and Efficiency Projects

The Department of the Interior last week announced a \$140 million investment for [water conservation and efficiency projects](#) as part of the President's Investing in America agenda to enhance the resilience of the West to drought and climate change. Funding for 84 projects in 15 western states, provided through the IIJA and annual appropriations, will go to irrigation and water districts, states, Tribes and other entities and are expected to conserve over 230,000 acre-feet of water when completed. In the Colorado River Basin, 12 projects will receive more than \$20 million in federal funding from today's announcement, resulting in more than \$44.7 million in infrastructure investments. Once completed, the projects will result in a combined annual water savings of more than 29,000 acre-feet in the Colorado River System. Another 32 projects selected in California will receive \$46.7 million in federal funding. The projects will result in more than \$164.3 million in infrastructure investments in the state and a combined annual savings of more than 65,000 acre-feet once completed, according to Reclamation.

ii. Aging Infrastructure Funding Announcement

Interior two weeks ago [announced](#) the funding choices for their FY 2023 Aging Infrastructure Account projects – this includes funding for 83 projects in 11 states - and Interior Assistant Secretary Tanya Trujillo two weeks ago told me Interior will be continuing to work on additional funding opportunities and awards throughout the year. Many Alliance members' projects made the list.

iii. \$20 Million from IIJA for Drought Resilience Projects

Interior two weeks ago announced \$20 million for four small surface and groundwater storage projects in California and Utah. These projects, funded through the IIJA, are essential tools to help conserve water and increase the efficiency of water use in the Colorado River Basin. The announcement came as Department and White House officials were traveling across the Colorado

River Basin as part of the “Investing in America” tour to highlight investments from the IIA and the IRA (*see Item 15 for additional Colorado River funding announcements*). Projects announced include three projects in California and one in Utah, including \$9.5 Million for Imperial Irrigation District’s Upstream Reservoir Storage Project, \$4.7 Million for Groundwater Banking Joint Powers Authority’s Phase 1 of the Kern Fan Groundwater Storage Project, and \$1 Million for Del Puerto Water District’s Orestimba Creek Recharge and Recovery Project. The Small Storage Program was authorized by the IIA. Projects must have a water storage capacity of between 200 acre-feet and 30,000 acre-feet. On September 14, 2022, Reclamation published the first funding opportunity for the Small Storage Program, which closed on December 9, 2022. Eligible projects completed a feasibility study, which was submitted to Reclamation for review.

c. WaterSMART Aquatic Ecosystem Projects

The Department of the Interior has announced a solicitation for the [WaterSMART Aquatic Ecosystem Projects](#). The purpose of this program is to invite eligible applicants to leverage their money and resources by cost sharing with Reclamation on Aquatic Ecosystem Restoration Projects, including study, design and construction of aquatic ecosystem restoration projects that are collaboratively developed, have widespread regional benefits, and are for the purpose of improving the health of fisheries, wildlife, and aquatic habitat through restoration and improved fish passage. Funding is available through two separate categories:

- Task A: Study and Design: Projects must include study and design activities to develop an aquatic ecosystem restoration project, resulting in the development of a study and design package that can be used to apply for funding under Task B. To be eligible to apply for Task B, applicants must have conducted study and design activities resulting in a design package at a 60 percent design level. A 60 percent design package should include technical study and design documentation supporting the preferred alternative in sufficient detail to be able to obtain the necessary permits and estimate funding required for project implementation.
- Task B: Construction: To be eligible under this category, projects must include the construction of aquatic ecosystem restoration projects that are collaboratively developed, have widespread regional benefits, and are for the purpose of improving the health of fisheries, wildlife, and aquatic habitat through restoration and improved fish passage.

Eligible applicants are states, tribes, irrigation districts, water districts, and other organizations with water or power delivery authority located in Reclamation States, including entities and organizations that own a dam that is eligible for upgrade, modification, or removal. Nonprofit conservation organizations working in partnership with the entities listed above or that notify entities listed above are also eligible to apply. Awardees must provide at least 35 percent of the total project cost as a matching share. **Proposals for the program are due by June 1, 2023.**

DEVELOPMENTS IN CONGRESS

The House and Senate are in session this week.

6. House NR Subcommittee Hearing: CRA Resolutions Disapproving ESA Protections

The House Natural Resource Water, Wildlife and Fisheries (WWF) Subcommittee this week will hold a hearing on a number of GOP-led Congressional Review Act (CRA) resolutions disapproving the Biden Administration's implementation of the Endangered Species Act (ESA), along with a Democratic proposal to protect the North Atlantic right whale. One of the resolutions- [H.J. Res. 46](#) by Rep. Cliff Bentz (R-OREGON), would roll back a Biden Administration rule that ended a Trump Administration rule on designating critical habitat under the ESA. Family Farm Alliance General Counsel Norm Semanko testified at this hearing in support of this resolution. Critical habitat designations can carry with them significant economic and regulatory burdens that must be shouldered by agricultural water managers and rural communities, which our written testimony outlines.

7. House Panel to Hear from Three Former NOAA Leaders on Move the Agency from Commerce

Three former NOAA leaders testified before the House Science, Space and Technology Committee last week on the question of whether the agency should be separated from the Commerce Department and allowed to operate independently. The move is a top priority for Committee Chair Frank Lucas (R-OK) who pitched the idea in December. Witnesses include Conrad Lautenbacher, who served as NOAA's Administrator under former President George W. Bush from 2001 to 2008, along with two acting Administrators who filled the position for former President Donald Trump: Tim Gallaudet, from 2017 to 2019, and Neil Jacobs, from 2019 to 2021. Chairman Lucas has not yet introduced an official bill, but he has circulated a draft version of his proposed legislation, called the "[National Oceanic and Atmospheric Administration Act of 2023](#)." The draft bill would also direct a study on transferring NOAA's work on endangered species and marine mammal protection to the Interior Department, similar to the intent of [H.R. 872](#), the "*FISH Act*" sponsored by Rep. Ken Calvert (R-CA) and the subject of a House Natural Resources subcommittee legislative field hearing last week in California. The Alliance supports this legislation and versions that were introduced in earlier Congresses, including the 115th Congress, when I testified in support of this bill before the same House subcommittee.

