

BOARD OF DIRECTORS MEETING | Agenda

THURSDAY, MARCH 23, 2023

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

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

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

Here is the meeting link for members of the public that would like to access the Board meeting via Teams at 10:30 a.m.

Join on your computer, mobile app or room device

[Click here to join the meeting](#) ID: 249 523 620 374 Passcode: CMaGHq

Or call in (audio only) [+1 209-800-2813,897087668#](#) Phone Conference ID: 897 087 668#

CALL TO ORDER/ROLL CALL – (ERICKSON)

APPROVAL OF THE AGENDA – (ERICKSON)

PUBLIC COMMENT ON CLOSED SESSION ITEMS – (DAVIS)

ADJOURN TO CLOSED SESSION

1. CLOSED SESSION

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

1. *California Natural Resources Agency v. Raimondo*, United States District Court for the Eastern District of California, Case No. 1:20-CV-00426-DAD-EPG
2. *Tehama Colusa Canal Authority v. California Dept. of Water Resources*, Sacramento County Superior Court, Case No. 34-2021-80003665-CU-WM-GDS
3. *NRDC v. Rogers*, U.S. District Court, Eastern District of California (Sacramento Division), Case No. 88-CV-1658-JAM-GGH.

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

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

RECONVENE INTO OPEN SESSION (10:30 AM) (ANNOUNCE ANY REPORTABLE CLOSED SESSION ACTION.) - (ERICKSON)

PUBLIC COMMENT / PUBLIC PRESENTATIONS – (ERICKSON)

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

2. CONSENT CALENDAR – (5 MINUTES)

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

- A. Approval of the Minutes – Board of Directors Meeting of March 3, 2023. (Erickson)
- B. Ratify March 2023 Bills and Accept the Financial Reports for February 2023. (Orvis)

3. ACTION ITEMS (30 MINUTES)

- A. Mid-Year Cost-of-Living-Adjustment for Fiscal Year 2023 (Amaral/Garcia/Orvis)
- B. Friant-Kern Canal System-Wide Capacity Correction Project Plan Formulation Study: Consultant Contracts and Activity Agreement for Participating Contractors (Buck-Macleod/Orvis)
- C. OM&R Cost Recovery Policy Revisions – Conveyance Rate Update (Orvis)
- D. Third-Quarter, Fiscal Year 2023 Call-for-Funds, General Membership (Orvis)

4. GENERAL UPDATES & REPORTS (70 MINUTES)

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

5. ADJOURNMENT

PUBLIC PARTICIPATION INFORMATION

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



BOARD OF DIRECTORS MEETING | Minutes

MONDAY, MARCH 3, 2023

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

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

CALL TO ORDER/ROLL CALL

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

ATTENDANCE:

Directors Present:

Edwin Camp	Arvin-Edison W.S.D. (AEWSD)
Roger Schuh	Chowchilla W.D. (CWD)
George Porter	Fresno I.D. (FID)
Andrew Pandol	Kern-Tulare W.D. (KTWD)
Michael Brownfield	Lindmore I.D. (LID)
Cliff Loeffler	Lindsay-Strathmore I.D. (LSID)
Josh Pitigliano	Lower-Tule River I.D. (LTRID)
Jim Erickson	Madera I.D. (MID)
Arlen Miller	Orange Cove I.D. (OCID)
Eric Borba	Porterville I.D. (PID)
Steven G. Kisling	Saucelito I.D. (SID)
Matthew Leider	Teapot Dome W.D. (TPWD)
Rick Borges	Tulare I.D. (TID)

Directors Monitoring Only Remotely:

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

Heoth Wooten	Delano Earlimart Irrigation District (DEID)
Joe Ferrara	Exeter Irrigation District (EID)
Craig Fulwyler	Shafter Wasco Irrigation District (SWID)

Directors Absent:

Brock Buche	City of Fresno (CofF)
Chris Tantau	Kaweah Delta W.C.D. (KDWCD)
Ryan Jacobson	Terra Bella I.D. (TBID)

Associate Members Absent:

Doug Phillips	Ivanhoe Irrigation District (IID) (Associate Member)
Bill DeGroot	Pixley Irrigation District (Associate Member)

APPROVAL OF THE AGENDA

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

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

PUBLIC COMMENT ON CLOSED SESSION ITEMS

None.

ADJOURN TO CLOSED SESSION (DAVIS)

1. CLOSED SESSION

- A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Government Code section 54956.9(d)(1))
 - 1. *California Natural Resources Agency v. Raimondo*, United States District Court for the Eastern District of California, Case No. 1:20-CV-00426-DAD-EPG
 - 2. *Tehama Colusa Canal Authority v. California Dept. of Water Resources*, Sacramento County Superior Court, Case No. 34-2021-80003665-CU-WM-GDS
 - 3. *NRDC v. Rogers*, U.S. District Court, Eastern District of California (Sacramento Division), Case No. 88-CV-1658-JAM-GGH.
- B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION
(Government Code section 54956.9(d)(2))
Significant Exposure to Litigation: Four potential matters.
- C. CONFERENCE WITH LEGAL COUNSEL-INITIATION OF LITIGATION
(Government Code section 54956.9(d)(4))
Initiation of Litigation: Two potential cases.

RECONVENE INTO OPEN SESSION

(10:39 a.m.) - There was no reportable action taken during closed session.

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PUBLIC COMMENT / PUBLIC PRESENTATIONS

Chairman Loeffler opened the meeting with an Invocation.

Geoff Vanden Heuvel expressed appreciation for CEO Jason Phillips participation at the Urban Water

Institute.

District Manager Eric Limas presented the highly coveted “Water Warrior Award” to COO/CEA Johnny Amaral. COO/CEA Amaral, joins the long list of honorees. It was stated Johnny was selected for being solution oriented noting his common question of “How are going to fix this?” Manager Limas also gave accolades for Amaral holding two “C” offices - Chief of External Affairs and Chief Operating Officer.

