

# FRIANT WATER AUTHORITY

This meeting will consist of a simultaneous  
teleconference call at the following  
location(s):

Camp & Sons  
31798 Merced Ave  
Bakersfield, CA 93308

## **AGENDA - BOARD OF DIRECTORS MEETING**

**September 28, 2017, 9:00 A.M.**

**Plaza Room**

**Wyndham Hotel, 9000 W. Airport Dr., Visalia, CA**

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

- 1) CALL TO ORDER/ROLL CALL**
- 2) ADDITIONS TO AND APPROVAL OF THE AGENDA** – Items identified after posting of the Agenda for which there is a need to take immediate action, may be added to the agenda. Addition of an item requires a two-thirds vote of the Board (or if less than two-thirds of the members are present, a unanimous vote of the members present). (Government Code section 54954.2(b)).
- 3) PUBLIC COMMENT (GOVERNMENT CODE SECTION 54954.3)** – This is the time where members of the public may comment on any matter within the jurisdiction of the Board that is not on the agenda. Comments will be limited to 3 minutes per speaker, 15 minutes per subject and 30 minutes overall for the entire public comment period, unless otherwise approved by the chair of the meeting, to ensure that all interested parties have an opportunity to speak. The Board cannot take action on items not on the agenda; and therefore, comments on such items may be taken under advisement, referred to the appropriate staff for response, or directed to be placed on a future agenda. Public comment on items on the agenda will be allowed at the time the Board considers the item.
- 4) APPROVAL OF THE MINUTES** – Board of Directors meeting held on August 24, 2017.
- 5) TREASURER'S REPORT** – Recommendations of the Finance Committee and Friant staff
  - a. Review cash activity reports and approve the bills for September 2017.
  - b. FY 2018 and 2019 O&M Budgets – Consideration of a recommendation from Finance Committee regarding final acceptance of the O&M Budgets for FY 2018 and 2019 following 60-day comment period.
  - c. FY 2018 General Member Call for Funds – Consider approval of October 1<sup>st</sup> Call-for-Funds based on a recommendation from Finance Committee.
  - d. SCADA Communications Funds - Consideration of a recommendation from the Finance Committee to defer approved SCADA Communications Project funds into FY 2018 for completion of Phase III.

- 6) HUMAN RESOURCES COMMITTEE MEETING REPORT – CONSIDER APPROVAL OF RECOMMENDATIONS FROM THE HR COMMITTEE MEETING HELD ON SEPTEMBER 25, 2017**
- a. Recommendation from the HR on the proposed Employee Cost of Living Adjustment (COLA).
  - b. Review of the Draft Organizational Chart.
- 7) FRIANT BOARD OF DIRECTORS RETREAT (DEFLITCH) – Update on 2017 Friant Board of Directors’ retreat.**
- 8) EXECUTIVE COMMITTEE MEETING REPORT (DAVIS/PHILLIPS) – Consideration of Committee recommendations for Board Action.**
- a. Recommendation from the EC on Nominations to fill vacancy of Secretary-Treasurer Office and vacancies on the Executive Committee, Finance Committee and HR Committee.
  - b. Recommendation from the EC on Temperance Flat Reservoir Project Draft Memorandum of Understanding Regarding Coordination, Cooperation and Cost Sharing Related to the Project.
  - c. Recommendation from the EC on FWA terms of membership and recommendation to finalize membership on the San Joaquin Valley Water Infrastructure authority (SJWWIA).
  - d. Recommendation from the EC on the draft FY 2018 General Member Budget.
- 9) WATER RESOURCE AND OPERATIONS REPORT – (PAYNE) - Informational updates.**
- 2016 CVP Water Supply Report. Updates and other items of interest as noted by the Water Resources and Operations Coordinator, not already covered in the agenda. Includes a briefing on water supply allocations and other significant news from the U.S. Bureau of Reclamation by Michael Jackson, Area Manager for the South-Central California Area Office
- 10) GOVERNMENT AFFAIRS AND COMMUNICATIONS REPORT (PHILLIPS) - Updates and other items of interest as noted by Government Affairs and Communications.**
- a. Review of pending State and Federal Legislation.
  - b. AB 313 – Consideration of a letter to the Governor requesting signature on measure to improve the management and administration of water within the State Water Resources Control Board.
  - c. 2018 Water Bond Update.
- 11) GC’S MATTERS - Updates and other items of interest as noted by General Counsel, not already covered in the agenda.**
- 12) COO’S REPORT - Updates and other items of interest as noted by the Chief Operating Officer, not already covered in the agenda.**
- a. Subsidence Issues – An update.
  - b. Pump-back Project – An Update.
  - c. O&M Report
- 13) CEO’S REPORT – Updates and other items of interest as noted by the CEO, not already covered in the agenda.**

## CLOSED SESSION ITEMS (14-16)

### 14) CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION [GOVERNMENT CODE SECTION 54956.9(D)(1)] –

Name of matter: NRDC v. Murillo, U.S. District Court, Eastern District of California (Sacramento Division), Case No. 88-cv-1658-LKK-GGH

### 15) CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION [GOVERNMENT CODE SECTION 54956.9(D)(2)] –

Significant exposure to litigation: Two potential matters.

### 16) CONFERENCE WITH LEGAL COUNSEL—INITIATION OF LITIGATION [GOVERNMENT CODE SECTION 54956.9(D)(4)]—: Initiation of Litigation: Two potential cases.

### 17) RECONVENE INTO OPEN SESSION --ANNOUNCE REPORTABLE ACTION TAKEN DURING CLOSED SESSION [GOVERNMENT CODE SECTIONS 54957.7 AND 54957.1.

### 18) ADJOURNMENT

A person with a qualifying disability under the Americans with Disabilities Act of 1990 may request the Authority to provide a disability-related modification or accommodation in order to participate in any public meeting of the Authority. Such assistance includes appropriate alternative formats for the agendas and agenda packets used for any public meetings of the Authority. Requests for such assistance and for agendas and agenda packets should be made in person, by telephone, facsimile, or written correspondence to Toni Marie, at the office of Friant Water Authority, at least 48 hours before a public Authority meeting.

Materials related to an item on this agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection at the Authority's office, 854 N. Harvard Ave., Lindsay, California, 93247, during normal business hours.

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## MINUTES - BOARD OF DIRECTORS MEETING

August 24, 2017, 9:00 A.M.

Plaza Room

Wyndham Hotel, 9000 W. Airport Dr., Visalia, CA

- 1) Chairman Kent Stephens called to order the noticed meeting of the Board of Directors of the Friant Water Authority at 9:00 a.m. at the Wyndham in Visalia, California. Director Loeffler led the meeting with an Invocation.

### ROLL CALL

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

### ATTENDANCE:

#### DIRECTORS PRESENT:

Edwin Camp	Arvin-Edison W.S.D. (AEWSD)
Michael Mandala	Chowchilla W.D. (CWD)
Georgeanne White	City of Fresno (CofF)
Jerry Prieto Jr.	Fresno I.D. (FID)
Chris Tantau	Kaweah Delta W.C.D. (KDWCD)
Kent H. Stephens	Kern-Tulare W.D.
Dave DePaoli	Lindmore I.D. (LID)
Cliff Loeffler	Lindsay-Strathmore I.D. (LSID)
Jim Erickson	Madera I.D. (MID)
Harvey Bailey	Orange Cove I.D. (OCID)
Eric Borba	Porterville I.D. (PID)
Lucille Demettriff	Saucelito I.D. (SID)
Edwin Wheaton	Terra Bella I.D. (TBID)
Rick Borges	Tulare ID (TID)

**DIRECTORS ABSENT:** Loren Booth, Hills Valley I.D. (HVID)

#### OTHERS:

Jeevan Muhar	Arvin-Edison W.S.D.
Steve Collup	Arvin-Edison W.S.D.
Doug Welch	Chowchilla W.D.
William R. Stretch	Fresno I.D.
Gary Serrato	Fresno I.D.
Steve Dalke	Kern-Tulare W.D.
Michael Hagman	Lindmore I.D.

Tommy Greci	Madera I.D.
H.A. “Gus” Collin	Orange Cove I.D.
Fergus Morrissey	Orange Cove I.D.
Sean Geivet	Porterville I.D., Saucelito I.D., Terra Bella I.D.
Paul Hendrix	Tulare I.D.
Don Davis	FWA General Counsel
Toni Marie	FWA
Chris Hickernell	FWA
Jason Phillips	FWA
Jeff Payne	FWA
Steve Ottemoeller	FWA
Kathy Bennett	FWA
Bill Luce	FWA Consultant
John Bezdek	FWA Special Counsel
Tom Painter	NASA/JPL
Judy Lai-Norling	NASA/JPL
Michael Jackson	Bureau of Reclamation
George Bushard	Bureau of Reclamation
Sheryl Carter	Bureau of Reclamation
Mike LeBarre	Bureau of Reclamation
Rufino Gonzales	Bureau of Reclamation
Scott Kuney	Young Wooldridge
Frank Jones	Frank Jones Farming
Aubrey Mauritsen	Counsel
Don A. Wright	Water Wrights
Andy Edstrom	Wonderful Orchards
Tom Barcellos	LTRID

**2) ADDITIONS TO AND APPROVAL OF THE AGENDA** – The Board approved the agenda as presented.

M/S/C – Motion by Director Borba, seconded by Director Demetriff, to approve the agenda presented. The motion carried. (Roll Call Vote: Ayes – AEWS D CoF, FID, KDWCD, KTWD, LID, LSID, MID, OCID, PID, SID, TBID, TID; Nays – 0; Absent –0

**3) PUBLIC COMMENT (GOVERNMENT CODE SECTION 54954.3)**– Terra Brusseau announced that the Friant Water PAC was holding a fund raiser on September 8, 2017 called the Mark Watte memorial golf tournament and invited people to pick up a flyer or speak directly with her.

**4) Approval of the Minutes** –The Board approved the minutes of the Board of Directors meeting held on July 27, 2017.

M/S/C – Motion by Director Erickson, seconded by Director Demetriff, to approve the minutes presented. The motion carried. (Roll Call Vote: Ayes – AEWS D CoF, FID, KDWCD, KTWD, LID, LSID, MID, OCID, PID, SID, TBID, TID; Nays – 0; Absent –0

5) **TREASURER'S REPORT** – Recommendations of the Finance Committee and Friant staff

- a. Review cash activity reports and approve the bills for August 2017 - The Board reviewed the cash activity reports and approved payment of the bills for August 2017 in the amount of \$3,131,012.38.

M/S/C – Motion by Director White, seconded by Director Demetriff, to approve payment of the bills for July 2017 in the amount of \$3,821,254.03. The motion carried. (Roll Call Vote: Ayes – AEWS D Coff, FID, KDWCD, KTWD, LID, LSID, MID, OCID, PID, SID, TBID, TID; Nays – 0; Absent –0)

- b. Auditor Proposals – The Board approved a recommendation from the Finance Committee on selection of Cuttone & Mastro as the Authority's Auditor.

M/S/C – Motion by Director White, seconded by Director Demetriff, to approve retaining Cuttone & Mastro, CPA, to provide independent audit services for the fiscal years ending September 30, 2017 through September 30, 2019. The motion carried. (Roll Call Vote: Ayes – AEWS D Coff, FID, KDWCD, KTWD, LID, LSID, MID, OCID, PID, SID, TBID, TID; Nays – 0; Absent –0)

- c. FKC O&M Refund for 2016 – The Board discussed and considered a recommendation from the Finance Committee on the FKC O&M excess revenues for FY2016.

M/S/C – Motion by Director White, seconded by Director Loeffler to approve the O&M excess revenues for FY 2016 in the amount of \$1,365,297.91 be refunded to districts. The motion carried. (Roll Call Vote: Ayes – AEWS D Coff, FID, KDWCD, KTWD, LID, LSID, MID, OCID, PID, SID, TBID, TID; Nays – 0; Absent –0)

The Board directed the Finance Committee to consider potential amendments to the Reserve Policy for future consideration if reserves should be kept for upcoming special projects.

6) **ACWA REGION 7 BALLOT (DEFLITCH)** – The Board considered the ACWA Region 7 Ballot and took action to accept the slate of candidates as presented.

M/S/C – Motion by Director White, seconded by Director Prieto to accept the ACWA Region 7 Nominating Committee's recommend slate of officers as listed: Region 7 Chair: William A. Taube; Vice-Chair: J. Paul Hendrix; Members: Erick Averett; Tom Barcellos; David Bixler; and Byron Glennan. The motion carried. (Roll Call Vote: Ayes – AEWS D Coff, FID, KDWCD, KTWD, LID, LSID, MID, OCID, PID, SID, TBID, TID; Nays – 0; Absent –0)

7) **U.S. BUREAU OF RECLAMATION (DEFLITCH)** – Sheryl Carter, USBR, Land Division, wanted to bring attention to 9d contract holders and remind them that if they are approached by High Speed Rail or Cal Trans officials or agents to do land improvements of any kind, to please refer them to the Bureau of Reclamation. Some water districts thought they were responsible for improvement costs and were convinced to sign contracts. This is not the case. The Board of Directors thanked Ms. Carter for the information.

- 8) ***FRIANT BOARD OF DIRECTORS RETREAT (DEFLITCH)*** – Doug DeFlitch, COO, gave a quick update on 2017 Friant Board of Directors’ retreat saying that most of the Directors would be available in November to attend the retreat. More information will be provided shortly.
- 9) ***EXECUTIVE COMMITTEE MEETING REPORT (OTTEMOELLER)*** – Consideration of Committee recommendations for Board Action.
- d. The Board considered and approved a recommendation from the EC that Temporary Conveyance Agreements for Restoration Flows with Patterson Irrigation District (PID) and Banta-Carbona Irrigation District (BCID), and Repayment Agreement with participating Friant Contractors be finalized and executed.

M/S/C – Motion by Director Borba, seconded by Director Borges to authorize the CEO and COO to a) finalize negotiations with PID and BCID and execute the conveyance agreements and b) execute the Repayment Agreement for recapture of restoration flows in lower San Joaquin River as submitted to the Board. The motion carried. (Roll Call Vote: Ayes – AEWS D Coff, FID, KDWCD, KTWD, LID, LSID, MID, OCID, PID, SID, TBID, TID; Nays – 0; Absent –0)

**10) *WATER RESOURCE AND OPERATIONS REPORT – (PAYNE)*** - Informational updates.

2016 CVP Water Supply Report. Jeff Payne, Water Resources and Operations Coordinator gave a brief update on current water supply and operational activities including being invited to attend the December CVO Board meeting where he should get an indication on how next years’ water supply is shaping up.

**11) *NASA AIRBORNE SNOW OBSERVATORY (PAYNE) – YEAR 1 SUMMARY.***

Jeff Payne introduced NASA-JPL ASO’s program leadership, Tom Painter and Judy Lai, who provided their findings and observations on the NASA Airborne Snow Observatory monitoring program. They also provided an update on how the data is being used by Reclamation Water for Supply forecasting and allocation processes for the Friant Division and San Joaquin River Restoration Program. The presentation was well received and the Board of Directors thanked the representatives of NASA-JPL for their time.

**12) *TEMPERANCE FLAT (PAYNE)***

Update on Ad Hoc subcommittee discussions was provided by Jeffrey Payne, Water Resources and Operations Coordinator. After a brief discussion, the Board took action to set-up a special activities agreement.

M/S/C – Motion by Director White, seconded by Director Borba, to direct staff to prepare a special activities agreement for completing feasibility, engineering and other analysis to help potential investors determine the feasibility of participation. To include preparation of a draft scope; assume \$1 Million per year for 2 years; work with BOR to make sure non-federal cost share is counted; attempt to ensure that the contribution counts towards their investor contribution in new JPA. The motion carried. (Roll Call Vote: Ayes – AEWS D Coff, FID, KDWCD, KTWD, LID, LSID, MID, OCID, PID, SID, TBID, TID; Nays – 0; Absent –0)

**13)GOVERNMENT AFFAIRS AND COMMUNICATIONS REPORT (PHILLIPS)**- Updates and other items of interest as noted by Government Affairs and Communications.

- a. The Board reviewed pending State and Federal Legislation including SB 5 (DeLeon) which would enact the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 and would authorize the issuance of bonds in an amount of \$3,500,000,000 to finance a drought, water, parks, climate, coastal protection, and other outdoor access for all programs.
- b. 2018 Water Bond Update. CEO Phillips reported that edits to the 2018 Water Bond window is now closed. The Bond includes \$750,000,000 for water conveyance activities.

**14)GC'S MATTERS**- Updates and other items of interest as noted by General Counsel, not already covered in the agenda. General Counsel Davis had no updates.

**15)COO'S REPORT**- Updates and other items of interest as noted by the Chief Operating Officer, not already covered in the agenda.

- a. Subsidence Issues – COO DeFlitch gave a brief update on Subsidence issues saying that meetings continue to be held with various agencies and interested groups and that Staff is working with Reclamation to free up some Restoration Project funding to assist in the subsidence repair.
- b. Pump-back Project – COO DeFlitch gave a brief update on the Pump-back project.
- c. O&M Report COO DeFlitch gave a brief update the O&M report.

**16)CEO'S REPORT**– Updates and other items of interest as noted by the CEO, not already covered in the agenda.

- a. Draft FY 2018 GM Budget – The Board reviewed and took action on the Draft FY 2018 General Member Budget to release it to the home boards for further review.