8. March 28, 2023 House WWF Subcommittee Hearing

The WWF Subcommittee last month held an oversight hearing titled "*Why We Need to Store More Water and What's Stopping Us*". Over the past three years, much of the western United States has experienced prolonged, persistent drought and below-average precipitation. Those years have been some of California's driest on record. These extreme drought conditions have significantly depleted reservoirs and water storage. Now, California is experiencing extremely high

precipitation levels, yet does not have the necessary infrastructure in place to store the excess water. Much of it is washing out to sea as a result. The hearing also showcased the need for managing the watersheds in our national forests to increase water supplies and improve forest health. Witnesses included SLDMWA board member [William Bourdeau](#), [Tricia Hill](#) (Klamath Water Users Association), [Andy Mueller](#) (Colorado River Water Conservation District and a member of the Alliance Advisory Committee), and [Joshua Sewell](#) (Taxpayers for Common Sense, critics of government “subsidized” storage projects). We provided input to Ms. Hill and Mr. Mueller as they were developing written testimony.

9. GOP Members Visit Fresno to Discuss Water Storage Challenges

Tomorrow (April 11, 2023), House Committee on Natural Resources Chairman Bruce Westerman (R-Ark.), WWF Subcommittee Chairman Cliff Bentz (R-OREGON) and U.S. Reps. David Valadao (R-CALIFORNIA) and John Duarte (R-CALIFORNIA) hosted Members for a field hearing and site visits to examine California’s continued water storage issues and their impact on local communities. The Members toured Friant dam and a local dairy farm site that has been damaged from recent floods, and conducted a legislative field hearing on H.R. 215 ["WATER for California Act"](#) and H.R. 872 ["FISH Act"](#) at the World Ag Expo in Tulare. Five witnesses with ties to the Family Farm Alliance members testified at this hearing, including your own Jason Phillips. We sent out an “Issue Alert” the day before the hearing that identified those witnesses and included links to their written testimony.

10. House GOP Moving Energy Package to Include Permitting Reform Bill

House Republicans passed a sprawling energy bill late last month, intended to restore energy independence. *The Lower Energy Costs Act* (H.R. 1) focuses on increasing domestic energy production, reversing policies advanced by the Biden administration, and boosting production and processing of critical minerals. It also includes important permitting process reforms for all industries. The bill passed by a 225-204 vote, with four Democrats joining Republicans to pass the bill and one Republican legislator voting against. H.R. 1 includes the “*BUILDER Act of 2023*,” legislation from Rep. Garret Graves (R-LA), would shorten the time allowed to complete environmental reviews and to file lawsuits challenging those reviews under the National Environmental Policy Act (NEPA). The BUILDER Act would limit to one and two years the length of NEPA environmental assessments and impact statements, respectively. It would also place a deadline of 120-days for parties to file lawsuits related to projects.

We’ve been working with GOP staff at the House Natural Resources Committee for the past year on ways to modernize implementation of NEPA. We are always looking for ways to clarify ambiguous provisions, align NEPA with relevant case law, reflect modern technologies, optimize interagency coordination, and facilitate a more efficient, effective, and timely environmental review process. The BUILDER Act could garner bipartisan support as renewable energy as well as traditional energy projects are slowed due to NEPA process delays. Water infrastructure projects are also sometimes delayed by the NEPA process. The GOP package, including the NEPA reforms,

was approved by the Committee and will be taken up by the full House later this spring, even though House Democrats on the Natural Resources Committee remain staunchly opposed to the package. The package may also pick up other bills from various House committees in the process. But most Democrats and the White House dismissed the Republican bill as reviving fossil fuel-centric policies or gutting environmental permitting processes. The bill likely won't advance in the Democratically controlled Senate.

11. 2023 Farm Bill

The Senate Agriculture Committee is ramping-up farm bill activity as policy ideas and support for those ideas assessed. We've been working with our allies in agriculture and the conservation community to advance its platform, which focused primarily on the farm bill's conservation title. We're looking to fine-tune USDA conservation programs that deliver cross-sector benefits to farming and ranching and conservation. These programs need to deliver measurable conservation outcomes in a simple way, without harming environmental interests or program integrity. The farm bill is an omnibus, multiyear law that is typically renewed about every five years. With enactment of the omnibus spending bill in December 2022, lawmakers laid the groundwork for battles to come in the next farm bill. The current farm bill expires at the end of September.

a. Capitol Hill Politics

Senate Agriculture Committee Chair Debbie Stabenow (D-Mich.) and Ranking Member John Boozman (R-Ark.), are finalizing a schedule that will drive discussion of major priorities and funding issues. Key spending challenges that have already surfaced include the Supplemental Nutrition Assistance Program (SNAP) and increasing reference prices in the Price Loss Coverage program. SNAP eats up 80 percent of the farm bill's spending but must be hammered out to secure Democrat support for the farm bill. Republicans want to see expanded work requirements in SNAP, which will be strongly resisted by Democrats. Senator Boozman, meanwhile, has called for more vigorous USDA enforcement of work requirements and for states to "no longer be allowed to game the system" through work requirement waivers, according to *POLITICO*.