2. CONSENT CALENDAR

A. Approval of the Minutes – Board of Directors Meeting of January 30, 2023. (ERICKSON)

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

C. Approval of a Previously Budgeted FY 2023 Equipment Purchase (Mini-Excavator).
(Hickernell /Orvis)

D. Approval of Update to FWA Conflict of Interest Code. (Davis)

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

3. ACTION ITEMS

A. Approval of Investment Policy Update to add the California Asset Management Program as an eligible investment option for FWA. CFO reviewed the agenda report and recommendation to add the CAMP as an investment option

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

B. Approval of Extension of Temporary Conveyance Agreement (Restoration Flows). General Counsel Davis explained the surprise availability of both Restoration Flows and the capacity to recapture the flows at the Banta-Carbona and Patterson Irrigation Districts. The extension would only be for the month of March 2023.

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

4. GENERAL UPDATES & REPORTS (75 MINUTES)

A. FKC Middle Reach Capacity Correction Project Update - Construction Progress Report and Financial Summary – Stantec’s Janet Atkinson provided a project update. She reported that the contractor has worked 393 calendar days; there have been occasional weather delays however schedule should not change. As of February 4th, change orders total

approximately \$2.8 million. Paving is on schedule for June.,. The Deer Creek flooding is being addressed.

- B. Water Operations Update. – WRM Buck-Macleod provided a water operation update as outlined in the agenda report. He reported that the exceptionally wet hydrology throughout the State from mid-December through mid-January has kept hydrologic outlooks above average. On February 22nd, Reclamation announced initial 2023 allocations for 100% Class 1 and 20% Class 2 for Friant, 35% for South-of-Delta agricultural water service contractors, and 100% allocation for Settlement and Exchange Contractors. The current CNRFC Millerton 50% forecast would result in a water year inflow that is 200% of average and would be top 5 wettest year on record. As for Delta Operations, exports are currently at a 5-unit operation and is anticipated to remain through next week with current inflow forecasts. The CVP San Luis Reservoir storage is at 673 TAF—109% of its 15-year average. San Joaquin River Restoration Recapture a total of 611 AF was recaptured at Mendota Pool during 2022. A total of 3.6 TAF was recaptured at BCID in December. Approximately 2.6 TAF was recaptured in January before Restoration flows ceased being available on January 15th.
- C. FKC System-wide Capacity Correction Study Update- WRM Buck-Macleod provided an update as outlined in the agenda report. The Friant-Kern Canal (FKC) System-wide Capacity Correction Reconnaissance Study (Recon Study) assessed preliminary benefits and costs of restoring the design capacity for areas outside of Phase 1 of the Middle Reach Capacity Correction Project (MRCCP) and maximizing deliveries during flood operations. FWA is asking potential interested contractors to discuss the scope and budget with their Home Boards and intent to enter into activity agreement with FWA for the Base tasks. FWA has requested a detailed cost estimate from Stantec for Base and Optional Storage scope items and is developing a draft activity agreement for potential interested contractors who will participate in the Base. At the March 23 Board meeting, staff intends to bring the agreement to the Board for approval along with the associated contract with Stantec. Additionally, for the Optional Storage task, FWA intends to execute a separate contract with Stantec to be funded under the existing FY 2023 OM&R budget.
- D. External Affairs Activities– COO/CEA Amaral provided an update on External Affairs activities as outlined in the agenda report. It was stated that February 17 was the last day for new bills to be introduced for this legislative session. Governor Gavin Newsom reported there is a \$13 billion budget deficit. In other State news there are 2,600 new bills introduced, three flood bonds are in the works that are being monitored closely. In Federal affairs, during their recess Friant (Johnny) was able to have face time with Congressmen Valadao, Duarte and McCarthy. Directors were reminded that the Annual Meeting is to be held April 13th, RSVP are encouraged. A reminder that the ACWA conference will be held in May. In closing, all Directors were encouraged to complete and return their Form 700.
- E. O&M Report– Superintendent Hickernell provided an update on current O&M activities as outlined in the agenda report. Lindsay staff dipped aquatic weed and trash built up at siphons throughout FKC. Due to heavy rainfall and severe flooding, all drains had to be cleared repeatedly due to trash and debris. Orange Cove staff began hauling materials off the embankment from the recent desilt project. Delano staff continues embankment maintenance to upper and lower around structures such as blockhouses, turnouts,

bridge abutments, utility tractors, motor graders, and earth moving equipment.

- F. San Joaquin Valley Blueprint Update – Austin Ewell provided an update on San Joaquin Blueprint activities as outlined in the agenda report. He also reported that the Blueprint has coordinated and invited a select group of agricultural and water leaders from the San Joaquin Valley and the Delta region to meet and tour the Delta and SJ Valley March 30-31 and April 20-21.
- G. San Luis & Delta-Mendota Water Authority Update – CFO Orvis provided an update on current activities of SLDMWA. He reported that there were three items associated with SLDMWA that pertain to FWA operations: (1) San Joaquin River Releases to Mendota Pool and (2) Water Year (WY) 2023 Operations, Maintenance, and Replacement Budget Formulation, and (3) changes in Subcommittee Chairs. FWA will continue to participate on their O&M Committee to provide feedback.
- H. CEO Report - CEO Phillips provided an update on current activities of the CEO. He reported on State activities on SGMA, the Urban Water Institute Feb conference and the importance of ag-urban partnership, and the importance of supporting the Blueprint initiatives.

5. ADJOURNMENT

The meeting adjourned at 12:03 p.m.

Jason R. Phillips, Chief Executive Officer
Friant Water Authority

Vivian Garcia, Recording Secretary
Friant Water Authority

OTHERS IN ATTENDANCE:

Johnny Amaral	FWA
Chris Hickernell	FWA
David Dees	FWA
Vivian Garcia	FWA
Maggie Suarez	FWA
Mia Swenson	FWA
Jason Phillips	FWA
Wilson Orvis	FWA
Ian Buck-Macleod	FWA
Katie Duncan	FWA
Don Davis	FWA General Counsel
John Bezdek	FWA Special Counsel
Austin Ewell	California Blueprint
Ron Castro	Tea Pot Dome W.D.
Louie Tristao	Lower-Tule River I.D.
Bill Stretch	Fresno I.D.