M/S/C – Motion by Director Borba, seconded by Director Demetriff, to recommend that the proposed FY 18 budget be reviewed and be submitted to the respective home boards for further review. The motion carried. (Roll Call Vote: Ayes – AEWS D CofF, FID, KDWCD, KTWD, LID, LSID, MID, OCID, PID, SID, TBID, TID; Nays – 0; Absent –0)

#### **CLOSED SESSION ITEMS (17-19)**

**17)CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION [GOVERNMENT CODE SECTION 54956.9(D)(1)]** – Name of matter: NRDC v. Murillo, U.S. District Court, Eastern District of California (Sacramento Division), Case No. 88-cv-1658-LKK-GGH

**18)CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION [GOVERNMENT CODE SECTION 54956.9(D)(2)]** – Significant exposure to litigation: One potential matter.

**19)CONFERENCE WITH LEGAL COUNSEL—INITIATION OF LITIGATION [GOVERNMENT CODE SECTION 54956.9(D)(4)]—INITIATION OF LITIGATION: THREE POTENTIAL CASES.**

**20)RECONVENE INTO OPEN SESSION --ANNOUNCE REPORTABLE ACTION TAKEN DURING CLOSED SESSION [GOVERNMENT CODE SECTIONS 54957.7 AND 54957.1.**



There was no reportable action taken during closed session.

21) *ADJOURNMENT* - The meeting adjourned at 12:26 p.m.

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Jason R. Phillips, Chief Executive Officer  
Friant Water Authority

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Toni Marie, Recording Secretary  
Friant Water Authority

**FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, SEPTEMBER 2017**

**Draft**

PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION
<b>These bills paid 9/11/17</b>				
Office Team	945.00	1,580.25	2,525.25	Administrative services for Sacramento (43 hours) and for Lindsay offices (45 hours)
Standard Insurance	5,489.07	1,285.32	6,774.39	Survivors life insurance premium
Lincoln National Life Insurance	2,852.89	454.26	3,307.15	Long term disability and Life insurance premiums
Comcast	-	404.63	404.63	Internet service for the Sacramento office
Sparkletts	69.57	14.63	84.20	Water conditioning services for the Fresno office and Kings River house
Ability	131.93	-	131.93	Answering service for Lindsay office and canal alarms
AT&T	531.94	-	531.94	Telephone service charges
City of Delano	222.19	-	222.19	City utility services
City of Lindsay	366.17	-	366.17	City utility services
Culligan	134.92	-	134.92	Water conditioning services for the Lindsay and OC yards
Friant Water Authority	215,000.00	-	215,000.00	Employee payroll
Microsoft	1,113.97	-	1,113.97	Microsoft Intune and Office 365 services
Olson Computer Services	79.95	-	79.95	Wireless internet for Lindsay conference room
Pacific Gas & Electric	113.42	-	113.42	Utility service charges
Smart & Final	210.84	-	210.84	Supplies for all three yards
SoCalGas	94.36	-	94.36	Utility service charges
Southern California Edison	25.56	-	25.56	Facility and canal utility service charges
Tim's Auto Glass	100.00	-	100.00	Replacement cab window for equipment
Unwired Broadband, Inc.	149.95	-	149.95	Internet connection for O/C yard
Vast Network	800.00	-	800.00	Internet connection for Lindsay office/PRI for phone service
Verizon	3,866.68	-	3,866.68	Telephone service charges and SCADA communication charges
Verizon Wireless	1,426.90	-	1,426.90	SCADA mobile to mobile communication charges
Xerox	139.89	-	139.89	Maintenance agreement for (1) copier
Zenith Insurance Company	9,427.00	-	9,427.00	Workers compensation
<b>Total paid:</b>	<b>243,292.20</b>	<b>3,739.09</b>	<b>247,031.29</b>	
<b>Bills to be paid 9/28/17</b>				
Dentons US, LLP	-	22,274.21	22,274.21	Professional services for July
San Joaquin Valley Water Infrastructure	-	29,056.26	29,056.26	Engineering cost share for upstream storage
Bill Luce Consulting	-	11,943.88	11,943.88	Consulting services for August
Bank of America	2,603.89	13,734.97	16,338.86	Various Visa charges (Hotel and meal expenses)
ACWA - JPIA	68,033.09	6,687.27	74,720.36	Medical, dental, vision insurance
Delaware North at Sequoia & Kings Canyon	-	3,321.60	3,321.60	Friant Water Authority Board retreat
Fennemore Craig	-	2,484.00	2,484.00	Professional services for August
The Ferguson Group	-	4,000.00	4,000.00	Retainer for October
Cecor, L.P.	-	1,910.40	1,910.40	Rent for Fresno office
Office Team	378.00	1,470.00	1,848.00	Administrative services for Sacramento office (40 hours) and for Lindsay office (18 hours)
Office Depot	325.52	932.49	1,258.01	Office supplies for the Lindsay and Sacramento offices
Phillips, Jason	-	877.52	877.52	Expense claim reimbursement

**FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, SEPTEMBER 2017**

**Draft**

PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION
Marriott Visalia	603.68	603.68	1,207.36	General meetings
Comcast	-	324.21	324.21	Internet service for the Fresno office
Secretary of State	-	310.00	310.00	Late filing fee for lobbyist quarterly report
West Unified Communications Services	202.21	158.02	360.23	Conference calls
Computer Industries	-	135.00	135.00	FWA website additions
Amazon	13.68	48.94	62.62	Office supplies for the Fresno and Lindsay offices
Adam, Ron	77.14	-	77.14	Finance Committee meeting
Agri-Turf Distributing	2,286.78	-	2,286.78	Mechanical rodent control equipment
AT&T	127.19	-	127.19	Telephone service charges
Awards & Signs	85.72	-	85.72	Plaques and engravings
Basic Industries	171.74	-	171.74	Repair parts for Lindsay pickup
Battery Systems	1,010.17	-	1,010.17	(8) Batteries
Bennett, Kathy	122.52	-	122.52	Expense reimbursement
Blankinship & Associates	250.00	-	250.00	Aquatic pesticide NPDES permit 2017
California Employers Association	443.50	-	443.50	Quarterly dues
Chevron	335.61	-	335.61	Various fuel charges
City of Orange Cove	328.35	-	328.35	City utility services
CLF Warehouse	77.49	-	77.49	Shop supplies for OC yard
Coastline Equipment	657.63	-	657.63	Repair parts for trailer
Constar	103.16	-	103.16	Cement materials for OC yard
Craig's Auto Parts	129.36	-	129.36	Mechanic supplies and monthly routine parts for Lindsay fleet of vehicles
DACO Farm Supply	134.20	-	134.20	Routine parts & supplies for Delano maintenance vehicles & equipment
Datavault, Inc.	30.75	-	30.75	Legal documentation storage
DeFlitch, Doug	718.51	-	718.51	Expense reimbursement
Delano Building Materials	192.85	-	192.85	Miscellaneous supplies for Delano yard
Demetriff, Lucille	92.12	-	92.12	Finance Committee meeting
Dinuba Lumber	382.39	-	382.39	Hardware for OC yard
Doug Deleo Welding	473.50	-	473.50	Welding shop supplies for Lindsay yard
Farm Bureau Fresno County	175.00	-	175.00	Membership dues
Fastenal	422.01	-	422.01	Shop supplies for OC and Delano yards
Fleet Tek	777.00	-	777.00	Annual charge for GPS services
Foothill Auto	1,009.54	-	1,009.54	Monthly routine parts and supplies for OC yard & fleet of vehicles and equipment
Foundation For Medical	100.00	-	100.00	Cobra administration service
Fousek, Tom	170.00	-	170.00	Expense reimbursement
Fresno Bee	316.57	-	316.57	Subscription renewal
Friant Water Authority	165,000.00	-	165,000.00	Employee payroll
Frontier Communications	36.91	-	36.91	Telephone service charges
Fruit Growers Supply	512.66	-	512.66	Miscellaneous supplies for all three yards and Water Ops
FWA-Petty Cash Checking	56.02	-	56.02	Petty cash checking reimbursement
Grainger	704.82	-	704.82	Safety supplies and hardware for OC yard

**FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, SEPTEMBER 2017**

PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION	Draft
Graybar	253.99	-	253.99	Electrical control boxes for check structures	
Grossmayer & Associates	2,632.50	-	2,632.50	Time card system testing	
Home Depot	1,355.52	-	1,355.52	Materials for all three yards and Water Ops	
Hydraulic Controls	718.39	-	718.39	Repair parts for mower	
Lawson Products	569.14	-	569.14	Shop supplies for Mechanic	
Lindsay Equipment Rental	254.22	-	254.22	Propane for Lindsay yard (8 gallons) and equipment rental	
Lindsay True Value	159.96	-	159.96	Monthly routine hardware and supplies for Lindsay yard	
Mail Finance	476.71	-	476.71	Quarterly maintenance agreement for postage meter	
Marie, Toni	357.38	-	357.38	Expense reimbursement	
Monarch Ford	35.37	-	35.37	Repair parts for spray rig	
Moonlight Maintenance Service	1,868.26	-	1,868.26	Janitor service for all three yards	
Morris Levin & Son	455.48	-	455.48	Electrical service to install replacement compressor at Delano yard	
Municipal Maintenance Equipment	81.38	-	81.38	Repair parts for tiger mower	
Office Depot	70.31	-	70.31	Office supplies for Lindsay office	
Orange Cove Tire	269.00	-	269.00	Brake repairs and service	
Pacific Gas & Electric	2,888.25	-	2,888.25	Utility service charges	
Papa Seminars	800.00	-	800.00	Continuing education hours for qualified applicator employees (8)	
Pape Kenworth	730.16	-	730.16	Repair parts for water truck and shop supplies	
Pape Machinery	20.00	-	20.00	Repair parts for backhoe	
PBW Distributor	159.05	-	159.05	Repair parts for tiger mower	
Perez, Gary	36.96	-	36.96	Expense reimbursement	
Petty Cash-Lindsay	169.83	-	169.83	Petty cash reimbursement	
Porterville Electric Company	360.00	-	360.00	Repair parts and service for wash system	
Porterville Lock & Safe	15.14	-	15.14	Duplicate keys for Delano yard	
Porterville Rock	435.49	-	435.49	Rock for road maintenance	
Porterville Valley Promptcare Medical	265.00	-	265.00	Drug testing (8) and DMV physical (1)	
Praxair	106.28	-	106.28	Welding shop supplies for OC yard	
Primus	222.02	-	222.02	Telephone service charges	
Provost & Pritchard Consulting Group	6,803.50	-	6,803.50	Consulting services for July	
Prudential Overall Supply	1,923.74	-	1,923.74	Uniform, coverall and mat service charges for all three yards	
Quik Rooter & Plumbing	485.00	-	485.00	Plumbing service at Lindsay office	
Quill Corporation	765.02	-	765.02	Office supplies for Lindsay office	
Quinn	766.86	-	766.86	Repair parts for OC equipment	
Rain for Rent	52,071.20	-	52,071.20	Subsidence Pumping Project (Kern-Tulare WD to reimburse their share of cost)	
Rick's Lock & Key	20.00	-	20.00	Lock for tool box	
Robert V. Jensen	2,005.68	-	2,005.68	Fuel for Lindsay yard	
Robinson, John	300.00	-	300.00	Expense reimbursement	
Ron Turley Associates	504.00	-	504.00	Quarterly hosting fees	
Safety Network Traffic Signs	2,154.10	-	2,154.10	Replacement high voltage signs for Friant-Kern canal	
San Joaquin Paint	209.72	-	209.72	Paint supplies for Delano yard	

**FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, SEPTEMBER 2017**

PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION	Draft
San Joaquin Pest Control	138.00	-	138.00	Pest control services for all three yards	
San Luis & Delta Mendota Water Authority	284,101.63	-	284,101.63	Settlement contractor's estimated September/October (wire)	
Sevier's Auto	214.22	-	214.22	Mechanic supplies and monthly routine parts for Delano fleet of vehicles	
Sherwin Williams Company	208.23	-	208.23	Paint for OC yard	
Smith Auto	88.68	-	88.68	Monthly routine parts, supplies for OC yard & fleet of vehicles	
Soapman of Kern County	153.01	-	153.01	Shop supplies for Mechanic	
Southern California Edison	4,089.12	-	4,089.12	Facility and canal utility service charges	
T F Tire	2,769.81	-	2,769.81	Heavy equipment tires (4), dismounts, mounts (4), service and repairs	
Technoflo Systems	1,586.19	-	1,586.19	Meter repair parts for Water Ops	
Telcion	14,850.00	-	14,850.00	Wireless access project and Fresno office phone system upgrade	
Truck Pro	1,440.72	-	1,440.72	Transmission repair parts for boom truck	
Tulare County Environmental Health	785.00	-	785.00	Annual environmental fees	
Valley Friction	431.90	-	431.90	Repair parts for OC equipment	
Valley Lube Equipment	242.80	-	242.80	Shop equipment for OC yard	
Valley Pacific Petroleum	16,755.30	-	16,755.30	Fuel for all three yards and FKC subsidence pumping	
Verizon Wireless	1,390.37	-	1,390.37	Service charges for (27) cell phones, (3) air cards and (1) iPad	
Weisenberger's Ace Hardware	78.75	-	78.75	Supplies for Lindsay yard and Water Ops	
World Oil Environmental	100.00	-	100.00	Parts washer service and waste removal at the Lindsay yard	
Wyndham Visalia	1,099.52	-	1,099.52	Board of Directors meeting	
Zoom	219.03	-	219.03	Freight charges for Xerox supplies and contract copy overage charge	
<b>Subtotal to be paid</b>	<b>664,188.17</b>	<b>100,272.45</b>	<b>764,460.62</b>		
<b>Total previously paid</b>	<b>243,292.20</b>	<b>3,739.09</b>	<b>247,031.29</b>		
<b>Grand total to be approved</b>	<b>907,480.37</b>	<b>104,011.54</b>	<b>1,011,491.91</b>		

## **FRIANT WATER AUTHORITY**

### **CASH ACTIVITY BALANCE MONTH ENDING AUGUST 31, 2017**

	Beginning Balance	Increases	Decreases	Ending Balance
FKC Operations & Maintenance	\$ 4,742,398.02	1,384,477.95	(2,594,477.19)	\$ 3,532,398.78
SLDMWA	\$ (144,879.14)	1,800,963.49	(968,475.36)	\$ 687,608.99
<b>Total</b>	<b>\$ 4,597,518.88</b>	<b>3,185,441.44</b>	<b>(3,562,952.55)</b>	<b>\$ 4,220,007.77</b>
General Member	\$ 1,010,742.99	54,901.24	(156,002.85)	\$ 909,641.38
<b>Total</b>				<b>\$ 5,129,649.15</b>

### **BANK ACTIVITY BALANCE MONTH ENDING AUGUST 31, 2017**

Local Agency Investment Fund	\$ 3,991,278.50	0.00	0.00	\$ 3,991,278.50
Bank of the Sierra	\$ 1,616,983.37	3,008,219.57	(3,486,832.29)	\$ 1,138,370.65
<b>Total</b>				<b>\$ 5,129,649.15</b>

NOTE: Cash on deposit with LAIF represents the consolidation of available balances held by all FWA funds.

Most Current Interest Rate: For month ended 08/31/17, effective yield, 1.084%

Total LAIF fund as of 08/31/17: \$20,655,605,026.11

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

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

**FRIANT WATER AUTHORITY  
O&M FUND  
CASH ACTIVITY REPORT  
MONTH ENDING AUGUST 31, 2017**

	<u>Checking &amp; Investments</u>	<u>Payroll Checking</u>	<u>Petty Cash</u>	<u>Total</u>
CASH BALANCE JULY 31, 2017	\$ 4,590,339.42	\$ 6,379.46	\$ 800.00	\$ 4,597,518.88
Increases:				
District O&M receipts	673,056.00			673,056.00
SLDMWA receipts	1,800,960.89			1,800,960.89
Revenue from property disposal	6,405.00			6,405.00
Conveyance revenue	42,152.11			42,152.11
Revenue from subsidence pumping	51,493.05			51,493.05
Miscellaneous deposits	453.60			453.60
Revenue from outside services	10,360.03			10,360.03
Interest received from Bank of the Sierra	437.65			437.65
Transfer from payroll	38,000.00			38,000.00
Other Funds:				
Current Month Payroll & Benefits reimbursement	59,824.20			59,824.20
Administration Allocation	7,298.91			7,298.91
Held payroll transfers	(a) 165,000.00			165,000.00
Payroll deposits	(b) 330,000.00	330,000.00		330,000.00
Total Increases	<u>2,855,441.44</u>	<u>330,000.00</u>	<u>0.00</u>	<u>3,185,441.44</u>
Decreases:				
O&M Expenditures	2,063,757.18			2,063,757.18
Wire to SLDMWA	968,475.36			968,475.36
Electronic Wire Transfers to Standard	36,002.78			36,002.78
Bank charges	50.00			50.00
Payroll Transfers Held Last Month	(b) 165,000.00			165,000.00
Payroll Cash Outlays		329,667.23		329,667.23
Total Decreases	<u>3,233,285.32</u>	<u>329,667.23</u>	<u>0.00</u>	<u>3,562,952.55</u>
CASH BALANCE AUGUST 31, 2017	<u>\$ 4,212,495.54</u>	<u>\$ 6,712.23</u>	<u>\$ 800.00</u>	<u>\$ 4,220,007.77</u>

(a) Included in expenditures to be approved, for next month's payroll.