Republicans on the House Ag Committee said during a hearing earlier this year that a new farm bill directly addresses federal regulations that they say are impeding production. Chairman Thompson and other House Ag Committee leaders also do not believe sufficient resources are dedicated by Congress for the farm bill. It remains to be seen whether the Budget Committee will grant their wish (*POLITICO*).

b. Family Farm Alliance Engagement on 2023 Farm Bill

The Alliance began ramping up its own Farm Bill advocacy efforts last year, working with conservation partners, developing testimony for Congressional hearings, and working with its members to prioritize its energies in the farm bill debate. Earlier this year, we put together our Farm Bill wish lists for Congressional offices and committees. Once again, the Alliance will work

closely on this with its partners in the Western Agriculture and Conservation Alliance -the "WACC" – on the conservation title. Last month, the WACC finalized its Farm Bill platform, which, among other things, puts priority on improving implementation of the Watershed and Flood Prevention Operations ("PL-566") and the Regional Conservation Partnership Program, encouraging active management for grazing, and seeking to provide better and faster conservation program technical assistance and compliance. The Alliance has also been working with Western Growers and several Western state Farm Bureaus to push more ag-centric priorities, starting with Western Senators and Ag Committee Members. We'll also be working to set up meetings with staffers from the Congressional ag committees. Josh Maxwell, GOP consultant to the House Agriculture Committee, spoke at our annual conference in Reno, where he discussed the 2023 Farm Bill.

12. OpenET Act

A bipartisan coalition of Western lawmakers late last month reintroduced their "*Open Access Evapotranspiration Data (OpenET) Act*," filed as H.R. 4832 and S. 2568 in the 117th Congress to create a new program in the U.S. Geological Survey (USGS) that could be used to track water lost to evaporation and transpiration from soil, crops and vegetation in a river basin. Rep. Susie Lee (D-NEVADA), whose district includes parts of Las Vegas, sponsored the House bill along with Rep. Jared Huffman (D-CALIFORNIA) and Reps. Burgess Owens (R-UTAH) and Chris Stewart (R-UTAH). Bill sponsors say that data could prove crucial to many drought-stricken river basins in the West, including the Colorado River Basin. Sens. Catherine Cortez Masto (D-NEVADA) and John Hickenlooper (D-COLORADO) introduced the bill in the Senate.

Evapotranspiration can be tracked with satellites and weather stations, although critics of the legislation argue that making such data widely available to the public using federal resources, which is made possible by the OpenET legislation, must be subject to existing data privacy and data quality laws as well as be peer-reviewed for accuracy. We share the concerns expressed by other agricultural producers in the West regarding S. 2568, which would inject major federal funding into the OpenET program. We stand ready to work with the sponsors of these and similar proposals to ensure they do not have unintended consequences for Western agriculture and water management. Hopefully, the OpenET discussions will lead to opportunities where we can generate political interest that drives science to get things right on things like the relatively unknown shallow groundwater / surface water relationship in many areas of the Upper Colorado River Basin. Right now, we're checking the pulse of other state, regional and national ag groups, who appear to me to be getting more nervous about this legislation as time goes on.

DEVELOPMENTS IN THE JUDICIARY

13. The Supreme Court Hears Oral Arguments on Navajo Nation's Water Rights

Last month, the U.S. Supreme Court heard arguments in a case that could alter the battle over tribal water rights in the Western U.S. For more than 20 years, the Navajo Nation has fought for access

to water from the lower Colorado River, which flows directly alongside the reservation's northwestern border. Drought-restricted water deliveries from the river to the seven states under the Colorado River Compact of 1922 along with court decisions and a 1944 Treaty with Mexico (known as the “law of the river”) have drained reservoirs to their lowest levels since they first filled due to the drought. The seven states have yet to find consensus on how to cut water use and allow the river to recover while averting disastrous conditions if reservoir levels were to fall below outlets for power production and even downstream flows.

But the Navajo Nation, where a third of their people are without access to clean drinking water, says it has not been able to fully represent its own interests in disputes over its claims to Colorado River water. Instead, they say they've been blocked in court by the federal government, which says it represents tribal interests in water disputes. While both the Nation and the U.S. government agree that Indian reservations, including the Navajo Nation, have a right to water, the Supreme Court now must decide how far the federal government's responsibilities go in reserving that right, including building infrastructure to deliver that water across 27,000 square miles of Southwestern desert. The basin states have also filed briefs opposing the Nation's claims, arguing that a decision in favor of the Navajo Nation would create even more burdens on the over apportioned river and take water away from their populations and economies.

Alliance General Counsel Norm Semanko listened to the argument and he thinks [this story from NBC News](#) probably has it about right. Mr. Semanko said the panel seemed pretty divided and Justice Barrett could well be the swing vote. If they rule for the Navajo Nation, he thinks they will try to trim back the ruling as much as possible to avoid creating a new, general duty to all tribes or opening the floodgates to additional litigation. He's just not sure they will be able to thread that needle, although he's still hopeful that the U.S. and the States can pull out a majority and snuff this threat out. The Western Water Users amicus brief that the Alliance participated in was mentioned by Justice Kavanaugh during the questioning, in pointing out how this case could impact the settled expectations around a water system that is already fully allocated. Mr. Semanko did not hear any other amicus brief mentioned.

14. Clean Water Act “Waters of the U.S.” (WOTUS)

Senior Judge Daniel Hovland of the U.S. District Court for the District of North Dakota stayed the Biden Administration's rule defining “waters of the United States,” or WOTUS, under the Clean Water Act (CWA) from taking effect in West Virginia and 23 other states, building on an earlier ruling from a separate federal district court in Texas that blocked the regulation in Texas and Idaho. Judge Hovland noted that the Republican-led states challenging the Biden WOTUS rule in his court had not asked to stop the regulation nationwide, an action he said would be inappropriate before the Supreme Court issues its opinion in the pending *Sackett v. EPA* case, which has the potential to limit the reach of the Clean Water Act. The Supreme Court is expected to decide *Sackett* soon and possibly send EPA and the Army Corps of Engineers back to rework the WOTUS rule (again).

Earlier this month, Congress used the Congressional Review Act, which allows for a simple majority to overturn recent rules, to pass a resolution of disapproval striking down the Biden WOTUS rule. But President Biden vetoed that measure, arguing that it "would threaten economic growth, including for agriculture, local economies, and downstream communities." Some House Republicans are pushing to overturn the veto this week, but they do not currently have the two-thirds required vote in the House to do so.