Aaron Fukuda	Tulare I.D.
Tom Barcellos	Lower Tule River I.D., Tea Pot Dome W.D.
Brandon Tomlinson	Chowchilla W.D.
Tom Greci	Madera I.D.
Jeevan Muhar	Arvin-Edison W.S.D.
David Wierenga	Delano-Earlimart I.D.
Brett McCowan	Porterville I.D.
Johnny Gailey	Delta View Water Assoc.
Nick Keller	Hills Valley I.D.
Eric Quinley	Delano-Earlimart I.D.
Sebastian Silveria	Gladstone Farms
Mitch Partovi	The Water Agency, Inc.
Mark Larsen	Kaweah-Delta W.C.D.
Skye Grass	Kern-Tulare W.D.
Douglas Jackson	Water & Land Solutions
Kris Lawrence	Shafter-Wasco I.D.
Mike Hagman	Lindmore I.D.
Chris Hunter	Lindmore I.D.
Fergus Morrissey	Orange Cove I.D.
Alex Peltzer	Counsel (several districts)
Rufino Gonzalez	USBR
Roland Gross	Southern San Joaquin M.U.D.
Gene Kilgore	Tri-District Water Authority
Allison Tristao	Western United Dairies
Aubrey Mauritsen	Visalia Law
Alan Doud	Young Wooldridge
Bill Luce	Luce Consulting
Brian Thomas	FWA Consultant
Craig Wallace	Lindsay-Strathmore I.D.
Dina Nolan	MID
Eric Limas	Lower Tule River I.D., Tea Pot Dome W.D.
Geoff Vanden Heuvel	Milk Producers Counsel
Janet Atkinson	Stantec
Adam Claes	Fresno Irrigation District
Mike Villines	
Jared Plumlee	
Pete Hronis	
Steve Ottemoller	
Trent Taylor	Rosedale Rio Bravo Water
Derek Yurosek	
Steve Jackson	
Dyson Schneider	Limoniera Ranch

Agenda Report

No. 2.B

DATE: March 23, 2023

TO: Board of Directors

FROM: Wilson Orvis, CFO

SUBJECT: Approve Bills for the Month of March 2023 and Accept the Financial Reports for Month Ending February 28, 2023

SUMMARY:

The Finance Committee met on March 20, 2023 and reviewed the bills for March 2023 and the financial reports for month ending February 28, 2023. There was a quorum at the meeting.

FINANCE COMMITTEE ACTION:

At the March 20, 2023 meeting, the Finance Committee acted to recommend that Board of Directors approve payment of the March 2023 bills in the amount of \$27,149,330.54 and accept the Financial Reports for month ending February 28, 2023.

SUGGESTED MOTION:

I move that the Board of Directors approve payment of the March 2023 bills in the amount of \$27,149,330.54 and accept the Financial Reports for month ending February 28, 2023.

BUDGET IMPACT:

- \$853,077.09 (bills) and \$214,728.90 (payroll) is chargeable to the FY 2023 Operations, Maintenance, and Replacement (OM&R) Budget;
- \$47,092.92 (bills) and \$54,664.64 (payroll) is chargeable to the FY 2023 General Membership Budget;
- \$69,418.05 is to be recovered under existing grant agreements;
- \$0 to San Luis & Delta-Mendota Water Authority for forecasted Exchange Contractor deliveries for the month of April (as of the Finance Committee, the SLDMWA bill had yet to be received);
- \$25,807,383.49 is chargeable to Middle Reach Capacity Correction Project, Phase 1, of which \$25,618,000 was the FY23 Q2 quarterly construction payment to the Bureau under the current, approved spending plan; and
- \$102,985.45 are payments to Districts for the FY2020-FY2022 cost allocation true-up.

ATTACHMENTS:

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

FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, MARCH 2023

BILLS PAID MARCH 13, 2023

NO.	PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION
1	ACWA / JPIA	\$ 70,556.97	\$ 7,381.60	\$ 77,938.57	Medical, Dental & Vision Insurance
2	Bank of America	10,713.38	2,006.97	12,720.35	Various Visa Charges
3	CAJIMAT, CHARMEL	584.46	-	584.46	Expense Claim Reimbursement
4	CASHIER, DPR	190.00	-	190.00	QAC Certification
5	CENTRAL VALLEY TOOLS (SNAP ON)	116.36	-	116.36	Parts & Supplies-Lindsay Yard
6	ECONOMIC RESEARCH INSTITUTE	3,989.00	-	3,989.00	Salary Surveys-Personnel Admin
7	FRUIT GROWERS SUPPLY CO	344.16	-	344.16	Parts & Supplies-OC & Lindsay Yard
8	GROSSMAYER & ASSOCIATES	155.00	-	155.00	GP Support-Review Sales/AP
9	HOME DEPOT CREDIT SERVICES	2,367.76	-	2,367.76	Parts & Supplies
10	JIM BURKE FORD	80,852.12	-	80,852.12	Delano Foreman & Water Ops Pick up (FY22)
11	KAN VENTURES, INC.	-	4,000.00	4,000.00	Consulting Services-February
12	LINCOLN NATIONAL LIFE INSURANCE CO.	3,656.62	520.80	4,177.42	Medical & Disability Insurance
13	MBK ENGINEERS	8,248.00	-	8,248.00	Professional Services-November
14	PACIFIC GAS & ELECTRIC	41.88	-	41.88	Utilities-Electricity
15	PAPE KENWORTH	85.58	-	85.58	Parts & Supplies-Lindsay Yard
16	PATTERSON IRRIGATION DISTRICT	81,675.00	-	81,675.00	Repayment 2022- Conveyance
17	QUINN COMPANY	265,625.50	-	265,625.50	Fixed Asset-Front Loader (FY23)
18	REGO CONSULTING CORPORATION	41.25	-	41.25	Consulting Services-February
19	SAN JOAQUIN PEST CONTROL	94.00	-	94.00	Pest Control-February, Lindsay Yard
20	SAN JOAQUIN PEST CONTROL	110.00	-	110.00	Pest Control-January and February, Orange Cove
21	SAN JOAQUIN PEST CONTROL	160.00	-	160.00	Pest Control-Oct, Nov, Dec and Jan OC Blockhouse
22	SAN JOAQUIN VALLEY WATER INFRASTRUCTURE AUTHORITY	-	3,111.00	3,111.00	Annual Membership Dues 2023
23	SEQUOIA DOOR, INC	1,300.00	-	1,300.00	Garage Door-Woodlake CSO Residence
24	SO CAL GAS	871.58	-	871.58	Utilities-Natural Gas
25	SOUTHERN CALIF EDISON	17.40	-	17.40	Utilities-Electricity
26	STANDARD INSURANCE CO	6,734.27	2,009.82	8,744.09	Survivor's Life Insurance
27	THE FERGUSON GROUP, LLC	-	3,889.05	3,889.05	Consulting Services-January
28	WEISENBERGERS	134.64	-	134.64	Parts & Supplies - Water Ops
29	SUBTOTAL SPENDING	\$ 538,664.93	\$ 22,919.24	\$ 561,584.17	
30	ALLOCATION CORRECTION - TRUE UP	102,985.45	-	102,985.45	25 Year Allocation
31	PAYROLL FWA	107,364.45	27,322.32	134,686.77	Mid month Payroll
32	TOTAL OM&R	\$ 749,014.83	\$ 50,241.56	\$ 799,256.39	