(b) Authorized in previous month, for current month's payroll.

**FRIANT WATER AUTHORITY  
GENERAL MEMBERS FUND  
CASH ACTIVITY REPORT  
MONTH ENDING AUGUST 31, 2017**

CASH BALANCE JULY 31, 2017		\$ 1,010,742.99
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Increases:

Call for Funds	40,126.74
Workplan 1, 2, & 3 - FNA	<u>14,774.50</u>

Total Cash Receipts	<u>54,901.24</u>
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Decreases:

Bank of America	1,882.09
Bill Luce Consulting, LLC	15,587.00
Burke, Williams & Sorensen, LLP	30,418.77
Clerici Consulting	3,640.00
DM Camp & Sons	2,349.47
Dentons US, LLP	19,084.08
Payne, Jeff	835.67
Phillips, Jason	35.61
Stantec	3,797.50
Office Expenses	3,096.03
Other Payroll Benefits	8,153.52
Reimburse O&M:	
Current Month Payroll & Retirement	59,824.20
Administration Allocation	<u>7,298.91</u>

Less Total Cash Disbursements	<u>156,002.85</u>
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CASH BALANCE AUGUST 31, 2017	<u><u>\$ 909,641.38</u></u>
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**FRIANT WATER AUTHORITY**  
**MONTH ENDING AUGUST 31, 2017**  
**CASH ACTIVITY REPORT**  
**LOCAL AGENCY INVESTMENT FUND (L.A.I.F.)**  
**(FUNDS ON DEPOSIT WITH STATE OF CALIFORNIA)**  
**CASH ACTIVITY REPORT**

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CASH BALANCE JULY 31, 2017	<u>\$ 3,991,278.50</u>
Increases:	
No increases	-
Decreases:	
No decreases	<u>-</u>
CASH BALANCE AUGUST 31, 2017	<u><u>\$ 3,991,278.50</u></u>

Balance ascribed to:

O&M Fund	\$ 3,284,261.13
General Member Fund	<u>707,017.37</u>
	<u><u>\$ 3,991,278.50</u></u>

NOTE: Cash on deposit with LAIF represents the consolidation of available balances held by all  
FWA funds. Most Current Interest Rate: For month ended 08/31/17, effective yield, 1.084%  
Total LAIF fund as of 08/31/17: \$20,655,605,026.11

The Authority's investments are in compliance with its Statement of Investment Policy dated July 22, 2004.  
Management believes it is fully able to meet its expenditure requirements for the next six months.

# FWA Budget Presentation

FY 2016 - 2017

Budget year 92% completed

Operations & Maintenance	FY 2017 Budget	August 2017 Year to Date	Budget Remaining	Budget Spent %
<b>Operations Dept</b>				
Employee Salaries/Pay	780,105	642,427	137,678	82%
Employee Benefits	328,962	286,273	42,689	87%
Supplies & Services	631,350	357,949	273,401	57%
<b>Total Operations</b>	<b>1,740,417</b>	<b>1,286,649</b>	<b>453,768</b>	<b>74%</b>
<b>Maintenance Dept</b>				
Employee Salaries/Pay	2,003,563	1,794,703	208,860	90%
Employee Benefits	851,481	724,016	127,465	85%
Supplies & Services	1,908,195	1,885,078	23,117	99%
<b>Total Maintenance</b>	<b>4,763,239</b>	<b>4,403,796</b>	<b>359,443</b>	<b>92%</b>
<b>Administration Allocation to O&amp;M</b>	1,472,146	1,239,236	232,910	84%
<b>Administration Fixed Assets not allocated</b>	110,160	15,714	94,446	14%
<b>Total Operations &amp; Maintenance</b>	<b>8,085,962</b>	<b>6,945,396</b>	<b>1,140,566</b>	<b>86%</b>

General Member	FY 2017 Budget	August 2017 Year to Date	FY 2017 Remaining	Budget spent %
Employee Salaries/Pay with Benefits	880,513	806,552	73,961	92%
Other supplies and services	374,824	287,286	47,538	77%
Admin Allocation to GM	142,716	100,877	41,839	71%
General Counsel	120,000	150,991	(30,991)	126%
Outside Legal Consultants	175,000	159,066	15,934	91%
Other Consultants	1,150,000	358,631	831,370	31%
<b>Total General Member</b>	<b>2,843,053</b>	<b>1,863,403</b>	<b>979,650</b>	<b>66%</b>

**FRIANT WATER AUTHORITY  
OCTOBER 2016 - AUGUST 2017**

BUDGET ITEM	FYE 9/30/17 BUDGET AMT	CURRENT YTD FWA	PROJECTED REMAINING	YEAR-TO-DATE LABOR	YEAR-TO-DATE NON-LABOR
<b>OPERATIONS DEPT:</b>					
Vehicle & Equipment Acquisition	4,009	184	3,825		184
Weed & Pest Control	-	51	(51)	51	
Yard & Building Maintenance	47,503	48,027	(524)	13,309	34,718
Structure & Gate Maintenance	202,114	113,327	88,787	53,823	59,504
Right of Way & Structure Cleaning	8,165	-	8,165		
Bargate, Guardrail & Lock Maintenance	4,895	4,775	120		4,775
Concrete Lining Repair	-	783	(783)	783	
Drainditch & Channel Maintenance	-	4,829	(4,829)	4,829	
Sump Pump Maintenance	2,021	985	1,036	985	
Rip-Rapping	-	8,276	(8,276)	8,276	
FKC Subsidence pumping	-	4,344	(4,344)	4,344	
Comm. & Instr. (General)	13,598	12,029	1,569	9,198	2,832
Comm. & Instr. (SCADA)	323,971	86,132	237,839	54,379	31,752
Meter Repair & Calibration	194,407	99,268	95,139	66,436	32,832
Canal Patrol	181,620	212,081	(30,461)	211,360	721
Operations Reports	95,001	102,682	(7,681)	102,664	18
Operations Supervision	40,251	35,174	5,077	35,167	7
Water Measurement	64,302	39,001	25,301	10,951	28,050
Miscellaneous Operations	3,946	612	3,334		612
Groundwater Well Measurement	4,006	1,312	2,694	1,091	221
Safety & First Aid Training	13,574	3,543	10,031	2,093	1,450
Payroll Preparation	483	-	483		
Meeting Expenses-General	3,864	1,294	2,570	1,268	26
Meeting Expenses-Staff	3,821	552	3,269	552	
Training & Education	30,271	2,446	27,825	2,246	200
Procurement Expense	966	-	966		
Inventory & Property Management	4,540	-	4,540		
Employee Benefit-Holiday	22,927	19,515	3,412	19,515	
Employee Benefit-Sick Pay	-	16,464	(16,464)	7,091	9,374
Employee Benefit-Vacation	40,748	34,232	6,516	31,349	2,884
Employee Benefit-Jury Duty/Military	-	407	(407)	407	
Utilities	59,339	26,157	33,182		26,157
Telephone Expense	9,833	21,126	(11,293)		21,126
Employee Incentives & Awards	3,876	1,700	2,176		1,700
Budget Preparation	966	263	703	263	
Retirement, Health Ins, Payroll Taxes	328,962	286,273	42,689		286,273
Depreciation expense - Operations	-	58,855	(58,855)		58,855
Vehicle & Equipment Acquisition	26,438	39,953	(13,515)		39,953
<b>TOTAL OPERATIONS DEPT</b>	<b>1,740,417</b>	<b>1,286,649</b>	<b>453,768</b>	<b>642,427</b>	<b>644,222</b>

**FRIANT WATER AUTHORITY  
OCTOBER 2016 - AUGUST 2017**

BUDGET ITEM	FYE 9/30/17 BUDGET AMT	CURRENT YTD FWA	PROJECTED REMAINING	YEAR-TO-DATE LABOR	YEAR-TO-DATE NON-LABOR
<b>MAINTENANCE DEPT:</b>					
Vehicle & Equipment Service	768,500	486,241	282,259	198,303	287,938
Maintenance Supervision	297,118	429,918	(132,800)	429,885	33
Right of Way Management	89,049	69,227	19,822	69,119	108
Weed & Pest Control	672,817	589,821	82,996	196,853	392,968
Road Maintenance	49,944	34,889	15,055	27,626	7,264
Yard & Building Maintenance	211,654	213,022	(1,368)	104,755	108,268
Structure & Gate Maintenance	377,585	226,030	151,555	120,105	105,924
Right of Way & Structure Cleaning	35,176	7,998	27,178	7,998	
Bargate, Guardrail & Lock Maintenance	56,900	21,722	35,178	13,999	7,724
Embankment Maintenance	57,177	78,307	(21,130)	74,949	3,359
Bridge Maintenance	69,845	39,038	30,807	20,806	18,232
Miscellaneous Maintenance	5,931	37,841	(31,910)	17,026	20,815
Reverse Flow Pumping	-	-	-		
Concrete Lining Repair	298,600	129,492	169,108	70,256	59,236
Drainditch & Channel Maintenance	102,578	114,207	(11,629)	55,957	58,250
Fence Maintenance	52,536	57,159	(4,623)	37,602	19,556
Mudjacking	11,226	12,912	(1,686)	11,942	970
Painting	43,941	65,083	(21,142)	52,925	12,158
Sump Pump Maintenance	1,686	345.03	1,341		345
Cross Drainage & Structure Maint	3,161	193	2,968	193	
Rip-Rapping	32,884	18,911	13,973	10,011	8,900
Friant-Kern Canal Rehab	-	-	-		
USBR Pump Back Project	-	52,590	(52,590)	1,300	51,290
FKC Subsidence	-	226,475	(226,475)	6,274	220,201
Canal Patrol	-	38	(38)	38	
Operations Supervision	105,858	33,147	72,711	32,189	958
Misc Operations - DMC Intertie	-	554	(554)		554
Legal Expense - Direct	-	24,075	(24,075)		24,075
Safety & First Aid Training	87,806	26,350	61,456	9,753	16,597
Payroll Preparation	2,271	1,013	1,258	1,013	
Meeting Expenses-General	5,416	9,605	(4,189)	8,467	1,138
Meeting Expenses-Board of Directors	6,569	6,668	(99)	6,668	
Meeting Expenses-Subcommittee	6,788	6,967	(179)	6,888	79
Meeting Expenses-Staff	12,356	5,102	7,254	4,992	109
Training & Education	48,417	26,480	21,937	10,715	15,766
Procurement Expense	7,336	654	6,682	654	
Inventory & Property Management	4,954	15	4,939	15	
Employee Benefit-Holiday	62,370	49,857	12,513	49,857	
Employee Benefit-Sick Pay	-	60,476	(60,476)	55,713	4,762
Employee Benefit-Vacation	98,075	92,305	5,770	68,205	24,100
Employee Benefit-Jury Duty/Military	-	1,715	(1,715)	1,715	
Travel	-	314	(314)		314
Personnel Administration	9,142	1,064	8,078	525	539
Industrial Injuries & Accidents	-	-	-		
Utilities	67,320	63,884	3,436		63,884
Telephone Expense	11,689	8,590	3,099		8,590
Employee Incentives & Awards	8,772	8,739	33		8,739
Postage		22	(22)		22
Dues & Subscriptions	5,226	4,005	1,221		4,005
Budget Preparation	12,374	6,355	6,019	6,264	91
Outside Services	-	3,146	(3,146.28)	3,146	
Retirement, Health Ins, Payroll Taxes	851,481	724,016	127,465		724,016
Depreciation expense - Maintenance	-	154,238	(154,238)		154,238
Vehicle & Equipment Acquisition	110,711	172,979	(62,268)		172,979
<b>TOTAL MAINTENANCE DEPT</b>	<b>4,763,239</b>	<b>4,403,796</b>	<b>359,443</b>	<b>1,794,703</b>	<b>2,609,094</b>

**FRIANT WATER AUTHORITY  
OCTOBER 2016 - AUGUST 2017**

BUDGET ITEM	FYE 9/30/17 BUDGET AMT	CURRENT YTD FWA	PROJECTED REMAINING	YEAR-TO-DATE LABOR	YEAR-TO-DATE NON-LABOR
<b>ADMINISTRATIVE:</b>					
Legal Expense - Direct	-	-	-		
Administrative Supervision	24,593	15,217	9,376	14,597	621
Safety & First Aid Training	9,133	2,265	6,868	2,218	47
Office Administration (Typing, etc.)	204,346	152,905	51,441	132,549	20,356
Payroll Preparation	8,639	7,014	1,625	7,014	
Meeting Expenses-General	510	4,064	(3,554)	3,886	178
Meeting Expenses-Board of Directors	19,524	20,943	(1,419)	3,802	17,141
Meeting Expenses-Subcommittee	10,468	10,148	320	1,162	8,986
Meeting Expenses-Staff	3,663	2,503	1,160	2,263	240
Training & Education	24,650	3,067	21,583	1,337	1,730
Miscellaneous Administration	13,210	3,709	9,501		3,709
Procurement Expense	1,785	-	1,785		
Inventory & Property Management	1,787	322	1,465	322	
Employee Benefit-Holiday	19,919	16,051	3,868	16,051	
Employee Benefit-Sick Pay	-	24,488	(24,488)	26,197	(1,709)
Employee Benefit-Vacation	37,239	31,371	5,868	29,352	2,019
Employee Benefit-Jury Duty/Military	-	-	-		
Data Processing	134,579	118,852	15,727	74,678	44,175
Travel Expense	19,200	10,288	8,912		10,288
Accounting & Auditing	190,134	171,250	18,884	160,550	10,700
Personnel Administration	22,907	45,554	(22,647)	5,168	40,385
Retirement Administration	21,200	5,266	15,934		5,266
Liability Insurance	131,733	148,664	(16,931)		148,664
Workers Compensation Insurance	105,000	103,367	1,633		103,367
Legal Services	122,400	8,200	114,200		8,200
Utilities	52,435	41,252	11,183		41,252
Telephone Expense	26,724	19,339	7,385		19,339
Office Supplies	44,670	17,011	27,659		17,011
Employee Incentives & Awards	4,080	3,195	885		3,195
Postage	4,080	3,164	916		3,164
Dues & Subscriptions	61,003	54,597	6,406		54,597
Budget Preparation	4,258	1,399.39	2,859	1,399	
Lease Office Equipment	35,692	25,481	10,211		25,481
Retirement, Health Ins, Payroll Taxes	246,104	203,208	42,896		203,208
Depreciation expense - Administration	-	54,759	(54,759)		54,759
<b>Fixed Assets (not included in allocation)</b>	<b>110,160</b>	<b>15,714</b>	<b>94,446</b>		15,714
Admin Reimb - GM Fund	(133,519)	(100,877)	(32,642)		(100,877)
<b>TOTAL ADMINISTRATION</b>	<b>1,582,306</b>	<b>1,243,751</b>	<b>338,555</b>	<b>482,546</b>	<b>761,205</b>

**Administration Total Allocated out**

<b>O&amp;M</b>	<b>92.42%</b>	<b>1,239,236</b>
<b>GM</b>	<b>7.58%</b>	<b>100,877</b>

BUDGET ITEM	FYE 9/30/17 BUDGET AMT	CURRENT YTD FWA	PROJECTED REMAINING	CURRENT YTD NON-LABOR
<b>CARRY OVER ITEMS FY 2016</b>				
SCADA, Telemetry project	325,148	106,113	219,036	
VOIP System upgrade	25,000	11,250	13,750	
<b>TOTAL CARRY OVER ITEMS FY 2016</b>	<b>350,148</b>	<b>117,363</b>	<b>232,786</b>	<b>-</b>