ALLIANCE INITIATIVES

15. Colorado River Initiative

Reclamation last week released its [April 24-Month Study](#), which includes an increase to downstream flows from Lake Powell to Lake Mead of up to 9.5 million acre-feet (maf) this water year (Oct. 1, 2022 through Sept. 30, 2023). Glen Canyon Dam's annual release volume for water year 2023 was initially set at 7.0 maf, based on the August 2022 24-Month Study, and is now projected to increase to up to 9.5 maf because of high snowpack this winter and projected runoff in the Colorado River Basin this spring. While this water year's projections are above average, the Colorado River Basin is experiencing severe drought conditions and system reservoirs remain at historically low levels.

Reclamation earlier this month released their draft Supplemental Environmental Impact Statement (SEIS), the Biden Administration's plan to overhaul the 2007 Colorado River Interim Guidelines, rules that dictate how much water is withdrawn from the Lake Powell and Lake Mead reservoirs based on their current surface elevations. The draft SEIS is available for public comment for 45 calendar days. The three alternatives in the draft SEIS (as summarized by Reclamation) are listed below; Reclamation did not designate a "preferred alternative."

- **No Action Alternative:** The No Action Alternative describes the consequences of continued implementation of existing agreements that control operations of Glen Canyon Dam and Hoover Dam, including under further deteriorating hydrologic conditions and reservoir elevations.
- **Action Alternative 1:** Action Alternative 1 models potential operational changes to both Glen Canyon Dam and Hoover Dam. Action Alternative 1 includes modeling for reduced releases from Glen Canyon Dam, as well as an analysis of the effects of additional Lower Colorado River Basin shortages based predominately on the **priority of water rights**. Action Alternative 1 models progressively larger additional shortages as Lake Mead's elevation declines, and larger additional shortages in 2025 and 2026, as compared with 2024. The total shortage contributions in 2024, including those under existing agreements, are limited to 2.083 million-acre-feet because this is the maximum volume analyzed in the 2007 Interim Guidelines final environmental impact statement.

- **Action Alternative 2:** Action Alternative 2 is similar to Action Alternative 1 in how it models potential operational changes to both Glen Canyon Dam and Hoover Dam. Action Alternative 2 includes modeling for reduced releases from Glen Canyon Dam, as well as an analysis of the effects of additional Lower Colorado River Basin reductions that are distributed in the **same percentage** across all Lower Basin water users under shortage conditions. The total shortage contributions in 2024, including those under existing agreements, are limited to 2.083 million-acre-feet because this is the maximum volume analyzed in the 2007 Interim Guidelines FEIS.

The full document can [be found here](#) and a Reclamation press release can be [found here](#).

The SEIS is an attempt by the Administration to save hydropower production on the river, which serves some 40 million individuals in seven states and millions of acres of irrigated crop lands, by raising water levels in Lake Powell and Lake Mead and protecting downstream water deliveries from “dead pool” levels, which have been dropping precipitously during recent drought years. The Department of the Interior began working on this plan in October 2022 after the seven Colorado River Basin states — Arizona, California, Colorado, New Mexico, Nevada, Utah and Wyoming — missed a deadline to propose their own cuts. Since June, the Biden Administration has pressed the seven basin states to outline their own solution. Bureau of Reclamation Commissioner Camille Calimlim Touton announced her agency would need between 2 million and 4 million acre-feet in cuts to keep hydropower facilities operating.

Ahead of Reclamation’s release of the draft SEIS, six states agreed on a plan that would put the basin's most senior water user, California, on par with the most junior users, Arizona and Nevada in spreading out the necessary cuts in water deliveries from the river. In contrast, California offered its own plan adhering to water right seniorities on the river. In announcing the draft SEIS, senior Interior officials noted that the alternatives should give the seven Basin States bookends to work within to continue to collaborate and develop a consensus alternative for future reductions in water deliveries from the river. The Family Farm Alliance in March 2022 adopted a policy brief that outlines the pro-agriculture principles that we will continue to advance as new operation guidelines are developed. I’ll be participating in an agricultural panel discussion at the upcoming CLE Colorado River Policy conference in Scottsdale (ARIZONA) next month.

ADMINISTRATIVE AND MISCELLANEOUS

- The Alliance board of directors held a special meeting two weeks ago and took several key actions, following up on our internal meetings in Reno in late February:
 - The board agreed to proceed with hosting the 2024 annual conference at Silver Legacy in Reno. We will put together a report by mid-summer that provides an assessment of other cities / hotels, including Sacramento, San Diego, Tucson, San Antonio and Austin. If one of those venues looks to be better than the Silver Legacy, that will give us time to prepare for moving the annual conference in 2025.

- The board approved the last draft of the “Six Point Plan”, which will essentially drive Family Farm Alliance priorities for the upcoming year.
- The board appointed Nate Eckloff to replace Tom Schwarz and serve the remainder of his term as a Regular Director (NEBRASKA) and appointed Nadine Bailey to fill the remainder of Sandy Denn’s term as a Regular Director (NORTHERN CALIFORNIA).
- We will schedule the 2023 Alliance farmer lobbyist trip for September/October of 2023. A half-day “virtual” farmer lobbyist trip will be planned later this spring.

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.



Operations & Maintenance Report

A compilation of current FWA operations and maintenance activities throughout the 152-mile canal system.

March 2023

OPERATION & MAINTENANCE REPORT

SAFETY, EDUCATION & TRAINING

- Operations Department held tailgate safety meetings in the Lindsay yard, and outlying field office staff attended the Canal and Maintenance meeting.
- Friant staff received environmental training on endangered species completing the annual review.
- Delano, Lindsay, and Orange Cove Foremen held tailgate safety meetings discussing safety hazards and precautions associated with employees' work assignments.
- Employees received First aid and CPR training, medical topics such as how to recognize a common medical emergency, provide support care, know what to do and know when to summon for help, hands choking situations, and CPR.