33	Middle Reach Capacity Correction Project Phase 1					
34	Bank of America	\$	9.85	\$	-	\$ 9.85 Various Visa Charges
35	BUREAU OF RECLAMATION		25,618,000.00		-	25,618,000.00 USBR Construction Payment
36	GAR BENNET, LLC		58.60		-	58.60 Irrigation Pipeline-Sales Tax
37	KAN VENTURES, INC.		6,000.00		-	6,000.00 Consulting Services-February
38	STANTEC CONSULTING SERVICES INC.		19,171.22		-	19,171.22 Consulting Services-January
39	THE FERGUSON GROUP, LLC		5,000.00		-	5,000.00 Consulting Services-January
40	TULARE COUNTY RESOURCE		90,210.82		-	90,210.82 Tulare County Land Soft Costs
41	SUBTOTAL - MRCCP PHASE 1	\$	25,738,450.49	\$	-	\$ 25,738,450.49
42	TOTAL - MID MONTH		\$ 26,487,465.32	\$ 50,241.56	\$ 26,537,706.88	

BILLS TO BE PAID MARCH 23, 2023

NO.	PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION
43	BANTA-CARBONA IRRIGATION DISTRICT	\$ 272,835.00	\$ -	\$ 272,835.00	2023 Conveyance Fee
44	BELLO VITA VENUE	3,431.76	-	3,431.76	BOD Meeting Venue-March
45	BILL LUCE CONSULTING	1,122.00	462.00	1,584.00	Consulting Services-February
46	BOOT BARN INC.	364.42	-	364.42	Safety Boots
47	CAIDEN WALLACE	400.00	-	400.00	Entertainment Service-Annual Dinner
48	CENTRAL VALLEY TOOLS (SNAP ON)	116.36	-	116.36	Parts & Supplies-Lindsay yard
49	CINTAS CORPORATION #2	176.16	-	176.16	Uniform Services-OC Yard
50	CINTAS CORPORATION #3	253.46	-	253.46	Uniform Services-Delano Yard
51	CITY OF DELANO	238.40	-	238.40	Utilities
52	CITY OF LINDSAY	283.88	-	283.88	Utilities
53	EXECUTIVE SUITES AT RIVER BLUFF, LP	-	2,005.00	2,005.00	Office Rent in Fresno - March
54	FEDEX	24.80	-	24.80	Shipping
55	FOOTHILL AUTO TRUCK & AG PARTS, INC.	1,578.54	-	1,578.54	Parts & Supplies-OC Yard
56	HOME DEPOT CREDIT SERVICES	116.12	-	116.12	Parts & Supplies
57	MONARCH FORD	79.47	-	79.47	Parts & Supplies-OC Yard
58	OTTEMOELLER CONSULTING SERVICES, LLC	2,534.50	650.75	3,185.25	Consulting Services-February
59	PACIFIC GAS & ELECTRIC	21.98	-	21.98	Utilities-Electricity
60	PORTERVILLE FORD	366.47	-	366.47	Parts & Supplies-Lindsay Yard
61	PROVOST & PRITCHARD INC	21,078.19	-	21,078.19	Professional Services - January
62	QUADIENT LEASING USA, INC.	699.11	-	699.11	Office Equipment Lease - April to June
63	QUILL CORPORATION	145.66	-	145.66	Office Supplies
64	SMART & FINAL CORP	15.99	-	15.99	Kitchen Supplies
65	SO CAL GAS	28.47	-	28.47	Utilities-Natural Gas
66	SPARKLETTS	20.16	-	20.16	Water Services - OC Yard
67	STANTEC CONSULTING SERVICES INC.	1,705.00	-	1,705.00	Consulting Services-February
68	STUART'S JOHANSON & THOMAS	252.00	-	252.00	Parts & Supplies-Lindsay Yard
69	THE REDESIGN GROUP	613.94	-	613.94	Azure - Cloud Back-Up
70	VALLEY PACIFIC PETROLEUM SERVICES, INC.	4,975.01	-	4,975.01	Unleaded Fuel-Delano Yard
71	VAST NETWORKS	800.00	-	800.00	Internet Service-Lindsay Office
72	VILLINES GROUP, LLC	-	3,240.00	3,240.00	Consulting Services-February
73	WATER AND POWER LAW GROUP PC	-	17,815.93	17,815.93	Special Counsel Services-February
74	WORLD OIL ENVIRONMENTAL SERVICES	135.31	-	135.31	Waste Disposal Service
75	SUBTOTAL SPENDING	\$ 314,412.16	\$ 24,173.68	\$ 338,585.84	
76	PAYROLL FWA	107,364.45	27,322.32	134,686.77	End of Month Payroll Estimate
77	TOTAL OM&R	\$ 421,776.61	\$ 51,496.00	\$ 473,272.61	