**FRIANT WATER AUTHORITY  
OCTOBER 2016 - AUGUST 2017**

BUDGET ITEM	FYE 9/30/17 BUDGET AMT	CURRENT YTD FWA	PROJECTED REMAINING	YEAR-TO-DATE LABOR	YEAR-TO-DATE NON-LABOR
<b>GENERAL MEMBERSHIP:</b>					
USBR Pump Back Project	-	21,281	(21,281)	21,281	
FKC Subsidence	-	4,162	(4,162)	4,162	
Miscellaneous Operations - O&M Intertie	-	825	(825)	825	
Employee Benefit-Holiday	-	20,216	(20,216)	20,216	
Employee Benefit-Sick Pay	-	14,704	(14,704)	9,682	5,022
Employee Benefit-Vacation	-	42,765	(42,765)	24,747	18,018
Employee Benefit-Jury Duty/Military	-	3,039	(3,039)	3,039	
Travel Expense	-	33,966	(33,966)		33,966
BDGP Agreement	-	11,204	(11,204)		11,204
Miscellaneous	-	4,390	(4,390)		4,390
City of Fresno vs USA (JDA)	-	41,793	(41,793)		41,793
GM Administrative Costs	841,470	375,754	465,716	239,063	136,691
Administration Allocation	142,716	100,877	41,839		100,877
Water Supply Management	-	2,795	(2,795)	2,574	221
Friant Supply, Tracking, Policies & Defense	58,400	36,510	21,890	25,433	11,076
Delta Supply, Tracking, Policies & Defense	335,900	155,740	180,160	67,290	88,450
San Joaquin Settlement	127,800	111,683	16,117	38,403	73,281
Reconsultation (CVP/SWP) LTO	-	12,529	(12,529)	2,432	10,097
Friant Sustainability Plan	-	9,823	(9,823)	3,759	6,064
Upstream Storage	-	43,389	(43,389)	11,343	32,046
Special Projects	-	12,881	(12,881)	1,248	11,633
NASA Airborne Snow Observatory	750,000	17,089	732,911	10,011	7,078
Organization & Governance	-	6,319	(6,319)	2,684	3,635
Annual Strategic Planning	-	12,526	(12,526)	3,123	9,403
Friant Member & Grower Coordination	-	115,213	(115,213)	47,885	67,329
Grants and Funding Development	-	4,547	(4,547)	1,047	3,500
Outreach and Engagement	-	6,529	(6,529)	1,262	5,267
Legislative Affairs	251,750	297,937	(46,187)	25,417	272,519
State Regulatory Affairs	50,000	43,191	6,809	1,995	41,196
External Affairs	34,180	68,999	(34,819)	12,345	56,654
Communications & Media Relations	67,050	63,374	3,676	20,341	43,032
Retirement, Health Ins, Payroll Taxes	183,787	167,355	16,432		167,355
<b>TOTAL GENERAL MEMBERSHIP</b>	<b>2,843,053</b>	<b>1,863,403</b>	<b>979,650</b>	<b>601,608</b>	<b>1,261,795</b>

	FYE 9/30/17 BUDGET AMT	CURRENT YTD FWA	BUDGET AMOUNT REMAINING
<b>General Membership Summary</b>			
<b>Outside Legal Consultants</b>	<b>175,000</b>	<b>159,066</b>	<b>15,934</b>
<b>Other Consultants</b>			
Resources Consulting	60,000	66,771	(6,771)
Engineering Support	100,000	53,556	46,444
Airborne Snow	750,000		750,000
WDC Lobbyist	150,000	155,874	(5,874)
Sacramento Lobbyist	50,000	10,800	39,200
Web Design	40,000	34,115	5,885
Other	40,000	37,515	2,485
<b>Total Other Consultants</b>	<b>1,190,000</b>	<b>358,631</b>	<b>831,370</b>
<b>Other Supplies &amp; Services</b>	<b>251,944</b>	<b>210,803</b>	<b>41,141</b>
SJR Basin Studies	-		-
Westlands - SWRCB	50,000	37,238	12,763
Family Farm Alliance	9,000	9,000	-
CVPWA	23,880	30,246	(6,366)
<b>Total Other Supplies &amp; Services</b>	<b>334,824</b>	<b>287,286</b>	<b>47,538</b>
<b>General Counsel</b>	<b>120,000</b>	<b>150,991</b>	<b>(30,991)</b>
<b>Staff Payroll &amp; Benefits</b>	<b>880,513</b>	<b>806,552</b>	<b>73,961</b>
<b>Admin Allocation</b>	<b>142,716</b>	<b>100,877</b>	<b>41,839</b>

**Total GM 2,843,053 1,863,403 979,650**

# **Friant Water Authority Board of Director's Meeting**

## **September 28, 2017**

### **Agenda Detail Sheet**

**AGENDA TOPIC: Nominations to Fill Vacancy of Secretary-Treasurer Office and Vacancies on the Executive Committee, Finance Committee, and HR Committee.**

**SUMMARY:** The pending resignation of the City of Fresno's representative on the Authority, Georgeanne White (effective in October), will leave a number of vacancies that need to be filled as she was serving as the Authority's Secretary-Treasurer, and was also appointed to the Executive Committee, and served as the chair of the Finance Committee and the Human Resources Committee. The Executive Committee made the following nominations at its meeting:

- Cliff Loeffler, the Director representing the Lindsay-Strathmore Irrigation District, who is currently an Alternate on Executive Committee and a regular member of the Finance and Human Resources Committees to serve as Secretary-Treasurer and chair of the Finance/Human Resources Committees.
- Board Vice-Chair Chris Tantau, the Director representing the Kaweah Delta Water Conservation District, to fill the regular member vacancies on the Finance/Human Resources Committees.
- Jim Erickson, the Director representing the Madera Irrigation District, to serve as an Alternate on the Executive Committee.

#### **DISCUSSION:**

The applicable provisions in the Bylaws for filling these vacancies are as follows:

Secretary-Treasurer/Executive Committee Selection Process: Article IV, Section 3 of the Bylaws provides:

*If any [Executive Committee] member... resigns, or otherwise fails to complete the remainder of his or her term, the Chair of the Board will appoint a Nominating Committee of three (3) Friant directors to nominate candidate(s) to stand for election to serve out the remainder of that member's term of office. Nominations of additional candidates will be taken from the Board.*

Although the Bylaws do not explicitly state that the Secretary-Treasurer is a member of the Executive Committee, the Authority's recent practice has been to consider this officer as

part of the Executive Committee and use the above process for both the selection of the officer and the appointment to the Executive Committee. The Director selected will serve out the remainder of Georgeanne White's two-year term (i.e., through January 2019).

If Director Loeffler is selected to serve as Secretary-Treasurer, then there will be a vacancy to fill on the Executive Committee as he is currently an Alternate.

Regular Committee Selection Process: Article IV, Section 5.2 of the Bylaws provides:

*For all Committees other than the Executive Committee, the Chair of the Board will ask each Director to identify the Committees on which he or she is willing to serve. The Executive Committee shall then propose a slate, and take nominations from the Board, for each Committee except the Executive Committee. The Board will vote to approve or reject the proposed Committee members.*

Consistent with the duties of the Secretary-Treasurer, recent practice has been that this officer chairs the Finance/Human Resources Committee. The person selected would serve out the remainder of Georgeanne White's two-year term (i.e., through January 2019). If Director Loeffler is selected to serve as Secretary-Treasurer and as Chair of the Finance/Human Resources Committees, then there will be a vacancy to fill on the Finance/Human Resources Committees.

**SUGGESTED MOTIONS/ACTIONS:**

1. A motion to approve Cliff Loeffler to serve as Secretary-Treasurer of the Authority, and as a member of the Executive Committee, and as chair of the Finance Committee and the Human Resources Committee. [Alternative nominations may be made by the Board.]
2. A motion to approve Chris Tantau as a member of the Finance Committee and the Human Resources Committee. [Alternative nominations may be made by the Board.]
3. A motion to approve Jim Erickson to serve as an Alternate member of the Executive Committee. . [Alternative nominations may be made by the Board.]



# Friant Water Authority Board of Directors Meeting

## September 28, 2017

### Agenda Detail Sheet

**AGENDA TOPIC: MEMORANDUM OF UNDERSTANDING REGARDING COORDINATION, COOPERATION AND COST SHARING ON PRECONSTRUCTION ACTIVITIES RELATED TO THE TEMPERANCE FLAT RESERVOIR PROJECT**

**SUMMARY:** At the August Board of Directors meeting, Staff was directed to prepare a special activities agreement that would provide a mechanism for FWA members to coordinate and cost share with respect to additional studies and analyses to guide potential investors on the development of the Temperance Flat Reservoir Project (Project). In light of the estimated cost of these activities, and the range of potential investors in the Project, Staff is recommending that such agreement take the form of a Memorandum of Understanding (MOU) that could include public agencies outside the membership of FWA in order to start expanding regional cooperation on the Project. A draft MOU was presented to the Executive Committee, and with some modifications, is presented for the Board's consideration.

**RECOMMENDATION:** Provide comments on the draft MOU and then submit the MOU, as revised, to each Director's home board for review and consideration of participation as a party to the MOU. Once FWA understands the scope of member participation, FWA will begin the outreach process to other eligible and interested public agencies.

**DISCUSSION:** The following is summary of the key provisions of the MOU by Section as well as some open issues for discussion.

**Recitals and Section 3. Parties.** Participation in the MOU would be open to public agencies that are: (1) CVP contractors; (2) State Water Project (SWP) contractors; (3) agencies that contract with Reclamation or the State to convey CVP or SWP water supplies (e.g., FWA and the San Luis Delta Mendota Water Authority); and (4) Exchange Contractors. FWA will be a party to the MOU and have a representative on the Steering Committee to ensure Friant-wide interests are represented.

**1. Term.** The initial term is proposed for two years, which could be extended, but the intent of this MOU is to serve as a bridge to the formal Project JPA, and staff believes at this time that two years should be sufficient to complete the proposed feasibility and operational studies.

**2. Purpose.** The purpose of the MOU is to cooperatively fund and manage the preconstruction activities set forth in the Scope of Work (SOW) in furtherance of the

Project. Stantec has prepared a draft SOW (attached), which will become Exhibit B to the MOU. The overall purpose of this work is to further refine the Project feasibility and operational studies so that there is sufficient information to assist the parties in making an informed determination with respect to the extent to which they (or their member agencies) may participate as long-term investors in the Project. Please note Section 2.4, which provides that the vision for the operations plan of the Project set forth in Exhibit C will guide relevant decisions related to the proposed Scope of Work.

**4. Administration.** FWA will serve as the contracting agency in terms of administration, accounting, and executing contracts for the SOW services. A Steering Committee composed of one representative from each party will monitor activities and provide direction to FWA staff based on majority consensus. The Steering Committee will not be a Brown Act body so it has greater flexibility in terms of meetings and internal communications.

**5. Financial.** The estimated cost of the necessary preconstruction activities is estimated to be on order of \$2,000,000 over the next two years. Staff is seeking direction on the minimum amount of an initial contribution to become a party (which amount could be shared among several agencies or through a representative JPA such as the SLDMWA), but the tentative proposal is a minimum of \$100,000. It is likely that the parties will need to provide a similar or higher level of support during the term of the MOU to complete the proposed SOW. The MOU provides that the parties will use “good faith efforts” when forming the Joint Powers Authority (JPA) that would develop the Project to consider a party’s financial contributions under the MOU as a credit towards the costs of the Project for purposes of allocating any ownership interest in the Project and any corresponding rights to additional water stored by the Project.

As provided in Section 5.3, FWA staff and consultant/contractor time will be charge to the MOU parties and collected from their contributions.

**6. Liabilities.** FWA, as the lead agency, will assume all contractual liabilities, so it will need to ensure that sufficient funds are available to cover all work in progress under any consultant contracts.

**7. Indemnity.** Under California law, public agencies undertaking activities based on a contract amongst themselves can be liable for torts committed by the other parties to the contract. As such, it is important to have mutual indemnity provisions.

**8. Disputes.** A process is provided for notification and resolution of any disputes among the parties. If a party remains non-compliant after notice, that party could be terminated from participating in the MOU.

**9. Termination; Withdrawal.** In addition to the ability to terminate an individual, non-compliant party, the MOU provides for mutual termination by all parties, and allows any party to withdraw after 30 days' notice.

**10. Miscellaneous.** Key provisions include a confidentiality section (as many documents will be in draft form, which are generally not required to be disclosed to the public). In addition, please note Sections 10.4 and 10.5, which provide that participation in the MOU activities is voluntary and does not commit the parties to investing in the Project nor does it guarantee any right to participate in the Project or Project JPA. In addition, the MOU does not alter any existing rights or operations of the CVP.

**Timing and Manner of Presentation to outside agencies:** Once FWA staff gets a better sense of which FWA members are interested in participating in the MOU, the MOU will be presented to other Friant and CVP contractors, and then to the Exchange Contractors.

**BUDGET IMPACT:** None. The value of employee and consultant/contractor time expended on the activities under the MOU will be charged to the MOU parties.

**SUGGESTED MOTION/ACTION:** After the Directors and their agency provide comments on the draft MOU:

1. Direct that the MOU, as it may be revised, be submitted to each member's home board in October for review and consideration of participation as a party to the MOU.
2. Request each member notify the COO after their home board meeting as to whether the agency will participate in the MOU, and if so, the amount of their initial contribution.
3. Authorize the CEO to sign the MOU on behalf of FWA, subject to final approval as to form by the General Counsel, as soon as at least five FWA members notify FWA that they will participate in the MOU, or a lesser number of members indicate that they will participate and collectively provide initial contributions that will exceed \$500,000.

**ATTACHMENTS: DRAFT MOU AND SCOPE OF WORK**

# DRAFT

## MEMORANDUM OF UNDERSTANDING REGARDING COORDINATION, COOPERATION AND COST SHARING ON PRECONSTRUCTION ACTIVITIES RELATED TO THE TEMPERANCE FLAT RESERVOIR PROJECT

This Memorandum of Understanding ("**MOU**" or "**Agreement**") is entered into by and between the Friant Water Authority, a California joint powers authority ("**FWA**") and the public agencies listed on the attached Exhibit A, which are referred to in this Agreement individually as a "**Party**" and collectively as the "**Parties**."

### RECITALS

A. Each of the Parties is a public agency organized and operating under the laws of the State of California.

B. Each of the Parties either: (1) contracts for water supplies from the Central Valley Project ("**CVP**"), which is a federal reclamation project operated by the United States Bureau of Reclamation ("**Reclamation**"), (2) contracts for water supplies from a State water facility described in California Water Code section 12934(d) ("**State Water Project**" or "**SWP**"), (3) has a contract with Reclamation or the State of California to convey water from CVP or SWP facilities, or (4) has a legal right to receive water directly from CVP or SWP facilities.

C. As part of the CVP, Reclamation constructed the Friant Dam located northeast of the City of Fresno in Fresno and Madera Counties, California, to store water from the San Joaquin River and its tributaries. The water stored behind Friant Dam is known as Millerton Lake.

D. The Parties, Reclamation, and other public agencies have for a number of years investigated the feasibility of constructing a second dam along the San Joaquin River behind Friant Dam to, among other things, increase water storage capacity on the San Joaquin River.

E. The location of the proposed second dam and reservoir is in an area commonly known as Temperance Flat. As such, the proposed project pertaining to the feasibility studies, design, permitting, construction, management, and ultimately operation of a dam and reservoir and related facilities at Temperance Flat is referred to in this Agreement as the "**Temperance Flat Reservoir Project**" or "**Project**."

F. The Parties desire by this Agreement to provide a short-term mechanism for financing and managing the preparation of additional analyses and studies regarding the potential benefits and feasibility of the Project, as well as other preconstruction activities, as further detailed in the "**Scope of Work**" or "**SOW**" attached as Exhibit B.

G. It is anticipated that some or all of the Parties will ultimately become members of a joint powers agency that FWA and funding agencies may form to implement the Project ("**Project JPA**").

## AGREEMENT

In consideration of the mutual promises, covenants, and conditions set forth in the MOU, the Parties agree as follows:

### 1. EFFECTIVE DATE AND TERM

1.1. **Effective Date.** This Agreement will become effective upon the adoption of a resolution approving the MOU by at least **[five]** Parties including FWA ("**Effective Date**").

1.2. **Term.** The MOU will remain in effect from the Effective Date until the sooner to occur of: (a) termination of the MOU in accordance with Section 9.1, or (b) two years from the Effective Date.

### 2. PURPOSE

2.1. **Purpose.** The purpose of this MOU is to cooperatively fund and manage the preconstruction activities set forth in the Scope of Work in furtherance of the Temperance Flat Project in order to, among other things, assist the Parties in making an informed determination with respect to the extent to which they (or their member agencies) may participate as long-term investors in the Project. In addition to the activities specified in the SOW, the Parties acknowledge and agree that they will coordinate on Project related matters with Reclamation and other federal and State agencies whose approvals will be needed in order to carry out the Project or that have jurisdiction over matters related or necessary to the Project.

2.2. **No Separate Entity.** This MOU does not create a legal entity under the Joint Exercise of Powers Act (Government Code sections 6500 and following) or any other law, which would authorize the execution of contracts, provide the right to sue or be sued, or otherwise create a separate legal entity under the laws of California. Instead, this MOU establishes a mutual understanding to carry out the Scope of Work in furtherance of the Project, which the Parties believe will provide a variety of benefits to communities that they serve and the region by increasing water supplies, improving the operation of the State's water system, and improving ecosystem and water quality conditions in the San Joaquin Valley and the Sacramento-San Joaquin Delta.

2.3. **No Implied Effect on Rights:** Except as expressly provided in this Agreement, nothing in this Agreement may be construed as affecting the existing rights or obligations of the Parties, including but not limited to any rights or obligations pursuant to contracts for delivery of water from the CVP or SWP.

2.4. **Project Operating Goals.** In pursuing the SOW activities under this MOU, the Parties acknowledge that the vision for the operations plan of the Project set forth in Exhibit C will guide relevant decisions related to the proposed work.

### 3. PARTIES

3.1. **~~Initial Parties~~Generally.** The Parties are all public agencies (as defined in Section 6500 of the Joint Exercise of Powers Act) that are signatories to this Agreement. **~~Initial Contribution.~~** Each Party must make an initial contribution in the amount of \$100,000 or more to FWA within 10 days of its execution of this MOU. FWA will provide staff and other resources to

administer and implement this MOU as provided in Section 5.3 in lieu of any monetary contributions. As a Party to the MOU, FWA will have a representative on the Steering Committee (described below) to ensure that Friant-wide interests are represented.