ACCIDENTS & INJURIES

- Friant staff has worked 2349 days without a lost-time injury accident.
- Friant staff has worked 415 days without a liability accident.

MAINTENANCE SUPERVISION

GENERAL SUPERINTENDENT REPORT

SUBSIDENCE

- Staff worked with Stantec on the Water Quality monitor program.
- Staff continued working with the County of Tulare and Stantec for middle-reach plan reviews.
- Managed new construction projects being proposed for the upcoming middle reach outage.
- Staff attended MRRCP field meetings and weekly Teams meetings with USBR and JV contractors.
- Managed system leaks in the construction zone and met with Bureau and Contractor representatives on system tie-ins.
- Managed flooding within the Friant service area.
- Participated in Southern Contractor's water operations coordination meetings.
- Weekly staff meeting with COO and Operations Supervisor

PERSONNEL ITEMS

- Staff worked on several personnel items, including annual reviews, policy conformance, and other matters.
- General Superintendent conducted staff meetings with Division Forman and Operations Supervisor.

CONSTRUCTION & MAINTENANCE

FOREMEN REPORTS: DELANO, LINDSAY, & ORANGE COVE 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
		Delano	Lindsay	Orange Cove		
Cleartraxx	Gal	0	0	0	0	0
Copper Sulfate - Old Bridge	Lbs.	0	0	0	0	21,987
Copper Sulfate - Chem One	Lbs.	0	0	0	0	80,000
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.	0	0	0	16	128
Diuron 4L - Loveland	Gal	0	0	0	0	0
Diuron 4L - Drexel	Gal	0	0	0	0	1,890
Dimension 2EW	Oz	0	10	0	10	0
Weather Guard Complete	Oz	0	0	0	0	67.00
Finale	Oz	0	0	0	0	0
Milestone VM	Oz	0	0	280	280	836
Roundup - Custom	Gal	4	58.50	0	62.50	666.50
Roundup - Pro Conc	Gal	4	106.50	125	235.50	421
Forfeit 280	Oz	0	0	0	0	0
Sonar Genesis	Gal	0	0	0	0	2.00
Cheetah	OZ	0	0	0	0	2,020
Liberate Lecitech	OZ	0	374	0	0	438

- Delano and Lindsay's maintenance staff continued the application of Roundup Custom as part of the annual weed control program along the canal right-of-way for post-emergence control of weeds.
- Orange Cove staff continued the application of Roundup Pro as part of the annual weed control.
- Delano maintenance staff continued the application of Roundup Pro Concentrate as part of the annual weed control program.
- Lindsay and Delano's maintenance staff began the annual application of Diuron as a preemergent for spring and summer weed control.
- Lindsay maintenance staff continued with the application of Copper Sulfate in the Canal prism to control algae in the FKC.
- Orange Cove maintenance staff hand-cleared vegetation around canal structures.
- Orange Cove staff continued the application of Diphacinone to the canal right-of-way to control California ground squirrels.
- Lindsay maintenance staff began the application of Roundup PRO for post-emergence control of weeds along the FKC right of way.
- Lindsay maintenance staff continued rodent control and damage repair.

CANAL & DIVERSION STRUCTURES



Due to multiple breaches in Deer Creek all supply infrastructure had to be closed to reduce flooding near MRCCP Construction area.

- Lindsay maintenance staff due to heavy rainfall and severe flooding, all drains had to be cleared repeatedly due to trash and debris.
- Lindsay maintenance staff hauled and stockpiled dirt at multiple locations to continue massive washout repairs.
- Lindsay maintenance staff had to repair washouts due to heavy rainfall to avoid additional erosion and potential cavitation behind the liner.
- Delano maintenance staff continues their structure gate maintenance for the year; Repairs Radial and Slide gates such as oil leaks, gearboxes, motor couplers, wire rope inspection, etc. Staff will Lubed all grease points and wire ropes, repair all metalwork, security fence repairs, deck cleaning, touch-up painting, Buoy ball and wire rope replacement, and debris removal.



Massive debris and build up was removed by Lindsay maintenance staff to help eliminate stress to the bridge over Cottonwood Creek prior to oncoming storms.

- 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 completed the construction of the measuring structure.
- Orange Cove staff continued structure inspections and annual maintenance.
- Orange Cove staff continued road patching activities.



Lindsay maintenance staff removed a failed sump pump and installed a temporary submersible and power source to prevent residential flooding in the general area.

- Orange Cove staff began hauling materials off the embankment from the recent desilt project.
- Delano staff continues embankment maintenance to upper and lower Embankments and around structures such as blockhouses, turnouts, bridge abutments, utility tractors, motor graders, 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.
- Lindsay maintenance staff removed trash illegally dumped on several locations along FKC.
- Orange Cove staff continued bridge maintenance activities.
- Delano maintenance staff completes panel replacement and liner sealant repairs, 2.5 panels were replaced due to separation and erosion at MP. 144 and 128

O&M ROADS

- Lindsay maintenance staff filled potholes at various locations along FKC.





Lindsay maintenance staff rebuilt the lower road and ROW at Tipton ditch after an underdrain created a massive washout due to the floods from the Tule River.

YARD & BUILDING

- Delano, Lindsay maintenance staff continued to perform routine maintenance and repairs, yard cleaning, vehicle/equipment repairs, facility improvements, and office duties.
- Delano Staff continues reverse flow pumping, and maintenance requires installing generators, fuel tanks, electrical lines, and debris screens.
- Delano and Lindsay's staff continue installing Bollard guard posts to prevent vehicles and heavy equipment from damaging FWA structures.
- Lindsay maintenance staff provided flood relief around Lindsay's Main office following a local breach in Lewis Creek.