78	Middle Reach Capacity Correction Project Phase 1					
79	STANTEC CONSULTING SERVICES INC.	\$	10,473.00	\$	-	\$ 10,473.00 Consulting Services-February
80	VILLINES GROUP, LLC		4,860.00		-	4,860.00 Consulting Services-February
81	WM LYLES CO		53,600.00		-	53,600.00 Tea Pot Dome Irrigation Line
82	SUBTOTAL - MRCCP PHASE 1	\$	68,933.00	\$	-	\$ 68,933.00

83	GRANTS					
84	STANTEC CONSULTING SERVICES INC.	\$	69,418.05	\$	-	\$ 69,418.05 Consulting Services-February

85 TOTAL - END OF MONTH \$ 560,127.66 \$ 51,496.00 \$ 611,623.66

86 GRAND TOTALS \$ 27,047,592.98 \$ 101,737.56 \$ 27,149,330.54

FRIANT WATER AUTHORITY

CASH ACTIVITY BALANCE MONTH ENDING FEBRUARY 28, 2023

	Beginning Balance	Increases	Decreases	Ending Balance
FKC Operations & Maintenance	\$ 32,887,930	\$ 5,551,594	\$ (3,118,720)	\$ 35,320,803
SLDMWA	2,872,673.14	266,514.41	(1,157,628.96)	1,981,558.59
Total	\$ 35,760,603	\$ 5,818,108	\$ (4,276,349)	\$ 37,302,362
General Member	\$ 122,588	47,326.00	(119,875.93)	\$ 50,038
Total				\$ 37,352,400

BANK ACTIVITY BALANCE MONTH ENDING FEBRUARY 28, 2023

Local Agency Investment Fund	\$ 35,747,472	\$ 3,504,998	\$ (1,600,000)	\$ 37,652,470
Bank of the Sierra	135,719.00	2,360,435.64	(2,796,225.22)	(300,070.58)
Total				\$ 37,352,400

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

FWA funds. Most Current Interest Rate: For month ended February 28, 2023 , effective yield, 2.624%

Total LAIF fund as of February 28, 2023: \$27,446,842,545.48

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 FEBRUARY 28, 2023**

	<u>Checking & Investments</u>	<u>Payroll Checking</u>	<u>Petty Cash</u>	<u>Total</u>
CASH BALANCE JANUARY 31, 2023	\$ 35,759,803	\$ -	\$ 800	\$ 35,760,603
Increases:				
District O&M receipts	1,771,446			1,771,446
SLDMWA receipts	266,514			266,514
Pumpback Grant	119,974			119,974
Revenue from MRCCP	761,539			761,539
Revenue from ETGSA	2,617,265			2,617,265
Miscellaneous deposits	166,462			166,462
25 year Allocation True-up	102,985			102,985
Administration Allocation	11,922			11,922
Payroll deposits		501,222		501,222
Total Increases	<u>5,818,108</u>	<u>501,222</u>	<u>-</u>	<u>6,319,329</u>
Decreases:				
O&M Expenditures	1,110,505			1,110,505
Pump Back Project Expenditures	67,270			67,270
MRCCP	71,721			71,721
Wire to SLDMWA - O&MR Charges - March Estimate	1,157,629			1,157,629
25 year Allocation True-up	1,368,003			1,368,003
Payroll Cash Outlays	501,222	501,222		1,002,443
Total Decreases	<u>4,276,349</u>	<u>501,222</u>	<u>-</u>	<u>4,777,571</u>
CASH BALANCE BEFORE INTERFUND ACTIVITY	<u>37,301,562</u>	<u>-</u>	<u>800</u>	<u>37,302,362</u>
Interfund transfer from O&M	-			-
CASH BALANCE FEBRUARY 28, 2023	<u>\$ 37,301,562</u>	<u>\$ -</u>	<u>\$ 800</u>	<u>\$ 37,302,362</u>

**FRIANT WATER AUTHORITY
GENERAL MEMBERS FUND
CASH ACTIVITY REPORT
MONTH ENDING FEBRUARY 28, 2023**

CASH BALANCE JANUARY 31, 2023		<u>\$ 122,588</u>
Increases:		
Member Assessments	<u>47,326</u>	
Total Cash Receipts		<u>\$ 47,326</u>
Decreases:		
Annual membership dues	200	
Consulting	31,072	
Meetings	17,449	
Professional Services	15,845	
Rent & Facility Expense	2,737	
Other	<u>408</u>	
	67,710	
Reimburse O&M:		
Current Month Payroll & Benefits	63,162	
Current Month Payroll & Benefits to O&M	(22,918)	
Administration Allocation	11,922	
Less Total Cash Disbursements		<u>\$ 119,876</u>
CASH BALANCE BEFORE INTERFUND ACTIVITY		<u><u>\$ 50,038</u></u>
Interfund transfer from O&M		\$ -
CASH BALANCE FEBRUARY 28, 2023		<u><u>\$ 50,038</u></u>

FRIANT WATER AUTHORITY
MONTH ENDING FEBRUARY 28, 2023
CASH ACTIVITY REPORT

LOCAL AGENCY INVESTMENT FUND (L.A.I.F.)
(FUNDS ON DEPOSIT WITH STATE OF CALIFORNIA)
CASH ACTIVITY REPORT

CASH BALANCE JANUARY 31, 2023 \$ 35,747,472

Increases:

Transfer from checking \$ 3,504,998

Decreases:

Transfer to checking (1,600,000)

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

Balance ascribed to:

O&M Fund \$ 37,602,030

General Member Fund \$ 50,440

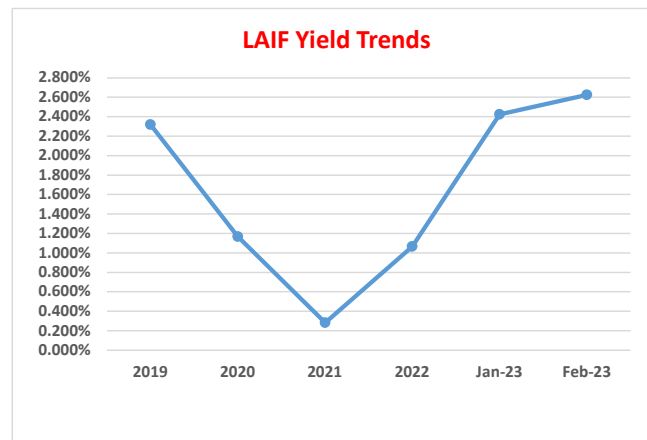
\$ 37,652,470

NOTE: Cash on deposit with LAIF represents the consolidation of available balances held by all
FWA funds. Most Current Interest Rate: For month ended February 28, 2023, effective yield, 2.624%

Total LAIF fund as of February 28, 2023: \$27,446,842,545.48

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.



2019	2.320%
2020	1.168%
2021	0.284%
2022	1.066%
Jan-23	2.425%
Feb-23	2.624%

FWA Revenue Presentation

FY 2023

Budget year: **41.7%** Completed

Operations & Maintenance

	FY 2023 Budget	02/28/2023 Year to Date	Budget Remaining	Budget Spent %
Revenue				
Interest Income	-	6,598	(6,598)	
Miscellaneous Income	-	81,747	(81,747)	
Reverse Pumping Fee	-	23,344	(23,344)	
Conveyance Fees		6,310	(6,310)	
O & M Revenue	12,198,370	5,082,654	7,115,716	41.7%
Water Supply Cord./Monitoring Revenue		36,077	(36,077)	
Total Revenue	12,198,370	5,236,731	6,961,639	42.9%
Expenses				
Total Operations	1,756,994	753,308	1,003,685	42.9%
Total Maintenance	7,048,335	2,312,399	4,735,936	32.8%
Administration Costs	1,935,651	874,305	1,061,346	45.2%
Special Projects	1,457,390	142,956	1,314,434	9.8%
Total OM&R Expenses	12,198,370	4,082,968	8,115,402	33.5%

FWA Budget Presentation

FY 2023

Budget year:

41.7%

Completed

Operations & Maintenance	FY 2023 Budget	02/28/2023 Year to Date	Budget Remaining	Budget Spent %
Operations Dept				
Employee Salaries/Pay	804,086	288,730	515,356	35.9%
Employee Benefits	397,987	189,993	207,994	47.7%
Supplies & Services	554,920	274,584	280,336	49.5%
Total Operations	1,756,994	753,308	1,003,685	42.9%
Maintenance Dept				
Employee Salaries/Pay	2,471,305	807,308	1,663,997	32.7%
Employee Benefits	1,202,871	540,415	662,456	44.9%
Supplies & Services	3,374,159	964,676	2,409,483	28.6%
Total Maintenance	7,048,335	2,312,399	4,735,936	32.8%
Administration Costs	2,200,489	933,699	1,266,790	42.4%
Administration Costs allocated to GM	(264,838)	(59,394)	(205,444)	22.4%
Total Operations & Maintenance	10,740,980	3,940,011	6,800,968	36.7%
Special Projects				
Spending	1,457,390	142,956	1,314,434	9.8%
Total Special Projects	1,457,390	142,956	1,314,434	9.8%
Total OM&R	12,198,370	4,082,968	8,115,402	33.5%