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3.2. **Additional Parties:** Public agencies authorized by law to participate in this MOU and which are either: (1) CVP Friant Division contractors or other CVP contractors, (2) SWP contractors, (3) a joint powers agency comprised of CVP or SWP contractors, or (4) agencies with a legal right to receive water from CVP or SWP facilities, may subsequently become Parties upon (a) an affirmative vote of at least 75% of the designated Representatives of the then total number of Parties, (b) ~~and~~ the new Party's execution of this Agreement, as it may be amended, and (c) payment of the initial contribution in the amount of \$100,000 or more.

#### 4. ADMINISTRATION AND COORDINATION

4.1. **Contracting Agency Duties.** FWA will serve as the "Contracting Agency" for this MOU. As the Contracting Agency, FWA agrees to perform the following services:

4.1.1. Contracting. Negotiate and, following review and approval by the Parties' Representatives (defined below), enter into contracts with the various individuals or entities providing services under the SOW.

4.1.2. Administration. Monitor and manage the SOW activities and the status of the Project.

4.1.3. Expenditures. Utilize the funds deposited by the Parties only for the administration of the SOW contracts and activities.

4.1.4. Invoicing. Invoice the Parties for any additional amounts required in accordance with Section 5 (Financial Provisions) of this MOU.

4.1.5. Accounting. Provide an accounting of all contract costs and expenditures under this MOU to the Parties: (a) each month; (b) the end of each fiscal year (September 30) that this MOU remains in effect; (c) upon the request of any Party; and (d) upon the termination of the Agreement. All such accountings under (b), (c) and (d) will be provided within 20 days of the applicable event.

4.1.6. Reporting. Provide periodic reports concerning the status of the SOW activities and the Project at such frequency as the Parties may mutually agree, including at meetings of the Steering Committee.

4.2. **Party Duties.** Each Party agrees to:

4.2.1. Designate Representatives. Designate a primary and alternate representative ("**Representative**") to serve on the Steering Committee.

4.2.2. Payments. Pay their proportionate share of contributions towards the SOW activities upon invoice by FWA.

4.2.3. Cooperate. Make good faith, commercially reasonable efforts to cooperate with the other Parties to achieve the purposes of this MOU, including by providing all requested relevant public information and documentation in their possession or control.

4.3. **Steering Committee.** A committee ("**Steering Committee**") is established consisting of the designated Representative of each Party to coordinate and provide direction on the SOW contracts and activities. The Parties expect that the Steering Committee will be the principal forum within which key policy and strategy issues pertaining to the Project will be discussed and considered.

4.3.1. Notice of Designated Representative. Each Party must communicate their initial primary and alternative Representative selections, and any subsequent changes in Representatives, to FWA in writing. All Representatives serve at the pleasure of their respective Party agency.

4.3.2. Good Standing. In order to participate on the Steering Committee, each Party must be current with respect to its required contributions under Section 5 of this MOU.

4.3.3. Meetings. The Steering Committee will hold regular meetings, generally at least one meeting per month, which may be by video or tele-conference or in person, and may hold other meetings at more frequent intervals as may be necessary. The Steering Committee will elect, by simple majority, a Steering Committee Chair and Vice-Chair. The Steering Committee will direct and manage the work of the consultants through FWA staff with respect to the preparation of the technical, financial, and operational information and data necessary for the development of the Project. Technical documents, draft studies and analyses, and other relevant documents will be provided to members of the Steering Committee by FWA staff at a time that is early enough to allow for meaningful participation in meeting deliberations. The Steering Committee may elect to form subcommittees and workgroups as deemed necessary to analyze issues in greater detail and report back to the full Steering Committee.

4.3.4. Decision Process. The Parties agree that reasonable efforts should be made to ensure each matter considered is approved by a consensus of the Parties. Consensus is reached when a position reflects the predominant opinion of the Steering Committee members. In the event that a Steering Committee member opposes a proposal that has predominant support, that member must propose for further discussion an alternative that it would support. The Parties will make all reasonable efforts to prevent disputes and resolve matters by consensus in the Steering Committee. However, if consensus about a particular matter is not reached, then the majority opinion of the Steering Committee (based on one vote per Party) will control in order to maintain progress on the SOW activities and the Project. Representatives need not be physically present at a meeting to vote, and may cast their vote by phone or other means of electronic communication (e.g., email, fax).

4.4. **Reserved Authority.** The Parties acknowledge and agree that any policy decisions made by the Steering Committee with respect to the proposed implementation of the Project (i.e., non-contractual or non-fiscal decisions under this MOU related to the SOW) are preliminary, and no such action of the Steering Committee or provision of this Agreement may be construed to delegate or abrogate the authority or rights of the Parties.

## **5. FINANCIAL PROVISIONS**

5.1. **Funding.** The Parties agree to work together to provide adequate funding to carry out the SOW activities.

5.1.1 Additional Contributions. The current estimate of the cost to complete the

SOW activities is approximately \$2,000,000. Therefore, in addition to each Parties' initial contribution of at least \$100,000, it is anticipated that at least two additional contributions of **\$100,000** will be required of each Party during the term of this MOU in order to complete the SOW activities. If a Party elects to provide more than the minimum contributions stated above at the time contributions are due, such additional contributions will count toward their share of the total contributions required of a Party under this MOU. FWA will provide written notice to the Parties of the exact amount of each additional contribution required and the purpose for which it will be used. Each Party is required to make such additional contribution within 30 days of the date the notice is sent by FWA.

5.1.2 **Credit Towards Project Costs.** Subject to Section 10.5 below, ~~The~~ Parties agree that those Parties who ultimately participate in the Project JPA will make good faith efforts when establishing such JPA to consider a Party's financial contributions under this MOU as a credit towards the costs of the Project with respect to any determination of proportionate investment in the Project for purposes of allocating any ownership interest in the Project and any corresponding rights to additional water stored by the Project.

5.1.3 **Federal and State Funding Assistance.** The Parties agree to cooperate in identifying and securing, where appropriate, federal and State funds to support the development and implementation of the Project.

5.2. **Special Account.** All funds collected under this MOU will be held in a separate FWA account in the name of the Project. Reports will be provided to the Steering Committee as provided in Section 4.1.5. The records of all expenditures under this MOU will be open to inspection by the Parties' Representatives or employees or agents upon reasonable notice.

5.3. **FWA General and Administrative Costs.** The costs of FWA staff time at their fully burdened rate and the actual invoiced costs of the time of FWA contractors time expended on administrative activities and work pertaining to this MOU and the Project (i.e., not contractors retained by FWA to perform SOW services) will be charged billed to the Parties and collected by FWA from the funds as a charge against their contributed by the Parties.

## 6. DEBTS AND LIABILITIES

Except as specifically provided in this Agreement, no Party will be individually responsible for any of the debts, liabilities, or obligations of any other Party, nor will they have any liabilities under any contracts entered into by FWA, but each Party is responsible for paying FWA the additional contributions required under Section 5 so that FWA can administer and implement the SOW activities.

## 7. INDEMNIFICATION; IMMUNITIES

7.1. **Generally.** Each Party agrees to indemnify, defend, and hold harmless each other Party, including its elected and appointed officers, employees, agents, attorneys, and designated volunteers from and against any and all liability, including, but not limited to demands, claims, actions, fees, costs, and expenses (including reasonable attorney's and expert witness fees), arising from or connected with the respective acts of each Party arising from or related to this MOU; provided, however, that no Party is obligated to indemnify another Party for that Party's own negligence or willful misconduct

7.2. **Government Code Section 895.2.** In light of the provisions of California



Government Code section 895.2 imposing certain tort liability jointly upon public entities solely by reason of such entities being parties to an agreement (as defined in Government Code section 895), each of the Parties, pursuant to the authorization contained in Government Code sections 895.4 and 895.6, agrees to assume the full liability imposed upon it or any of its officers, agents, or employees, by law for injury caused by any act or omission occurring in the performance of this MOU to the same extent such liability would be imposed in the absence of Government Code section 895.2. To achieve the above stated purpose, each Party agrees to indemnify, defend, and holds harmless each other Party for any liability, cost, or expense that may be imposed upon such other Party solely by virtue of Government Code section 895.2. The provisions of California Civil Code section 2778 regarding the interpretation of indemnity provisions are made a part of this Agreement.

7.3. **Privileges and Immunities.** All of the privileges and immunities from liability, exemptions from laws, ordinances, and rules, all pension, relief, disability, worker's compensation, and other benefits which apply to the activity of officers, agents, or employees of any Party when performing their respective functions within the territorial limits of the Party, will apply to them to the same degree and extent while engaged in the performance on any of their functions and duties extraterritorially under this MOU.

## 8. DISPUTES

Each Party has the right to assert matters which it believes have not been undertaken in accordance with this MOU, to explain the basis for such assertion, and to receive from the other Party or Parties a justification of its position on such matters. If, on the basis of the Party's review of any terms of the MOU, any Party concludes that another Party has not complied in good faith with the terms of the MOU, then such Party may issue a written "**Notice of Non-Compliance**" specifying the grounds and all facts demonstrating such non-compliance, which Notice must be provided to the alleged noncompliant Party along with all other Parties. The alleged noncompliant Party will have 15 days to cure or remedy the non-compliance identified in the Notice of Non-Compliance, or if such cure or remedy is not reasonably capable of being cured or remedied within such 15-day period, to commence to cure or remedy the non-compliance and to diligently and in good faith prosecute such cure or remedy to completion. If the Party receiving a Notice of Non-Compliance does not believe it is out of compliance and contests the Notice, it must do so by responding in writing to the Notice within 15 days after receipt of the Notice. Any response to the Notice must be sent to all Parties. FWA will notify in writing all Parties within 15 days of any Party failing to cure any alleged non-compliance with the terms of this MOU. The compliant Parties will determine the next course of action, which may include the termination of a non-compliant Party's participation in the MOU in accordance with Section 9.2.

## 9. TERMINATION; WITHDRAWAL

9.1 **Mutual Termination.** This MOU may be terminated upon the express written agreement of all Parties. If this MOU is terminated, all outstanding expenses under this MOU for SOW activities in excess of existing contributions must be paid by the Parties by paying their proportionate share of such expenses in accordance with Section 5. Thereafter, FWA will make an equitable redistribution of remaining funds, if any, in proportion to each Party's contributions. The Parties will each have full rights to all completed work under this MOU. Rights to uncompleted work still under contract will be assigned to the Party or Parties who may elect to fund the completion of such work.

9.2 **Termination of a Party.** This Agreement may be terminated with respect to any Party upon the affirmative vote of all members of the Steering Committee less one. Prior to any vote to terminate this Agreement with respect to a Party, written notice of the proposed termination and the reason(s) for such termination will be presented at a Steering Committee meeting with the opportunity for discussion. The Party subject to possible termination will have the opportunity to respond to any reasons and allegations that may be cited as a basis for termination prior to a vote. If a Party is terminated, that Party will be responsible for its share of any costs incurred under this MOU up to the date of termination.

9.3 **Withdrawal of a Party.** A Party may withdraw from this MOU by giving at least 30 days' written notice of its election to do so to FWA. Prior to withdrawal or as soon as an accounting can be completed, the withdrawing Party must pay its proportionate share of any outstanding expenses incurred under this MOU through the date of withdrawal. The withdrawing Party will also be responsible for any claims, demands, damages, or liability arising from this Agreement through the date of withdrawal.

9.4 **Disposition of Funds upon Termination.** Upon termination of this Agreement, any surplus funds in the possession of FWA for use under this Agreement, after payment of all liabilities, costs, expenses and charges incurred under this Agreement, will be returned to the then-existing Parties in proportion to the contributions made by each Party.

## 10. MISCELLANEOUS PROVISIONS

10.1 **Notices.** Any notices, invoices, or reports relating to this MOU, and any request, demand, statement, or other communication required or permitted under this MOU must be in writing and must be delivered to the Representatives of the Parties at the addresses set forth in the attached Exhibit A. The Parties must promptly notify each other of any change of contact information, including personnel changes, provided in Exhibit A. Written notice includes notice delivered via e-mail. A notice will be deemed to have been received on (i) the date of delivery, if delivered by hand during regular business hours, or by e-mail; or (ii) on the third business day following mailing by registered or certified mail (return receipt requested) to the addresses set forth in Exhibit A.

10.2 **Confidentiality of Draft Documents.** The Parties acknowledge and agree that some of the reports and work product to be prepared under this MOU may be proprietary, privileged, or otherwise confidential (collectively, "**Confidential Records**") and therefore not subject to disclosure to third parties, including under the California Public Records Act ("**CPRA**"). Each Party agrees to hold any Confidential Records in confidence and to take all reasonable precautions with regard to the storage, custody, or use of Confidential Records to ensure that the content and confidential nature is maintained and protected, including all precautions that such Party employs with respect to its own confidential and proprietary records. In the event a Party receives a request from a third party for disclosure of any Confidential Records pursuant to the CPRA or a discovery request or subpoena, such Party agrees to immediately give notice to FWA of such request including the disclosure deadline. FWA will have five days from the date it receives such notice to in turn notify the Party in writing that it objects to the disclosure of any specific Confidential Records. If FWA so objects, any legal action to enjoin or limit disclosure will be FWA's obligation and at FWA's sole cost and expense. A Party may disclose any Confidential Records pursuant to a proper court or governmental order, provided that such Party may disclose only that portion of the Confidential Record that is legally required to be disclosed. This section and the obligations and duties imposed on each Party will survive the expiration or termination of this MOU.

**10.3 Relationship of the Parties.** The Parties are, and will remain as to each other, wholly independent entities. No Party to this MOU has any power to incur any debt, obligation, or liability on behalf of any other Party unless expressly provided in this MOU. No employee, agent, or officer of a Party will be deemed for any purpose whatsoever to be an agent, employee, or officer of another Party.

**10.4 No Implied Change to CVP.** This Agreement is not intended to and may not be construed to modify any authority granted by statute, rule or regulation, or to make applicable to the CVP any State law that, in the absence of this Agreement, would not apply to the CVP.

**10.5 No Precedence.** Each Party's execution of this MOU, including any amendment, and such Party's participation in any of the activities under this MOU, set forth in the SOW is voluntary and does not ensure ~~or require that such Party~~ any of the Parties will have a right to participate in the subsequent phases of the Project, the Project JPA, or any related agreement or actions, nor does the execution of this MOU and participation in any of the activities under this MOU require that any Party participate in the Project, the Project JPA, or any related agreement or actions. As provided in Section 9.3 above, any Party may withdraw from this MOU. In addition, participation in this MOU will not be deemed acquiescence to any final actions authorizing the development and implementation of the Project, as all such rights are reserved to the Parties.

**10.6 Amendment of Agreement.** This Agreement may be amended only by an affirmative vote of at least 75% of the Representatives of the Parties on the Steering Committee. FWA will provide notice to all Parties of amendments to this Agreement, including the effective date of such amendments.

**10.7 Assignment.** The rights and duties of the Parties under this MOU may not be assigned or delegated without the advance written consent of all the other Parties, and any attempt to assign or delegate such rights or duties in contravention of this section will be null and void. This Agreement inures to the benefit of, and is binding upon, the successors and assigns of the Parties. This section does not prohibit a Party from entering into an independent agreement with another public agency regarding the funding or financing of that Party's contributions under this MOU, or the disposition of the remaining funds which that Party may receive under this Agreement, so long as the independent agreement does not affect or purport to affect, the rights and duties of the Parties under this Agreement.

**10.8 Governing law.** This MOU is governed by, and will be interpreted, construed, and enforced in accordance with the laws of the State of California.

**10.9 Entire Agreement.** This MOU constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement.

**10.10 Waiver.** Waiver by any Party to this MOU of any term, condition, or covenant of this MOU will not constitute a waiver of any other term, condition, or covenant. Waiver by any Party to any breach of the provisions of this MOU will not constitute a waiver of any other provision, nor will it constitute a waiver of any subsequent breach or violation of any provision of this MOU.

**10.11 No Presumption in Drafting.** All Parties have had the opportunity to have this MOU reviewed by their legal counsel. Accordingly, this MOU will be construed according to its fair language. Any ambiguities will be resolved in a collaborative manner by the Parties and will be rectified by amending this MOU as described in Section 10.6.

10.12 **Severability.** If one or more clauses, sentences, paragraphs or provisions of this Agreement is held to be unlawful, invalid or unenforceable, the remainder of the Agreement will not be affected. Such clauses, sentences, paragraphs or provisions will be deemed reformed so as to be lawful, valid, and enforced to the maximum extent possible.

10.13 **Execution by Counterparts.** This Agreement may be executed in any number of counterparts and upon execution by all Parties, each executed counterpart will have the same force and effect as an original instrument and as if all Parties had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon, and may be attached to another counterpart of this Agreement identical in form hereto but have attached to it one or more signature pages. Facsimile and electronic signatures will be deemed valid and binding.