RIGHT-OF-WAY MAINTENANCE

- Delano, Lindsay, and Orange Cove maintenance staff continued the removal of illegally dumped trash and removed debris from gate structures to the local solid waste/recycling facility.
- Lindsay maintenance staff placed pumps at various locations to relieve flooding.
- Delano and Orange Cove maintenance staff continued to repair and install security fencing to prevent public access from entering the Friant-Kern Canal right-of-way and structured areas.
- Orange Cove staff completed inspections on all the bridges and documented them.
- Delano staff continue Painting, Bar gates, Bollard posts, guard railings, warning signs, Liner markers, structures, security fence wings, electrical panels, and block house doors.

The following is a summary of the vehicle and heavy equipment preventive maintenance services and repairs made by the technical services staff.

DELANO, LINDSAY, & ORANGE COVE	TYPE	QUANTITY
In-House Inspections	B – Semi-annual	5
	C - Annual	6
	E - Equipment	0
	BIT - 90-Day Heavy Equipment	5
Outside Inspections	B – Semi-Annual	0
	C - Annual	0
	Smog Test	0
	Smoke Test	0
DELANO, LINDSAY, & ORANGE COVE	TYPE	QUANTITY
In-House Repairs	Light Vehicles	14
	Trucks	11
	Heavy Equipment	6
	Utility Equipment	0
Outside Repairs	Light Vehicles	0
	Trucks	0
	Heavy Equipment	0

ENGINEERING ACTIVITIES

ENGINEER AND ENGINEER TECHNICIAN REPORT

March

RIGHT OF WAY

- Staff continues to work with USBR to ensure ROW boundaries are maintained.
- Staff continues to respond to developers and consultants to ensure the FKC and ROW are maintained.
- Staff reviewed and supplied comments on the 50% plan sets for two (2) proposed Turnouts in Tulare County for Homer LLC., one located at Mile Post 95.84 (Falconer Basin) and one located at Mile Post 96.41 (P3-West).

OPERATIONS ACTIVITIES

OPERATIONS SUPERVISOR REPORTS

Operations Staff during the month of March delivered 91,933 acre-feet. Total water diverted year-to-date to FKC Contractors is 91,933 acre-feet.

- Staff reported sump pump deliveries of 150 acre-feet and year to date a total of 150 acre-feet.
- Staff completed and sent out the ROWD's for the month of March.
- Staff completed doppler meter measurements at the measuring bridge and DCTRA.
- Staff replaced a transmitter at 1st Avenue.
- Staff assisted the electrician at Tipton, Enterprise, 1st Avenue, and Kaweah.
- Staff checked and calibrated 14 transmitters.

ELECTRICAL

- Staff repaired power at the TID pump station.
- Staff checked and repaired the sump pump downstream of the Sand Creek Check.
- Staff checked all Venturi wells for flooding and possible pump installations.
- Staff prepared the backboard for the power panel at Enterprise.
- Staff installed a pull box for power and comm cables at the measuring bridge.
- Staff completed PMs at TID, Fifth Avenue, Tule River, and Deer Creek.
- Staff rewired and installed the lights in the chemical room at the Lindsay Yard.

SCADA

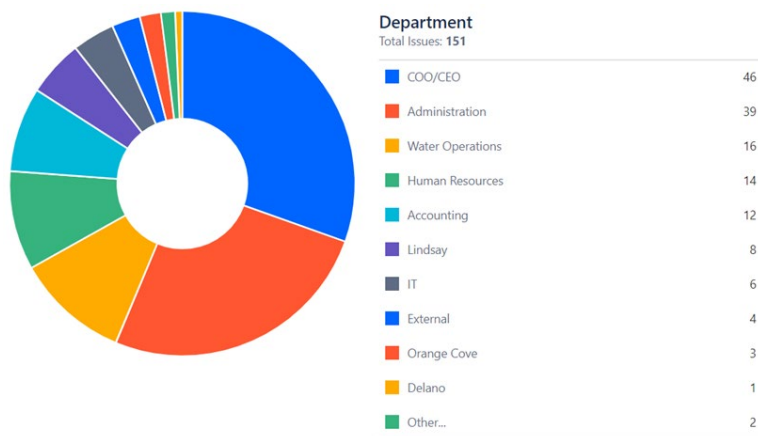
- Staff worked with Epic IO Programmers, reviewing their site information to make sure they have all the sights labeled correctly. This is for the communications upgrade.
- Staff worked with Stantec, finding information about our SCADA system that Tesco is asking for. Tesco is heading up the SCADA portion of the New Canal Project.
- Staff measured the flow at the DCTRA using the ADCP. Attempted to measure White River during high flows for DEID but was unable to because of the turbulent water and large debris floating down the river.
- Staff worked on dialing in the flow meter at the Measuring Bridge to read accurate flow measurements.
- Staff installed 40 East modems after Epic IO tested them.
- Staff helped the electrician install a new service backboard at Enterprise Canal.
- Staff worked with MRC, our actuator provider, installing new motor contacts after it was determined that the old contacts were failing. The actuator is still under warranty.
- Staff swapped the SIM card to the second SIM slot in the modem at Poso Creek Check to restore communications there.
- Staff continued to make improvements in Geo Scada HMI.
- Staff assisted Instrument Tech with getting meters online and testing meters.
- Staff took water orders while the water resources tech was out.
- Staff checked on our equipment and the damage after the heavy rains and flooding in the area.

INFORMATION TECHNOLOGY

- Staff managed and implemented the Geo SCADA Expert 2022R2 upgrade which allows Water Operations to continue operating within a fully supported version of GEO Scada with live 24/7 customer support with Schneider Electric through 2024.
- Staff, Redesign, and Eplus worked to finalize configurations on the Rubrik backup appliance.
- Staff worked with Intellisite/EpicIO to provide Friant staff access and training in the new VMS portal for monitoring live camera feeds on the Friant-Kern-Canal.
- Staff worked to ensure Friant's backups were up to date and protected from corruption if power were to fail when the Lindsay yard flooded.
- Staff worked to ensure the canal stayed operational while taking all other systems and equipment offline during an AC failure for the server room due to flooding at the Lindsay yard.