Friant Water Authority
Budget vs Actual Expenses
YTD - 02/28/2023

Budget year: 41.7% Completed

Total					Labor				Materials			
	Annual Budget	YTD Actual	% Of Bud	Projected Remaining	Budget	YTD Actual	Projected Remaining		Budget	YTD Actual	Projected Remaining	
MAINTENANCE												
1 Vehicle & Equipment Service	\$ 759,318	\$ 267,416	35.2%	\$ 491,902	\$ 180,284	\$ 60,705	33.7%	\$ 119,578	\$ 579,034	\$ 206,711	35.7%	\$ 372,323
2 Maintenance Supervision	341,127	106,648	31.3%	234,479	241,127	105,156	43.6%	135,971	100,000	1,492	1.5%	98,508
4 Right-of-Way Management	50,784	23,357	46.0%	27,427	50,784	23,357	46.0%	27,427	-	-	0.0%	-
5 Weed & Pest Control	1,039,248	174,043	16.7%	865,204	336,331	110,777	32.9%	225,554	702,917	63,267	9.0%	639,650
6 Implem Biol. Opinion	22,000	3,433	15.6%	18,567	-	-	0.0%	-	22,000	3,433	15.6%	18,567
7 Road Maintenance	60,673	7,441	12.3%	53,232	36,723	5,141	14.0%	31,581	23,951	2,300	9.6%	21,651
8 Yard & Building Maintenance	339,973	134,653	39.6%	205,320	162,763	88,124	54.1%	74,639	177,210	46,529	26.3%	130,681
9 Structure & Gate Maintenance	72,677	44,892	61.8%	27,785	65,232	34,284	52.6%	30,948	7,445	10,609	142.5%	(3,164)
10 Cleaning Right-of-Way	69,608	23,257	33.4%	46,351	69,608	23,257	33.4%	46,351	-	-	0.0%	-
11 Bargate & Guardrail Maint	41,526	2,285	5.5%	39,241	19,023	2,203	11.6%	16,820	22,503	82	0.4%	22,421
12 Embankment Maintenance	85,276	66,786	78.3%	18,489	77,116	65,817	85.3%	11,300	8,159	970	11.9%	7,190
13 Bridge Maintenance	63,193	3,771	6.0%	59,422	26,632	3,651	13.7%	22,981	36,561	120	0.3%	36,441
14 Miscellaneous Maintenance	-	111	0.0%	(111)	-	-	0.0%	-	-	111	0.0%	(111)
15 Reverse Flow Pumping	-	11,707	0.0%	(11,707)	-	7,278	0.0%	(7,278)	-	4,429	0.0%	(4,429)
16 Concrete Lining Maintenance	19,483	13,698	70.3%	5,785	10,700	12,706	118.8%	(2,006)	8,783	992	11.3%	7,791
17 Draineditch & Channel Maint.	37,870	6,690	17.7%	31,179	37,870	6,690	17.7%	31,179	-	-	0.0%	-
18 Fence Maintenance	81,666	3,789	4.6%	77,876	64,242	3,463	5.4%	60,780	17,424	327	1.9%	17,097
19 Mudjacking	25,181	-	0.0%	25,181	22,941	-	0.0%	22,941	-	-	0.0%	-
20 Painting	56,933	7,361	12.9%	49,572	44,707	5,224	11.7%	39,484	12,225	2,137	17.5%	10,088
21 Sump Pump Maintenance	2,057	190	9.2%	1,867	1,107	-	0.0%	1,107	950	190	20.0%	760
22 Cross Drainage Structure Mtce	1,107	-	0.0%	1,107	1,107	-	0.0%	1,107	-	-	0.0%	-
23 Rip-Rapping	2,625	-	0.0%	2,625	2,625	-	0.0%	2,625	-	-	0.0%	-
24 Finance Charge	-	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-
25 Operations Supervision	50,438	23,440	46.5%	26,997	50,438	23,440	46.5%	26,997	-	-	0.0%	-
26 Water supply coordination & monitoring	632,218	441,937	69.9%	190,281	162,023	61,799	38.1%	100,224	470,195	380,138	80.8%	90,058
27 Water Quality	-	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-
27 Legal Expense - Direct	110,000	29,526	26.8%	80,474	-	-	0.0%	-	110,000	29,526	26.8%	80,474
28 Safety & First Aid Training	34,717	6,991	20.1%	27,725	20,299	1,553	7.6%	18,746	14,418	5,439	37.7%	8,980
29 Office Admin (Typing etc.)	83,705	24,252	29.0%	59,453	83,705	24,252	29.0%	59,453	-	-	0.0%	-
30 Payroll Preparation	12,707	1,741	13.7%	10,966	12,707	1,741	13.7%	10,966	-	-	0.0%	-
31 Meetings	385,847	199,949	51.8%	181,760	195,274	64,533	33.0%	130,741	190,573	135,416	71.1%	55,157
31 Offsite Planning Board of Directors	88,487	43,735	49.4%	44,751	47,523	10,422	21.9%	37,101	40,963	33,313	81.3%	7,650
32 Annual Meeting - Board of Directors	33,734	40,029	118.7%	(6,295)	-	-	0.0%	-	33,734	40,029	118.7%	(6,295)
32 Education & Training	50,597	5,616	11.1%	44,981	33,683	5,346	15.9%	28,337	16,914	270	1.6%	16,644
33 Procurement	20,085	2,623	13.1%	17,462	20,085	2,623	13.1%	17,462	-	-	0.0%	-
34 Inventory & Property Mgt.	1,388	-	0.0%	1,388	1,388	-	0.0%	1,388	-	-	0.0%	-
35 Employee Benefits	1,202,871	540,415	44.9%	663,146	326,225	155,932	47.8%	170,293	876,646	-	0.0%	492,853
36 Hotel	-	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-
37 Travel	5,401	1,263	23.4%	4,138	-	-	0.0%	-	5,401	1,263	23.4%	4,138
36 Personnel Administration	103,340	63,499	61.4%	39,841	103,340	63,499	61.4%	39,841	-	-	0.0%	-
37 Workers Comp. Insurance	64,354	22,695	35.3%	41,659	-	-	0.0%	-	64,354	22,695	35.3%	41,659
38 Utilities	88,423	41,953	47.4%	46,469	-	-	0.0%	-	88,423	41,953	47.4%	46,469
39 Dues & Subscriptions	10,615	5,989	56.4%	4,626	-	-	0.0%	-	10,615	5,989	56.4%	4,626
40 Budget Preparation	3,624	-	0.0%	3,624	3,624	-	0.0%	3,624	-	-	0.0%	-
41 Archiving & Data Storage	7,596	-	0.0%	7,596	7,596	-	0.0%	7,596	-	-	0.0%	-
42 Vehicle & Equipment Acquisition	1,013,489	-	0.0%	1,013,489	-	-	0.0%	-	1,013,489	-	0.0%	1,013,489
TOTAL EXPENSES: MAINTENANCE	7,048,335	2,312,399	32.8%	4,735,936	2,471,305	963,239	39.0%	1,508,065	4,577,030	1,349,159	29.5%	3,227,871