THE UNDERSIGNED AUTHORIZED REPRESENTATIVES of the Parties have executed this Agreement as of the date shown below:

DRAFT

**SIGNATURE PAGE**

**MEMORANDUM OF UNDERSTANDING REGARDING COORDINATION, COOPERATION  
AND COST SHARING ON PRECONSTRUCTION ACTIVITIES RELATED TO THE  
TEMPERANCE FLAT RESERVOIR PROJECT**

PARTY NAME

Date: \_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

Name:

Title:

DRAFT

**EXHIBIT A**

**Parties to the MOU**

DRAFT

**EXHIBIT B**

**Scope of Work  
(Attached)**

DRAFT

## **EXHIBIT C**

### **Project Operating Goals**

The final operations plan for the Project should:

1. Allow all Friant Division contractors – without further investment – to retain full access to all current types and quantities of Millerton Lake inflows per their contracts with Reclamation, including unstorable flows, as if the Temperance Flat Reservoir Project were not constructed.
2. Have no negative impact on the United States' ability to comply with the requirements of the San Joaquin River Settlement and authorizing legislation, the rights of the San Joaquin River Exchange Contractors as established pursuant to Contract No. Ilr-1144, as amended, or any Holding Contracts with the United States.
3. Facilitate groundwater sustainability for the seven critically overdrafted groundwater basins in the Friant Division by allowing wet year water supplies on tributaries throughout the Friant Division service area to be exchanged, stored, and managed until such water can be put to beneficial use.
4. Allow for increases in water supply reliability for CVP South of Delta contractors by allowing CVP water to be stored securely in the Temperance Flat Reservoir, through exchanges with Friant Division contractors, where such water would be less subject to spill than San Luis Reservoir.



Friant Water Authority  
854 N. Harvard Ave.  
Lindsay, CA 93247  
Attn: Jeffrey Payne

**Task Order No. X**  
**Temperance Flat Reservoir Project Operating and Financing Plan Support**

**BACKGROUND**

The proposed Temperance Flat Reservoir (TFR) Project would be a new reservoir, formed by constructing a new dam within the footprint of the existing Millerton Lake, and would increase storage capacity upstream from Friant Dam by about 1.26 million acre feet (MAF). The proposed TFR Project has been under evaluation for several years as part of the Upper San Joaquin River Basin Storage Investigation (USJRBSI), a CALFED storage project feasibility study jointly led by the U.S. Bureau of Reclamation (Reclamation) and the California Department of Water Resources (DWR). The USJRBSI Draft Feasibility Report (DFR), released in 2013 identified the Temperance Flat Reservoir at River Mile 274 as the preferred storage alternative, and a Draft Environmental Impact Statement (DEIS) was issued in 2014 to disclose the effects of its construction and assumed operation. The operating plan included in the DFR and DEIS treated TFR as a virtual expansion of Friant Dam.

Over the past several months, a coalition of regional water users, including the Friant Water Authority (FWA), developed a Preliminary Operating Plan to evaluate the potential benefits that could be provided by the TFR Project while preserving the capability of Friant Dam to meet contractual obligations. The Preliminary Operating Plan is based on the management of storage accounts in TFR to provide water supply and other benefits. Under the Preliminary Operating Plan, the TFR Project would be used to manage water supplies stored from inflow that exceeds the operational capabilities of Millerton Lake and exchanged water supplies developed through coordinated operations with statewide water systems. The combined operation of Millerton Lake and TFR would preserve the existing requirements and delivery capabilities of Millerton Lake for river restoration releases, water deliveries, and flood protection.

The Preliminary Operating Plan was used in an application for funds available for the public benefits of storage projects under the Water Storage Investment Program (WSIP), administered by the California Water Commission (CWC). The Preliminary Operating Plan includes many generalized assumptions regarding the potential management of TFR Project storage accounts. The WSIP application demonstrates that the TFR Project is feasible under technical, environmental, economic, and financial criteria. On the basis of this finding, the FWA has organized a group of potential investors that are interested in developing a more detailed operating and associated financing plan that address the specific needs of potential project investors. Funding for the services described in this task order will be provided by participating potential project investors as administered by FWA.

**DESCRIPTION OF SERVICES:**

This task order includes technical services to be provided under a master services agreement with MWH Americas, Inc., now doing business as Stantec Consulting Services (Stantec), to support evaluations and decisions by potential investors regarding their participation in the proposed Temperance Flat Reservoir

(TFR) Project. It includes coordination with potential project investors, development of technical tools to allow individual investors to evaluate the management of potential water storage accounts in TFR, preparation of a consolidated operating plan, development of financial information, and the performance of other related technical, coordination, and communications activities. The following task descriptions address currently anticipated activities to be completed through this task order.

## **Task 1 – Project Management and Coordination**

### **[To Be Added]**

## **Task 2 – Refine TFR Project Simulation Gaming Tool**

The Preliminary Operating Plan is based on a TFR Gaming Tool, developed as an Excel workbook, which simulates the operation of TFR storage accounts while preserving the baseline operations of Millerton Lake. To support investor evaluations, Stantec will coordinate with potential project investors and make several updates to the TFR Gaming Tool.

### **Task 2.1 – Expand Model Hydrology**

The TFR Gaming Tool used for the WSIP application simulates the management of monthly inflows to Millerton Lake over the 82-year period that includes water year 1922 through water year 2003. The period of record in the TFR Gaming Tool will be expanded through water year 2017, to the extent that data are available. Stantec will obtain inflow data to Millerton Lake from the California Data Exchange Center (CDEC) or Reclamation. Water allocation and delivery calculations for baseline operations will be updated to reflect the releases from Millerton Lake to meet San Joaquin River Exchange Contract obligations, as they occurred in 2014 and 2015.

### **Task 2.2 – Coordination with Potential Project Investors**

Several potential project investors, comprising public agencies that manage water supplies, have expressed interest in the TFR Project, and it is anticipated that more will be identified during the performance of this task order. Stantec will prepare for, participate in, and provide follow-up information for a series of group and individual meetings or workshops with potential investors. For the purpose of defining schedule and budget, it is assumed that up to 20 meetings or workshops will be conducted.

For each meeting or workshop, Stantec staff will provide background on the purpose and function of existing tools, facilitate input on analytical needs from investors, propose suggested modifications and (where relevant) present results from previously conducted modifications. It is expected that workshops will be conducted in phases. Initial workshops will focus on soliciting investor requirements to support their evaluation and review of TFR storage account performance. Subsequent workshops will focus on results from initial simulations and discussions of operating guidelines and implications of an integrated operating plan that involves several investors, potentially including the State of California through WSIP.

### **Task 2.3 – Add User-Defined Storage Accounts to the Gaming Tool**

The TFR Gaming Tool used for the WSIP application includes three storage accounts (East Side, West Side, Refuge) that are operated based on variables that designate the conditions for the storage of water exchanged into TFR and the release of water stored from inflow or exchange sources. Stantec will coordinate with potential project investors at the direction of FWA to identify user-defined operational objectives for account management. It is expected that potential investors will seek greater representation of their monthly demands, management of allocated Friant Division supplies and water supplies from local sources, groundwater management, and exchange opportunities.

Through initial coordination, Stantec will define a set of recommended modifications and explain how those changes would accommodate user preferences. Upon concurrence from potential investors, Stantec will modify the TFR Gaming Tool to reflect the recommended changes. This will include adding new logic for the processing of user-defined objectives, adding accounts, providing a user-friendly interface, and adding options for the management of non-user accounts. The objective of these modifications is to allow each potential investor to evaluate how their management of TFR storage space would be coordinated with their other water supplies, and how the composite operation of other accounts could affect operational flexibility and project performance. For the purpose of defining schedule and budget, it is assumed that up to ten (10) project investors will participate in this process.

#### Task 2.4 – CALSIM Simulations of Revised Operating Plans

The TFR Project Gaming Tool simulates the operation of TFR and Millerton Lake, and produces a time series of releases to the San Joaquin River and the Friant-Kern and Madera canals. It does not, however, reflect the effect of these operations on the overall operation of the Central Valley Project and the State Water Project. Stantec will apply the CalSim II model to identify system-wide effects of the TFR Project and estimate net water supply delivery quantities. For the purposes of defining schedule and budget, it is assumed that up to five (5) CalSim II simulations will be performed.

#### Task 2.5 – Quantify Physical Effects of Revised Operating Plans

The development of revised operating plans for the TFR Project will result in changes in releases to the San Joaquin River, storage levels in TFR and Millerton Lake, and deliveries to the Friant-Kern and Madera canals. These changes in physical conditions will affect the distribution of project benefits among the range of public and non-public benefit categories. Stantec will conduct modeling to quantify physical effects of up to five (5) operating plans, including:

- Reservoir temperature in TFR and Millerton Lake
- River temperature downstream from Friant Dam
- Ecosystem response to changes in water flow and temperature using the Ecosystem Diagnostics and Treatment (EDT) model

Results from physical effects simulations will be summarized using similar presentation methods to those used in the WSIP application, and will be compared to WSIP application results.

### **Task 3 – Project Benefits Estimates and Financial Analysis Support**

The WSIP application included benefits estimates and cost/financial analysis of the TFR Project based on a set of criteria and assumptions that allow the CWC to compare projects on a similar basis. Some of the criteria required by the CWC, however, may not be consistent with financial analyses that will be required by other potential project investors. This task includes technical support to provide project benefit and financial information to project investors in a manner that supports their evaluation of the TFR Project.

#### Task 3.1 – Identify Project Cost and Benefit Types

To initiate discussion with potential project investors, Stantec will compile information from the WSIP application that explains and demonstrate the methods used to compute project costs and benefits for all project purposes. These include agricultural and M&I water supply, hydropower generation, ecosystem improvements, recreation, flood damage reduction, and emergency response.

Through discussions with project investors, Stantec will identify project benefit types of interest to potential investors. Potential benefit types could include greater differentiation on the value of water

based on contract type than was included in the WSIP application. It is expected that the discussion of project cost and benefit types will identify several financial variables that may be modified, including:

- Construction cost contingency factors
- Inflation factors
- Power mitigation costs
- Environmental mitigation costs
- Interest during construction
- Annual operating and project life cycle costs
- Repayment period
- Value of water
- Value of other project benefits
- Cost of alternative projects
- Other variables defined by project investors

Stantec will identify potential modifications to the WSIP application tools required to present project cost and benefit information based on investor preferences, including the allocation of project costs. Stantec will modify financial tools used to prepare the WSIP application to reflect investor-requested information. To the extent practical, the revised financial tools will be linked to the TFR Gaming Tool to enable rapid display of the effects of alternative project operations on financial obligations.

#### Task 3.2 – Compute Project Benefits

Stantec will identify methods and develop analyses, as needed, to quantify monetary benefits for project benefit types identified in Task 3.1. This may involve the development of new economic information based on historical, current, and projected future water use, including the projected implementation of the Sustainable Groundwater Management Act (SGMA).

#### Task 4 – Revised TFR Operating Plan

This task includes the development of an integrated operating plan through the progressive analyses described in Task 2 and Task 3. Operating criteria will be defined and quantified that allows the mix of project benefits identified in the operating plan to be provided. These criteria will apply to investor agreements, including any agreements with the State of California for the receipt of WSIP funds.

BASIS FOR PAYMENT: Time and Materials

ESTIMATED TOTAL COST: In preparation, NTE \$2 Million

ESTIMATE OF TIME SCHEDULE: 10/1/2017 through 9/30/2019

FRIANT REPRESENTATIVE: Jeffrey Payne, [jpayne@friantwater.org](mailto:jpayne@friantwater.org)

CONSULTANT'S REPRESENTATIVE: Ian Buck, [ian.buck@stantec.com](mailto:ian.buck@stantec.com)

ACCEPTED:

ACCEPTED:

MWH AMERICAS, INC.

FRIANT WATER AUTHORITY

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Friant Water Authority Board of Directors Meeting**  
**October 27, 2016**  
**Agenda Detail Sheet**

**AGENDA TOPIC:** *MEMBERSHIP IN THE SAN JOAQUIN VALLEY WATER INFRASTRUCTURE AUTHORITY.*

**DESCRIPTION:** The Board, through an ad hoc committee, has been discussing with representatives of the San Joaquin Valley Water Infrastructure Authority (SJWVIA) the terms of FWA's membership in this joint powers agency. The proposed terms, which are acceptable to the ad hoc committee and the Executive Committee, are as follows:

1. FWA's membership dues will be \$50,000 for Fiscal Year 2017-18 (July 17 – June 18). Friant can propose a payment schedule that does not require full payment by October 2017.
2. SJWVIA will not issue a press release about FWA's membership, but FWA is free to send out its own press release.
3. SJWVIA and its members will be included in discussions led by FWA on establishing an appropriate governance structure for the implementation of the Temperance Flat Reservoir Project to ensure investment opportunities are open to appropriate agencies that include water users without Friant contracts. The goal is to have the appropriate governance structure in place by the beginning of 2018.
4. Jason Phillips will be FWA's representative on the Board, and Jeff Payne will be the alternate.

**RECOMMENDATION:** The Board give final approval to FWA membership in the SJWVIA based on the understanding outlined above.

**BUDGET IMPACT:** The 2017-18 Budget already allocates \$50,000 towards SJWVIA membership dues. No further allocation will be required.

**SUGGESTED MOTION:**

"I move that the Board of Directors approve membership in the San Joaquin Valley Water Infrastructure Authority based on the understanding set forth in the agenda report.

# Legislative Tracker

## FRIANT WATER AUTHORITY

September 13, 2017<sup>1</sup>

**\*\*Legislative Deadline for 2017 is Friday, September 15 midnight\*\***

### State Bills

Bill	Title (Author) & Date	Description	Positions	FWA	Status
S-Support; S/A – Support if Amended; S&A – Support and Amend; F – Favor; W-Watch; O-Oppose; O/A – Oppose Unless Amended; NF – Not Favor; NYC – Not Yet Considered					
AB 18 <b>**AB 18</b> was amended in substantial form into SB 5	California Clean Water, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (Garcia) – 8/30 version	Would enact an act which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3,470,000,000 pursuant to the State General Obligation Bond Law to finance a clean water, climate, coastal protection, and outdoor access for all program. This bill contains other related provisions.	PRO: Audubon, League of CA Cities, TNC, land trusts, park advocates OPP: None	NYC	<b>Senate Appropriations Committee. This measure was amended into SB 5 (De Leon), which passed 9/15.</b>
AB 176	Water project: Friant-Kern Canal (Salas) – 1/18 version	Would appropriate \$7,000,000 from the General Fund to the Department of Water Resources for the Friant-Kern Canal Pump-back Project. Current law requires DWR, upon appropriation by the Legislature, to provide funding for the project (under AB 935 passed and signed in 2016). This bill also contains other related provisions for implementation.	PRO: FWA, California Citrus Mutual, 48 individuals, California Fresh Fruit Association, Sun World International, South Valley Water Association & districts OPP: None	S	<b>Portion of funding proposed incorporated into signed 2018 CA Budget. Completed Successfully.</b>

<sup>1</sup> Updates since the last version are included in **bold text**.

Bill	Title (Author) & Date	Description	Positions	FWA	Status
AB 313	Water (Gray) – 7/18 version	Would effectively eliminate the State Water Resources Control Board by reassigning its major responsibilities and regulatory authorities to DWR and the Office of Administrative Hearings, and would also move oversight and administration of the State Water Project to a new state commission under the California Natural Resources Agency.	PRO: Ag/growers associations and groups, Westlands Water District, SLDMWA, other irrigation districts OPP: Audubon, Sierra Club, and other enviro NGOs	NYC	<b>Held in Senate Appropriations at Request of Author on 8/21.</b>  <b>Updated Action: AB 313 was successfully passed on 9/15 as one of the last bills of the session.</b>
AB 321	Groundwater sustainability plans (Mathis) – 4/27 version	Would require groundwater sustainability agencies under SGMA to involve farmers and ranchers in the development of groundwater sustainability plans.	PRO: Calif. Water Association OPP: ACWA	NYC	<b>Senate passed 7/3; signed by the Governor 7/18; Chaptered into Law 8/11</b>
AB 791	Sacramento-San Joaquin Delta: State Water Project and federal Central Valley Project: new conveyance facility (Frazier) – 3/21 version	Would require, before a water contractor enters into a contract to pay for costs related to WaterFix, that the lead agency provide the breakdown of costs for each water contractor entering into a contract and what benefits each contractor will receive based on the proportion it has financed of the proposed conveyance project.	PRO: Clean Water Action, Sierra Club, NGOs OPP: Water agencies, industry	NYC	Failed to be acted on by deadline for 2017, and may be acted on in January 2018 (two-year bill)
AB 975	Natural resources: wild and scenic rivers (Friedman) – 5/4 version	Would make California's Wild and Scenic River requirements consistent with the federal Wild and Scenic River Act requirements. This includes (1) extending protected areas of the river to include adjacent lands in a ¼-mile buffer on either side of the river (currently the definition includes only up to the river's line of riparian vegetation) and (2) recognizing additional "values" of the river including historical, cultural, geologic, ecological, botanical, hydrological, and other "similar" values. Currently, state Wild and Scenic Rivers include mostly north state and north coast rivers, as well as a few that drain into the Lahontan basin. These rivers were placed under federal Wild and Scenic River Act protection in 1980, also, so at the federal level #1 and #2 already apply.	PRO: Enviro NGOs, sport fishing groups OPP: None	NYC	Ordered to "inactive" file at request of Asm. Friedman on 6/5
AB 1369	Water quality and storage (Gray) – 2/17 version	Would require the Department of Water Resources to increase statewide water storage (ground or surface) capacity by 25% by January 1, 2025, and 50% by January 1, 2050, using revenue generated and collected in the Greenhouse Gas Reduction Fund. The Greenhouse Gas Reduction Fund is the repository of funds collected by the California Air Resources Board through auction or sale of emissions allowances under the state's "cap-and-trade" market-based emissions reduction program.		NYC	Ref'd to Water, Parks & Wildlife on 3/27; failed to be acted on by deadline for 2017, and may be acted on in January 2018 (two-year bill)