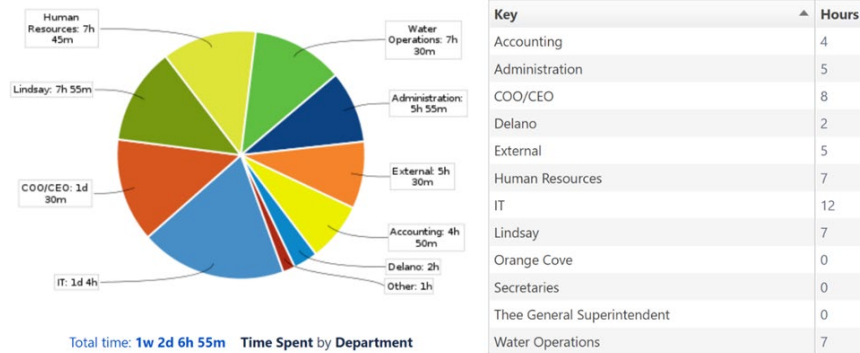


- Staff welcomed Rego Consulting with an official kickoff call and implemented the first steps towards moving to Power Apps.
- Staff replaced the Weed & Pest desktop for the Lindsay crew.
- Staff replaced the desktop for the Delano Forman.
- Staff is working to limit/block phishing/spam attempts. Barracuda blocked 2,349 incoming phishing/spam emails for the month of March. 8,538 emails were Quarantined.
- Graphus deleted 123 unsafe emails that made it through Barracuda.
- Staff continued to work on the Dropbox to SharePoint for the migration of files. Staff anticipates completion in April 2023.
- Staff resolved an issue with Microsoft Premiere Support for an external user's access to shared files in SharePoint.
- Staff worked with Lenovo to warranty a second replacement system board for the Accounting Operations Administrator's laptop.
- Staff supported the accounting department with exporting and uploading the D9 Quarterly report for taxes.
- Staff received 151 HelpDesk tickets in March.



Number of resolved Tickets submitted by the Department.

Workload Pie: March



Time spent on Tickets submitted by Department. 1Day = 8hours 1Week = 40hours

Agenda Report

No. 5.E.

DATE: April 27, 2023
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 non-profit 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.

Blueprint's strategic priorities for 2022-2025: Advocacy, Groundwater Quality and Disadvantaged Communities, Land Use Changes & Environmental Planning, Outreach & Communications, SGMA Implementation, Water Supply Goals, Governance, Operations & Finance.

Mission Statement: *"Unifying the San Joaquin Valley's voice to advance an accessible, reliable solution for a balanced water future for all."*

Committees:

Executive/Budget/Personnel: Hallmark and Providence have completed their transition as of the Blueprint Board meeting on April 19th. Hallmark's management/executive services started March 1st. Hallmark provided an overview of their work to date consistent with the initial cap on expenditures and next steps. Hallmark is facilitating the Blueprint's efforts to create a screening criterion for the identification of 3 specific priorities to the San Joaquin Valley to be supported, pursued and accomplished.

Advocacy/Communications: Hallmark is assisting with a reorganization of the work groups and committees to better drive results. The Communications committee is utilizing its operation plan for creating and disseminating Blueprint communications. Providence is preparing a scope for community outreach to be reviewed by the Board. The Advocacy committee is establishing a list of priorities and plan for future advocacy.

Water Blueprint SJV & CWI

The Blueprint and California Water Institute will be holding a kickoff meeting at ACWA to review the scope and initiate the joint development of a Unified Water Plan for the San Joaquin Valley as called for in the recently awarded Bureau of Reclamation grant.

SJV/Delta Water Leaders' Summit

Blueprint coordinated and invited a select group of agricultural and water leaders from the San Joaquin Valley and the Delta region to meet and tour the Delta and SJ Valley. Due to the high flood risk in the Delta, the Planning Committee rescheduled the Summit meetings tentatively for 11/2-3 to ensure that full attention is given to protecting life and property, and after harvest.

Drinking Water Feasibility Study – CSU Fresno State, FWA, Self-Help, Sustainable Conservation

The partners for the feasibility study are focused on identifying potential Fresno County districts/areas generally for recharge projects encompassing the Friant Place of Use boundaries. Initial modeling for Fresno State/California Water Institute has initially identified FID, Consolidated ID, Raisin City WD and North Fork Kings GSA for strong recharge potential. The group is focused on multi-benefits for recharge with a focus on drinking water with measurable results.

SJV Water Collaborative Action Program (SJVWCAP):

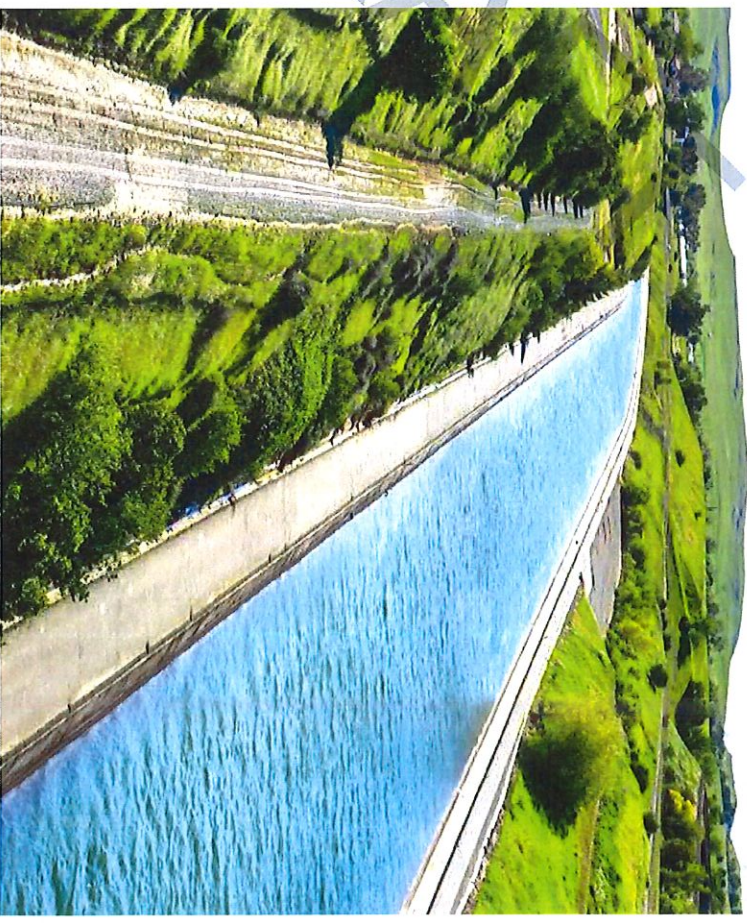
Phase II, Work Groups are beginning to meet and discuss priorities and drafting for their respective areas, Safe Drinking Water; Sustainable Water Supplies; Ecosystem Health; Land Use, Demand Reduction, Land Repurposing; Implementation.