Bill	Title (Author) & Date	Description	Positions	FWA	Status
AB 1427	Water: underground storage (Eggman) – 3/21 version	Current law provides for the reversion of water rights to which a person is entitled when the person fails to beneficially use the water for a period of 5 years. Current law declares that the storing of water underground, and related diversions for that purpose, constitute a beneficial use of water if the stored water is thereafter applied to the beneficial purposes for which the appropriation for storage was made. This bill would revise the above declaration to additionally provide that certain uses of stored water while underground constitute beneficial use.	PRO: None OPP: MWD, Cucamonga Valley Water District, Three Valleys Municipal Water District, Westlands Water District, Coachella Valley Water District, Mojave Water Agency, Antelope Valley East Kern Water Agency, Alameda County Zone 7 Water Agency	NYC	Failed to be acted on by deadline for 2017, and may be acted on in January 2018 (two-year bill)
AB 1667	Agricultural water management planning (Friedman) – 7/3 version	Current law requires an agricultural water supplier to prepare and adopt an agricultural water management plan with specified components on or before December 31, 2012, and to update that plan on December 31, 2015, and on or before December 31 every 5 years thereafter. This bill would revise the components of the plan and additionally require the agricultural water management plan to quantify measures to increase agricultural water use efficiency, describe the agricultural water supplier's water management strategy with specified elements, and include a drought plan describing the actions of the agricultural water supplier for drought preparedness and management of water supplies and allocations during drought conditions. Applies to districts with 10,000 acres or more.		NYC	<b>Held in committee (Senate Natural Resources &amp; Water) on 7/11. Comments from agencies and individuals due 7/21. May be incorporated into a new bill (AB 1168). Currently held in Senate NR&amp;W Committee.</b>

Bill	Title (Author) & Date	Description	Positions	FWA	Status
SB 5	California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018 (De León) – 9/12 version	Senate version of AB 18. Would enact the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access For All Act of 2018, which, if approved by the voters, would authorize the issuance of bonds in an amount of \$3,500,000,000 pursuant to the State General Obligation Bond Law to finance a drought, water, parks, climate, coastal protection, and outdoor access for all program. This bill contains other related provisions.	PRO: see AB 18, but longer; Santa Clara Valley Water District, Grasslands Water District; Orange County Water District OPP: None	NYC	<b>Passed on 9/15.</b>
SB 49	California Environmental, Public Health, and Workers Defense Act of 2017 (De León) – 9/11 version	The Porter-Cologne Water Quality Control Act regulates the discharge of pollutants into the waters of the state. The California Safe Drinking Water Act establishes standards for drinking water and regulates drinking water systems. The California Endangered Species Act requires the Fish and Game Commission to establish a list of endangered species and a list of threatened species and generally prohibits the taking of those species. The Protect California Air Act of 2003 prohibits air quality management districts and air pollution control districts from amending or revising their new source review rules or regulations to be less stringent than those rules or regulations that existed on December 30, 2002. This bill would prohibit state or local agencies from amending or revising their rules and regulations implementing the above state laws to be less stringent than the baseline federal standards, as defined, and would require specified agencies to take prescribed actions to maintain and enforce certain requirements and standards pertaining to air, water, and protected species.	PRO: Enviro NGOs OPP: Cal Chamber, CFBF, CMTA, Western Growers, other industry groups	NYC	<b>Passed from Assembly Judiciary (8-3, party line) and sent to Appropriations on 7/11; Passed Assembly Appropriations 9/11; Currently in Assembly Rules Committee. Did not pass on 9/15, becomes a two year bill.</b>
SB 372	San Joaquin River Exchange Contractors Groundwater Sustainability Agency – (Cannella) – 8/23 version	<b>Would create the San Joaquin River Exchange Contractors Groundwater Management Agency.</b>	<b>PRO: Exchange Contractors, ACWA</b> <b>OPP: None</b>	NYC	<b>Passed from Assembly Water, Parks &amp; Wildlife (15-0) and sent to Appropriations on 7/11; On Senate Special Consent Calendar as of 9/12, passed on 9/14.</b>

Bill	Title (Author) & Date	Description	Positions	FWA	Status
<b>SB 623</b>	<b>Water quality: Safe and Affordable Drinking Water Fund (Monning) – 8/21 version</b>	<p>Would establish the Safe and Affordable Drinking Water Fund in the State Treasury and would provide that moneys in the fund are continuously appropriated to the office. The bill would require the State Water Resources Control Board to administer the fund to assist communities and individual domestic well users to address contaminants (primarily nitrates) in drinking water that exceed safe drinking water standards, as specified. The bill would authorize the board to provide for the deposit of federal contributions and voluntary contributions, gifts, grants, or bequests. Funds would be contributed through payments and tax increases on agricultural and municipal water districts.</p> <p>Ag protection would exist for 15 years. Production Ag will pay \$20 million annually for 10 years, Dairy Industry will pay \$10 million annually for 10 years, General Assessment on Water Bills for roughly \$100 million annually for 10 years.</p>	<p><b>PRO:</b> Enviro NGOs, Western Growers Association, Latino coalitions, clean water groups, labor groups, some valley cities</p> <p><b>OPP:</b> ACWA, municipal water districts and utilities, some ag water districts, sportfishermen, NorCal enviro NGOs</p>	NYC	Passed from Assembly Environmental Safety and Toxic Materials, Natural Resources and sent to Appropriations on 7/11. Sent from Assembly Appropriations to Assembly Rules 9/7 – two year bill.
<b>SB 1668</b> <b>**Double</b> <b>Joined to</b> <b>SB 606 -</b> <b>Skinner</b>	<b>Water Management Planning; Ag Water Management Plans; Rural Community Water Plans and half of Governor's Water Conservation Efficiency Program</b>	This bill was previously AB 1667 (Friedman) but has been amended to have the following key sections: (1) Urban Water Use Standard defined and implementation date of June 30, 2021 (2) Require an annual Ag Water Supply report by April 1, to be organized by groundwater basin and (3) require an annual Rural Community Water Plan report.	<p><b>PRO:</b> Enviro NGOs, Latino coalitions, clean water groups, labor groups, some valley cities</p> <p><b>Neutral:</b> State Farm Bureau, Western Growers</p> <p><b>OPP:</b> ACWA, municipal water districts and utilities, some ag water districts,</p>	NYC	In Senate Appropriations Committee. Held in Committee – two year bill.

Bill	Title (Author) & Date	Description	Positions	FWA	Status
<b>SB 606</b> <b>**Double</b> <b>Joined to</b> <b>AB 1668 -</b> <b>Friedman</b>	<b>Water Management Planning:</b> <b>Urban Water Management Plans</b> <b>(UWMP's) reporting and Urban</b> <b>Drought planning</b>	Existing law requires the state to achieve a 20% reduction in urban per capita water use in California by December 31, 2020. Existing law requires each urban retail water supplier to develop urban water use targets and an interim urban water use target, as specified. Assembly Bill 1668 of the 2017-18 Regular Session, if enacted, would require the State Water Resources Control Board, in coordination with the Department of Water Resources, to adopt long-term standards for the efficient use of water and would establish specified standards for per capita daily indoor residential water use.	Similar to 1668 as both bills are double-joined and they implement Governor's Conservation Standards together.	NYC	Assembly Floor, did not pass. Two-year bill.

## Federal Bills

Bill	Title (Author)	Description		FWA	Status
S-Support; S/A – Support if Amended; S&A – Support and Amend; F – Favor; W-Watch; O-Oppose; O/A – Oppose Unless Amended; NF – Not Favor; NYC – Not Yet Considered					
HR 23	Gaining Responsibility on Water Act (Valadao) – 7/12 version	Would enact a number of policies related to California water law and water users. The bill includes a number of elements from other water legislation introduced in Congress in recent years, including related to increased monitoring and incidental take limit for Delta smelt, the San Joaquin River Restoration Settlement and Act (which the bill seeks to repeal), and fast-tracking feasible storage projects such as Temperance Flat.		S&A	<b>Amendments debated in the Rules Committee and subsequently passed on the House floor (230-190) on 7/12</b>
HR 434	New Water Available To Every Reclamation State Act (Denham) – 1/11 version	Would authorize the Department of the Interior, for 15 years after this bill's enactment, to provide financial assistance, such as secured loans or loan guarantees, to entities that contract under federal reclamation law to carry out water projects within the 17 western states served by the Bureau of Reclamation, other states where the Bureau is authorized to provide project assistance, Alaska, and Hawaii.		NYC	Ref'd to the Subcommittee on Water, Power and Oceans on 2/7



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## OUTREACH ALERT

Sept. 22, 2017

### Letters Requesting Governor's Signature on AB 313 Needed

#### *Bill Would Provide Fairness, Objectivity and Due Process in Water Rights Proceedings*

ACWA-supported AB 313, a bill that would improve the management and administration of water within the State Water Resources Control Board, was passed by the Legislature last week and sent to Gov. Jerry Brown for signature.

ACWA is urging its members to submit letters to the governor requesting his signature on this important measure. A sample letter is provided below.

The governor has until Oct. 15 to either sign or veto AB 313.

#### Background

**AB 313**, by Assembly Member Adam Gray (D-Merced), will help local agencies navigate complicated regulatory processes with the State Water Board by providing to stakeholders a neutral legal forum subject to California's Administrative Procedures Act for various water rights proceedings.

The new division would conduct water rights enforcement hearings objectively through administrative law judges who have at least 8 years of experience practicing water law and are appointed by the executive director of the State Water Board.

Currently, the State Water Board is authorized to issue cease-and-desist orders and administrative civil liability complaints to persons or entities that have allegedly violated certain requirements relating to water use and then adjudicate those alleged violations in subsequent proceedings. AB 313, however, would authorize the new Water Rights Division to issue a cease-and-desist order, after the State Water Board files a complaint with the division. Similarly, for specified administrative civil liability complaints, instead of allowing the State Water Board to issue orders directly, as currently practiced, AB 313 would authorize the California Department of Water Resources to issue a complaint and the new Water Rights Division to hear it.

AB 313 is unique in that it balances these new procedures with current administrative authorities by providing that the administrative law judge's adjudication only results in a recommendation to the State Water Board, instead of a final decision. The State Water Board would then review the

recommendation and could either adopt, modify, or reject, as necessary, for the matter’s final administrative determination, which may be appealed to a superior court.

ACWA’s State Legislative Committee adopted a “support” position on AB 313 at its June 9 meeting, and ACWA's staff has since been advocating for the bill.

Sample Letter

ACWA is urging its members to submit letters to the governor requesting his signature on AB 313. This [sample letter](#) is available.

Please also be sure to send a copy of your final letter to ACWA Executive Assistant [Michaela Martinez](#).

Questions

For questions about AB 313 and ACWA’s position, please contact ACWA Senior Legislative Advocate [Whitnie Wiley](#) at (916) 441-4545.

CONTACT  
[Whitnie Wiley](#)  
ACWA Senior Legislative Advocate  
(916) 441-4545

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910 K Street, Suite 100, Sacramento, CA 95814

We hope you enjoy receiving email notices and updates from ACWA. At any time you can click [here](#) to unsubscribe or to change your subscription preferences.

**\*\*\*Sample Letter\*\*\***

[Date]

The Honorable Jerry Brown  
Governor  
State Capitol, Suite 1173  
Sacramento, CA 95814

**RE: Request for Signature on Assembly Bill 313 (Gray) – Water Rights Fairness**

Dear Governor Brown:

On behalf of [Agency], I write in support of AB 313, landmark water rights fairness legislation introduced by Assemblyman Adam Gray (D-Merced). This good governance bill will restore fundamental fairness currently lacking in California's water rights management. AB 313 passed the Legislature with strong bipartisan support and awaits your signature. We urge you to sign it into law without delay.

AB 313 ensures water rights holders are afforded the same basic objectivity and due process our justice system promises *all* – nothing more, nothing less. The bill establishes a new water rights management structure, requiring that specially trained administrative law judges conduct water rights enforcement hearings. This intermediate transfer of power ensures a neutral body will efficiently adjudicate complex, often controversial, and critically important water rights matters.

Currently, the State Water Resources Control Board (SWRCB) writes regulations, initiates enforcement actions, and conducts water rights hearings. As a result, many water rights holders feel coerced to settle administrative actions initiated by the SWRCB, rather than seek a resolution in the present process.

AB 313 establishes a Water Rights Division in the Office of Administrative Hearings (OAH) to handle all water rights enforcement matters. Specially trained administrative law judges will conduct hearings and submit a decision to the full SWRCB for adoption or amendment, a shift ensuring everyone is treated with the level of fairness our Constitution requires. The Senate Judiciary Committee recognized that the bill improves existing law while making no impact on environmental protections. AB 313 removes conflicts and inefficiencies, and guarantees hearings are run with requisite legal expertise.

The bill received overwhelming bipartisan support through the Assembly and Senate, a clear sign that the issue resonates across the state. The procedural structure it creates is similar to that recently adopted for the Board of Equalization. Nothing in AB 313 guarantees a better outcome for the water rights holder. It doesn't pick winners or losers, nor does it favor one



constituency over the other. It simply allows for the constitutional protection of due process to be afforded to the state's water users.

I urge you to act immediately to sign AB 313 to make our water rights administration function more effectively, efficiently and fairly.

Sincerely,

[Name]

[Title]

# 2017

## Operations & Maintenance Report August



Friant Water Authority

9/11/2017

### **Safety**

Friant Water Authority held its annual Safety Award Luncheon in August. Members of the Executive Committee also attended. The Orange Cove, Lindsay, and Delano maintenance staff held their weekly tailgate safety meetings at their respective yards. Job specific safety meetings were held at the various project jobsites. Supervisors conducted field site inspections ensuring compliance with both federal and state safety regulations.

Operations Department held tailgate safety meetings in the Lindsay yard, outlying field offices staff attended the maintenance meetings.

### **Education and Training**

One staff member in Operations took a Continuing Education Credits (CEU) class to maintain their Qualified Applicator Certificate (QAC) certifications.

### **Accidents and Injuries**

There were not reportable accidents or injuries.

### **Maintenance Supervision**

Staff continued work on items related to implementation of the Authority's NPDES permit.

Staff worked on several right-of-way related items including encroachments, new construction, and land use applications.

Staff worked on several personnel items including annual reviews, policy conformance, and other matters.

### **Construction and Maintenance**

### **Weed and Pest Control**

Due to high temperatures and accelerated growth of aquatic algae, weekly applications of copper sulfate became necessary to control excessive growth in the Orange Cove Section.

The following is a summary of the chemical products used during the month by maintenance staff for weed and pest control on various canal sections, and the product inventory on hand:

Products	Units	Maintenance Yard Usage			Total Usage	End of Month On hand
		Orange Cove	Lindsay	Delano		
<b>Clearcast</b>	<b>Gals.</b>	0	0	0	0	2.5
<b>Copper Sulfate Old Bridge</b>	<b>Lbs.</b>	0	0	1,150	1,150	300
<b>Copper Sulfate Chem One</b>	<b>Lbs.</b>	11,050	4,150	0	15,200	36,650
<b>Diphacinone</b>	<b>Lbs.</b>	120	100	0	220	281
<b>Diuron 4L Loveland</b>	<b>Gals.</b>	0	0	0	0	1,965
<b>Diuron 4L Drexel</b>	<b>Gals.</b>	0	0	0	0	369
<b>Finale</b>	<b>Oz.</b>	1,116	516	0	1,672	0
<b>Milestone VM</b>	<b>Oz.</b>	0	0	0	0	130
<b>Roundup Custom</b>	<b>Gals.</b>	57	0	4	61	651
<b>Roundup Pro Conc</b>	<b>Gals.</b>	369	0	4	373	3,723
<b>Sonar Genesis</b>	<b>Gals</b>	0	0	0	0	2

The Orange Cove and Lindsay maintenance staff continued the application of copper sulfate to the canal prism to control algae growth.

The Orange Cove, Lindsay, and Delano maintenance staff continued the application of Diphacinone to the canal right-of-way for the control of the California ground squirrel.

The Lindsay maintenance staff initiated the use of the newly acquired “GopherX” unit for the control of California ground squirrels. The discharge hose of the unit is placed into the burrow entrance and fills it with carbon monoxide which asphyxiates the rodents. It also produced a non-toxic smoke which allows the operator to notice any holes that the CO2 might be escaping so that the holes can be plugged.

The Lindsay maintenance staff continued the application of Finale to the canal right-of-way for the post-emergent control of broadleaf weeds.

The Orange Cove, Lindsay, and Delano maintenance staff continued the application of Roundup Custom and Roundup Pro as part of the annual weed control program.

The Orange Cove maintenance staff continued the removal of woody vegetation from canal embankment and right-of-ways as directed in the most recent Bureau O&M exam.

The Lindsay maintenance staff completed the mowing of the inside and outside banks in the Lindsay section.