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.

First Month Accomplishments

- ✓ Engaged MWD Directors and General Manager to Develop Support for FFD Pilot Project
- ✓ Supported Blueprint Efforts on Subcommittee on Water, Wildlife and Fisheries Legislative Field Hearing
- ✓ Developed Draft Project Screening Criteria
- ✓ Developed Initial Project list for Review
- ✓ Completed Internal Project Review and Prioritization
- ✓ Created Process for Approval of Project Support
- ✓ Identified Organizational Improvements
- ✓ Transitioned Administrative Activities



Project Screening Criteria

- Using these criteria, each concept proposal **will be scored** to select the sequencing of implementation support.
- It should be noted that many of these **criteria are subjective**, and not every criterion is entitled to equal weight.
- The paramount question is **whether a project is feasible**, and the Blueprint reasonably could decide some criterion, for example yield of the project, is entitled to greater weight than other criteria, for example time to benefit.
- The principal purpose of subjecting alternative projects to this scoring process is to facilitate **informed decision making**.

Criteria	Definition	Weight
Feasible	Is it capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, and technological factors?	Pass / Fail
Yield	How much water is the project capable of delivering on an annual basis over its expected useful life?	25%
Cost/AF	Per acre-foot basis + cost of financing. In addition to per acre-foot cost of water delivered, what is the per acre-foot cost of capacity? Sources of Funding e.g., grants or WIFIA loans that are available to reduce cost?	25%
Time to Benefit	How long will it take for the project to produce water?	15%
Scale of Geographic Region Benefit	Acres of benefit.	15%
Source of Water to be Developed	Will the project produce "new" water supply or will it shift the use of a water supply that currently meets an existing demand?	10%
Potential to Benefit Multiple Interest	i.e., Irrigation, municipal & industries, fish & wildlife	5%
Further State Policy	Will the project further State Policy ? Accessibility of water to DAC, Reduce reliance on Delta to meet future demands of water.	5%

AGENDA REPORT

NO. 5.F.

DATE: April 27, 2023

TO: Board of Directors

FROM: Wilson Orvis, Chief Financial Officer

SUBJECT: San Luis & Delta Mendota Water Authority Update

SUMMARY:

Friant Water Authority staff engaged with San Luis & Delta-Mendota Water Authority (SLDMWA) via the Finance and Administration Committee (FAC) meeting on April 3, 2023 and the Board of Directors' (BOD) Meeting on April 6, 2023, as well as additional meetings throughout the month.

There were three items associated with SLDMWA over the last month that pertain to FWA operations: (1) San Joaquin River Releases to Mendota Pool and (2) Water Year (WY) 2023 Operations, Maintenance, and Replacement Rates, and (3) Ongoing Discussions regarding Minimum Participation in Ratesetting Procedures.

San Joaquin River Releases to Mendota Pool:

- From April through July of 2022, due to a temporary interruption of service of sufficient quantities of substitute water to be conveyed through project facilities operated and maintained by SLDMWA, Reclamation released flows that bypassed Friant Dam down the San Joaquin River to the Mendota Pool to meet Exchange Contractor demand.
- FWA and SLDMWA are continuing to have discussions regarding how these releases are to be treated under the Memorandum of Understanding between FWA and SLDMWA.

WY 2023 Operations, Maintenance, and Replacement (OM&R) Rates:

- SLDMWA has had two updates to its WY 2023 rates since the initial rates were approved at the February 9, 2023 Board of Directors meeting. The latest rate update was approved on April 6, 2023 after Reclamation increased the South-of-Delta Agriculture allocation from 35% to 80%. The details regarding the rate adjustment are within **Attachment 1**. FWA updated the contractor cost projection model to reflect these changes and sent that out to all Friant Division General Managers and staff in early April.

Workshop(s) regarding Minimum Participation in Ratesetting Procedures:

- FWA has been bringing up a long, unresolved issue pertaining to SLDMWA's practices regarding calculating minimum participation for the purposes of cost recovery. At issue is SLDMWA's practice of including and billing 25% minimum participation amounts for South-of-Delta Agricultural Contractors only during the final accountings for each water year (which usually takes place 2 years after the water year is concluded) and not including those amounts in the rates established during the water year. The impact has been in dry and critical years that ratepayers (including FWA) end up paying higher rates than they otherwise should pay based upon SLDMWA's

Cost Recovery Policy. Building on a March 13, 2023 workshop discussion on this issue, at the April 3, 2023 FAC meeting, there was considerable dialogue regarding this requirement in SLDMWA's Cost Recovery Policy and the potential impact of inclusion in the rates to SLDWMA's cash flow needs during the year. FWA is hopeful that this and future discussions will resolve this outstanding issue appropriately.

ATTACHMENTS

1. SLDMWA Water Year 2023 rates, revised April 6, 2023.



A series of horizontal lines for writing, with a large blue hand-drawn shape and a smaller green hand-drawn shape on the left side.