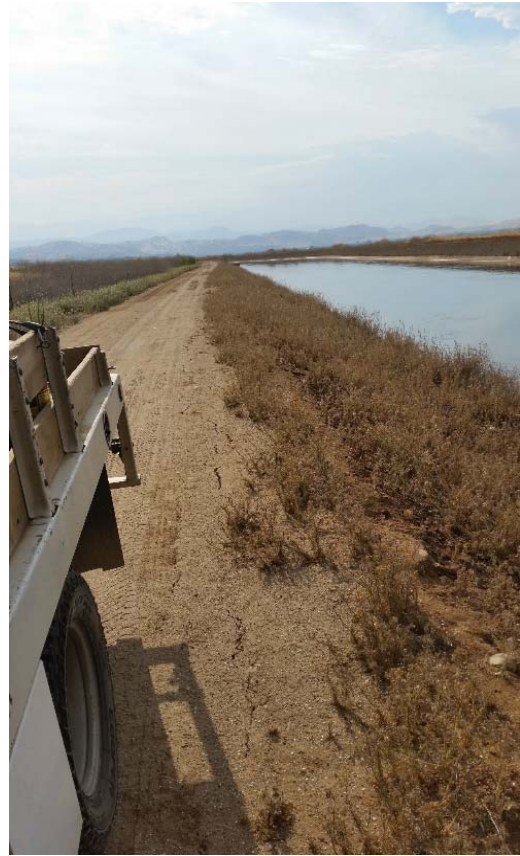




*Lindsay maintenance staff using “Gopher X” in the elimination of gophers and ground squirrels.*



*Lindsay maintenance staff completing mowing the inside and outside banks of the canal.*



*Inside bank section overgrown with weeds in the Delano Section. After weeds were killed off.*

## **Canal and Diversion Structures**

The Lindsay maintenance staff completed the mudjacking at MP 108.35 to stop water leaking from the Friant-Kern Canal.



*Lindsay maintenance staff performing mudjacking at MP 108.35.*



The Delano maintenance staff continued gate structure maintenance on radial and slide gates. Items addressed included; repairing oil leaks, changing gear box oil, servicing motor couplers, and wire rope inspections. Staff lubed all grease points and wire ropes, repaired all metal work, security fence repairs, deck cleaning, touch up painting, Buoy ball and wire rope replacement and debris removal.

The Orange Cove maintenance staff continued to remove debris from the water ways and at check structures that have been blown or dumped into the canal.

The Delano staff continued embankment maintenance to the upper and lower right-of-ways, around structures and blockhouses. Washouts were backfilled, compacted, and graded to prevent further damage to the banks, roads, or concrete liner.

The Delano maintenance staff continued painting in their section that includes; bar gates, guard railings, warning signs, liner markers, structures, security fence wings, electrical panels, and block houses.



*Delano maintenance staff continued painting canal structures in their section.*

The Orange Cove maintenance staff continued inspections of the lining and making note of areas needing repairs or replacement.

The Orange Cove maintenance staff repaired chain link fencing in several locations.

## **O&M Roads**

The Orange Cove maintenance staff made various repairs to the canal roadways.

The Lindsay maintenance staff initiated the grading of the non-operational roadways between MP 98.62 and MP 107.34.

The Lindsay maintenance staff initiated the cleaning of the farm bridges in the Lindsay section. The bridges were cleaned with compressed air and then treated with copper coat to help preserve the wood.

The Delano maintenance continues asphalt patch work and backfilled the area with compacted decomposed granite. They also continue road grading to non-ops roads and lower right-of-ways. Staff continued to add road gravel & decomposed granite base to checks and turnout structures to help prevent erosion and for safe vehicle entry during wet conditions. Gravel base is  $\frac{3}{4}$  inch rock spread out from dump truck and grading in using utility tractor.



*Delano maintenance staff completes road grading to non-ops roads and lower right-of-ways in both pictures.*







*Orange Cove maintenance raising area to help prevent flooding and to direct the runoff towards the drains.*

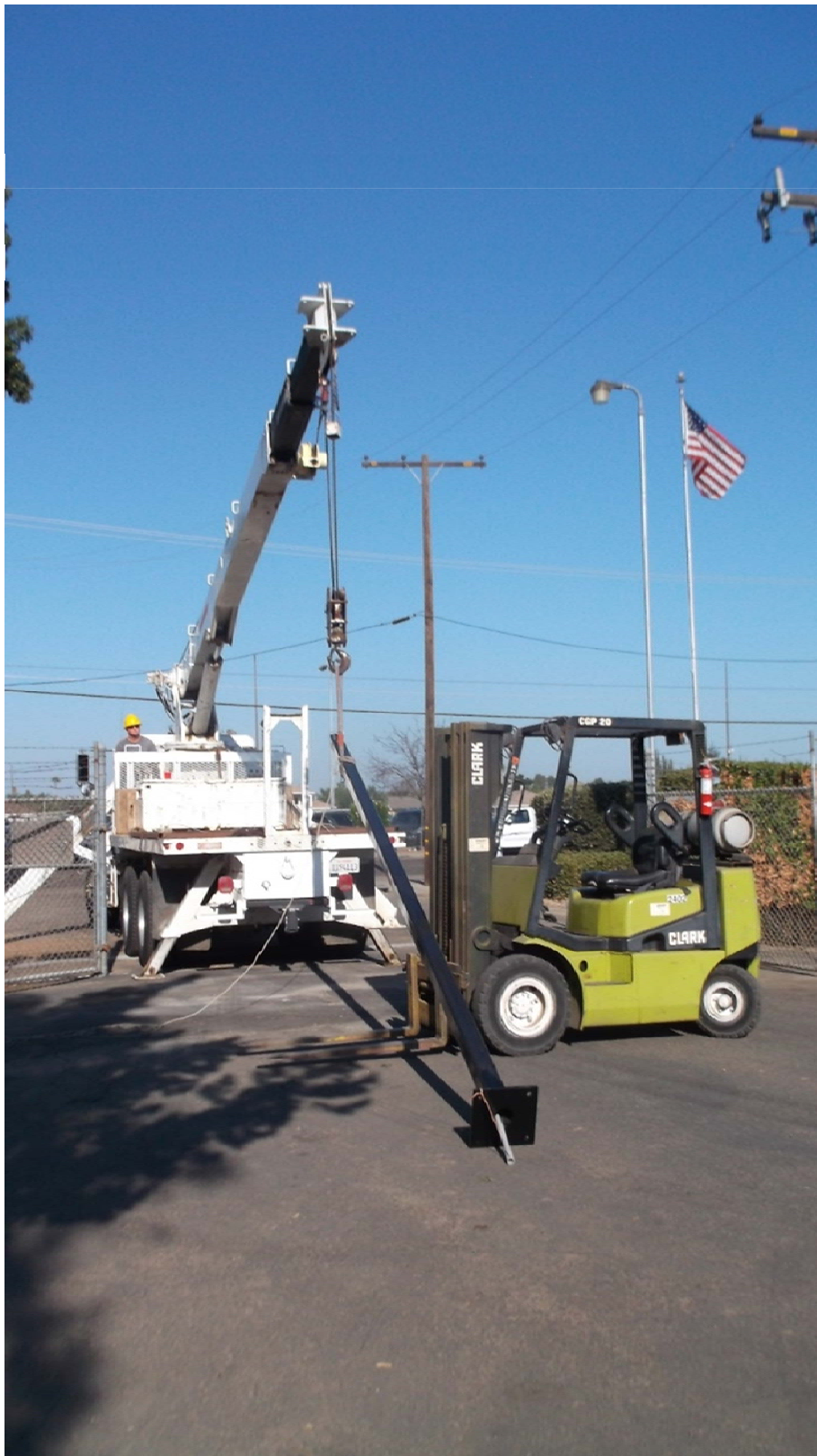
## **Bridges**

Nothing to report.

## **Yard and Buildings**

The Orange Cove, Lindsay, and Delano maintenance staff performed their routine and extraordinary office and yard maintenance activities.

The Lindsay staff completed the installation of a new light pole for the security lighting on the south entrance gate to the Lindsay yard.



*Lindsay staff Installing safety lighting at main entrance*



## Right-of-way Maintenance

The Orange Cove, Lindsay, and Delano maintenance staff continued to remove illegally dumped items along the FKC right-of-way. Trash and debris were removed and transported to the local solid waste facility or stored for future disposal.



*The Lindsay Maintenance Staff removed tires that were illegally dumped on the canal at MP 107.31.*



*Orange Cove maintenance staff cleans debris and installs no dumping sign along ROW.*

The Lindsay and Delano maintenance staff continued the painting and/or repair of the bargates and barrier posts that were wither faded or vandalized. Delano maintenance staff continues to repair and install security fencing to prevent public access from entering FKC right of ways and structured areas.

The Lindsay and Delano maintenance staff continued the installation and repairs of Bollard guard post to prevent vehicles and heavy equipment from damaging FWA structures.



The Delano maintenance staff continued traffic sign repairs. This includes bar gate markers and identification signs that need to be repaired or replaced on structures such as block houses, bridges, canal embankments, or concrete liners.



*Example of sign and bridge needing repair. Delano maintenance staff designates sign and bridge for repair.*



*Orange Cove maintenance staff replaced a weight limit sign.*

The Lindsay maintenance staff completed the repair/replacement of the fabric fencing at the Tulare ID Parshall that was damaged due to a traffic accident. The Delano maintenance staff continued to repair and install security fencing to prevent public access from entering the FKC right-of-ways and structured areas.



*Delano staff performed bar gate repair.*





*Drain Ditch is overgrown and silted in the Orange Cove maintenance area.*



*Drain Ditch removed of overgrown and silted materials in the Orange Cove maintenance area.*



The Orange Cove maintenance staff utilized the excavator to clear out a silted drain ditch that was causing roadway flooding during the previous winter.

The Orange Cove maintenance staff continued the painting of faded mile markers and ladders along the Frien-Kern Canal.

The Orange Cove maintenance staff made repairs to the canal embankment in many locations consisting of imported and compacted material, re-grading of local earth, funnel drain installation and repair and armoring of run off locations.

The Orange Cove maintenance staff continued repairs where wash-outs or run-off locations were found. Repairs to the canal embankment consisted of imported and compacted material, re-grading of local earth, installing funnel drains if necessary, and armoring the bank.



*Orange Cove maintenance staff painting ladders.*

## **Engineering Activities**

Working on revisions and updating Structures List.

Completed Initial Update to the Structures List. Needs to be Reviewed.

Creating Index Lists for the Blue, Red and Gray Binders of the Specifications and Drawings from the Bureau of Reclamation.

Reviewing Plans for PG&E NERC Program to Replace Kern-Rosedale 115KV Transmission Line. PG&E is currently rectifying height discrepancies to meet standards set by California Public Utilities Commission General Order (GO) 95.

Working on organizing, logging and filing of various projects, permits and licenses and cleaning up engineering offices.



Attended Safety Meeting.

Incorporating Bridge Modification drawings into the Structure Drawings binders.

Provided information to Bob Walker with Sempra Utilities at MP 142.86 (Zerker Road). There is an existing Gas Line crossing the canal up stream that needs to be replaced.

Gathering information on various Right-of-Way Encroachment issues of landowners in the Orange Cove Section.

Put together Right-of-Way information for Dan Dreyer (Ranch Manager) with Limoneira to keep future plantings off of FKC Right-of-Way.

Putting together Check Structures drawings for I.T. for proposed upcoming SCADA update project.

## Vehicle and Heavy Equipment

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

Location Delano, Orange & Lindsay	Type	Quantity
In House Repairs	B	5
	C	1
	E	
	BIT (90-Day)	9
Outside Repairs	B	1
	C	1
Smoke Test		
Location Delano, Orange Cove & Lindsay	Type	Quantity
In House Repairs	Light Vehicles	13
	Trucks	9
	Heavy Equipment	7
	Utility Equipment	11
Outside Repairs	Light Vehicles	0
	Trucks	0
	Heavy Equipment	0

## Administration Activities

In conjunction with Standard Insurance and Phil Pigott, preparations were made for the annual Investment Committee meeting that helps staff comply with due diligence standards while continuing to provide optimum investment options to Authority employees. Two administrative staff members attended an internal meeting of the Investment Committee to review and discuss the Authority retirement investment options. The next day, the Committee met with Phil Pigott and Anita Haynes from Cetera Advisor Networks and Michael Brody from Standard Insurance to evaluate the funds available to Authority employees from Standard Insurance. Recommendations to the HR Committee and Board of Directors will be made in September.

The Investment Committee also met with Phil Pigott and Anita Haynes from Cetera Advisor Networks to review the information from the provider analysis, the presentations and the requested follow-up information. The Investment Committee is making the recommendation for the Authority retirement investments to remain with Standard Insurance.

Staff continues to work with Grossmayer & Associates and the Director of Information Technology to implement a “self-service” timecard entry system that works with Microsoft, Great Plains accounting software. In August, the new system was set up so the Accounting could start testing and using the new timecard system. With all the work still required to test, implement and train all employees on the new system, the “go live” date has been moved to January 1, 2018.

Staff invoiced several districts for the conveyance of non-project water in August.

Staff prepared the quarterly report due to the Bureau of Reclamation for the pump-back activities April 2017 – June 2017.

After receiving responses to the request for proposals for auditors, staff prepared a recommendation for selection of an auditing firm for the fiscal years 2017 – 2019.

Staff prepared a job advertisement for the Maintenance Supervisor position that will be open the beginning of September. The position has been posted to various websites as well as the Authority website.

Staff distributed fee disclosure notices from Standard Insurance to all employees.

Staff provided support to the CEO on the FY 2018 draft General Member budget. One staff member attended a meeting with the CEO and COO at the Fresno office to discuss the upcoming Human Resources Committee meeting in September.

One staff member attended the SLDMWA Finance & Administration Committee meeting in August, via conference call. Material related to the proposed San Luis Transmission project was included in the packet and staff is requesting information from SLDMWA to understand what the process is and what the FWA might be expected to pay.

All administrative staff participated in the “all hands safety meeting” in August that was held in the Lindsay yard. The CEO and COO met with staff and congratulated them on their great safety record.

Staff continued to provide assistance with various activities to Sacramento staff.

One staff member responded to district requests for various salary, benefit and accounting information.

One staff member spent considerable time on various personnel related issues.

All cash reporting for July 2017 was completed as well as all personnel and routine accounting duties for August 2017.

## Operations Activities

Operations Staff delivered 212,715 acre feet during the month of August. Total water diverted year-to-date to FKC Contractors was 1,111,981 acre feet. Reported sump pump deliveries of 19 acre-feet and year to date total of 81 acre-feet.

Staff performed 3 Current Meter measurements to verify our rating tables.

Staff adjusted and reset the zero on 12 Transmitters.

Staff made several Canal measurements using our ADCP to measure flow rates at several parshall turnouts to validate recorded flows.

Staff tested and found 24S meter to not be working, it will be pulled as soon as DEID shuts down this turnout in the fall.

Staff provided assistance to the USBR survey to establish vertical control for the subsidence study.

Staff prepared two complete electrical control panels to be installed at the Kern Check and the White River check structures in September.

Staff rewired fan and installed new thermostats for the electrical venting fans at Fifth Avenue check.

Staff tested, repaired and put back into service meter at Whistler turnout.

Staff found Sontek unit at Pond East to have a beam out on the unit which calculates the pipe diameter, staff work with Sontek IT department, unit to be removed this winter and factory will replace the bad beam unit.

Water flow measurements were completed at the North and South Arvin Edison turnout.

## SCADA

The Cisco Router for HMI remote communications at Shafter Check has been reconfigured and reprogrammed.

An update and new download was installed in 2 computers for ladder logic programming.

Yagi antennas at Dodge Avenue have been redirected for better signal strength to the ClearSCADA HMI.

North Kern flow meters were tested and checked for accuracy.

Kings River waste way limits were set on gates 2 and 3.

A level position sensor at Gould Canal has been rescaled for the Honeywell Recorder, ClearSCADA HMI, and the TelePACE ladder logic programs.

Changes were made to the ladder logic program at Wood Central turnout and the Deer Creek Check. Pulse times were extended to slow down constant gate movement at these two sites.

## Electrical

Staff replaced conduit and installed new security lighting on the south gate of the Lindsay yard.

Staff replaced pressure switch and started rewiring pressure washer site to bring it up to code and remove rusted out metal conduit.

Staff repaired miscellaneous electrical issues in the yards as needed.

## Infrastructure Management

A considerable amount of time was allocated to assisting the Water Operations and Resources Coordinator, Executive Assistant, and with building leasing company to design and organize the deployment of network resources to the Sacramento office.

In the early morning hours of July 11<sup>th</sup>, a short outage occurred on the SCADA telemetry system. The telemetry outage caused several Cisco integrated routers (SCADA endpoints) to go offline. Staff addressed the issue. Held talks with operations staff and supervision regarding the need to develop a recovery plan to handle any outages that may occur.

Continued efforts with the accounting staff and Grossmayer and Associates on the development of the Authority electronic time sheet service.

Attended an onsite demo of the Cisco video conferencing system for the intent of the deployment in the Sacramento, Fresno, and Lindsay office.

The Verizon federal contracts for cellular data and voice were renewed as per Verizon requirements.

A considerable amount of time was dedicated to the final review of the operations Process Review Document, and reviewing the proposal from QPCS for SCADA Communications Phase III.