Friant Water Authority
Budget vs Actual Expenses
YTD - 02/28/2023

Budget year: 41.7% Completed												
Total					Labor				Materials			
Annual Budget	YTD Actual	% Of Bud	Projected Remaining		Budget	YTD Actual	Projected Remaining		Budget	YTD Actual	Projected Remaining	
WATER OPERATIONS												
43 Vehicle & Equipment Service	\$ 1,084	\$ 368	33.95%	\$ 716	\$ -	\$ -	0.00%	\$ -	\$ 1,084	\$ 368	33.95%	\$ 716
44 Yard & Building Maintenance	63,974	20,189	31.56%	43,785	10,602	9,349	88.18%	1,254	53,372	10,840	20.31%	42,532
45 Structure & Gate Maintenance	199,735	58,375	29.23%	141,360	58,309	27,398	46.99%	30,912	141,425	30,977	21.90%	110,448
46 Cleaning Right-of-Way	3,468	304	8.76%	3,164	2,508	299	11.91%	2,209	960	5	0.52%	955
47 Bargate & Guardrail Maint	2,632	70	2.65%	2,562	-	-	0.00%	-	2,632	70	2.65%	2,562
48 Reverse Flow Pump	-	9,367	0.00%	(9,367)	-	-	0.00%	-	-	9,367	0.00%	(9,367)
49 Sump Pump Maintenance	15,791	4,316	27.33%	11,474	-	-	0.00%	-	15,791	4,316	27.33%	11,474
50 Finance Charge	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-
51 C & I General Mtce	-	4,106	0.00%	(4,106)	-	2,090	0.00%	(2,090)	-	2,016	0.00%	(2,016)
52 C. & I. Maint (ESI Equipment)	259,634	192,329	74.08%	67,306	39,500	14,954	37.86%	24,547	220,134	177,375	80.58%	42,759
53 Meter Repair	111,318	32,097	28.83%	79,221	30,096	19,112	63.50%	10,984	81,222	12,985	15.99%	68,237
54 Canal Patrol	339,292	125,056	36.86%	214,236	338,575	124,994	36.92%	213,580	718	62	8.67%	656
55 Operations Reports	106,163	69,627	65.59%	36,536	105,805	69,627	65.81%	36,177	359	-	0.00%	359
56 Operations Supervision	86,606	16,136	18.63%	70,470	86,606	16,136	18.63%	70,470	-	-	0.00%	-
57 Water Measurement	9,273	1,344	14.50%	7,928	7,837	719	9.18%	7,118	1,436	625	43.54%	810
58 Safety & First Aid Training	3,886	1,200	30.88%	2,686	1,254	-	0.00%	1,254	2,632	1,200	45.60%	1,432
59 Meetings	1,881	2,171	115.40%	(290)	1,881	2,171	115.40%	(290)	-	-	0.00%	-
60 Education & Training	6,637	544	8.20%	6,093	1,254	544	43.40%	710	5,383	-	0.00%	5,383
61 Employee Benefits	397,987	189,993	47.74%	207,994	119,859	59,489	49.63%	60,370	278,128	130,505	46.92%	147,624
62 Workers Comp. Insurance	31,130	10,959	35.20%	20,171	-	-	0.00%	-	31,130	10,959	35.20%	20,171
63 Utilities	35,302	13,102	37.11%	22,200	-	-	0.00%	-	35,302	13,102	37.11%	22,200
64 Vehicle & Equipment Acquisition	81,200	-	0.00%	81,200	-	-	0.00%	-	81,200	-	0.00%	81,200
TOTAL EXPENSES: WATER OPERATIONS	\$ 1,756,994	\$ 753,308	42.9%	\$ 1,003,685	\$ 804,086	\$ 348,219	43.3%	\$ 455,867	\$ 952,907	\$ 405,089	42.5%	\$ 547,818

Friant Water Authority
Budget vs Actual Expenses
YTD - 02/28/2023

Budget year: 41.7% Completed													
Total					Labor				Materials				
Annual Budget	YTD Actual	% Of Bud	Projected Remaining		Budget	YTD Actual	Projected Remaining		Budget	YTD Actual	Projected Remaining		
ADMINISTRATION													
65 Water supply coordination & monitoring	\$ 61,314	\$ 46,968	76.60%	\$ 14,346	\$ 44,303	\$ 41,893	94.56%	\$ 2,410	\$ 17,011	\$ 5,075	29.83%	\$ 11,936	
66 Legal Expense - Direct	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	
67 Safety & First Aid Training	94,652	17,858	18.87%	76,794	6,880	1,018	14.80%	5,862	87,772	16,840	19.19%	70,932	
68 Office Admin (Typing etc.)	141,116	51,988	36.84%	89,128	141,116	51,908	36.78%	89,208	-	80	0.00%	(80)	
69 Payroll Preparation	14,186	3,800	26.78%	10,387	14,186	3,800	26.78%	10,387	-	-	0.00%	-	
70 Meetings	90,793	18,392	20.26%	72,401	46,873	8,488	18.11%	38,385	4,400	1,156	26.27%	3,244	
71 Education & Training	90,915	13,597	14.96%	77,319	30,885	7,348	23.79%	23,537	60,030	6,249	10.41%	53,782	
72 Miscellaneous Administrative	-	1,144	0.00%	(1,144)	-	695	0.00%	(695)	-	449	0.00%	(449)	
73 Inventory & Property Mgt.	3,651	386	10.57%	3,265	3,651	386	10.57%	3,265	-	-	0.00%	-	
74 Employee Benefits	509,814	224,522	44.04%	285,293	111,920	52,250	46.68%	59,671	397,894	172,272	43.30%	225,622	
75 Data Processing	260,585	132,290	50.77%	128,296	15,576	21,066	135.25%	(5,490)	245,010	111,224	45.40%	133,786	
76 Accounting & Auditing	431,743	138,002	31.96%	293,741	354,743	138,002	38.90%	216,741	77,000	-	0.00%	77,000	
77 Personnel Administration	132,129	53,816	40.73%	78,313	68,130	34,295	50.34%	33,835	63,999	19,521	30.50%	44,478	
78 Liability Insurance	142,825	139,131	97.41%	3,694	-	-	0.00%	-	142,825	139,131	97.41%	3,694	
79 Workers Compensation Insurance	9,499	1,000	10.52%	8,500	-	-	0.00%	-	9,499	1,000	10.52%	8,500	
80 Finance Charge	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-	
81 Utilities	72,307	29,144	40.31%	43,163	-	-	0.00%	-	72,307	29,144	40.31%	43,163	
82 Office Supplies	29,069	12,157	41.82%	16,912	-	-	0.00%	-	29,069	12,157	41.82%	16,912	
83 Postage	7,747	3,013	38.89%	4,734	-	-	0.00%	-	7,747	3,013	38.89%	4,734	
84 Dues & Subscriptions	9,034	589	6.52%	8,445	-	-	0.00%	-	9,034	589	6.52%	8,445	
85 Budget Preparation	11,067	648	5.86%	10,418	11,067	648	5.86%	10,418	-	-	0.00%	-	
86 Achieving & Data Storage	12,655	-	0.00%	12,655	12,655	-	0.00%	12,655	-	-	0.00%	-	
87 Lease office equipment	37,323	17,265	46.26%	20,058	-	-	0.00%	-	37,323	17,265	46.26%	20,058	
88 Vehicle & Equipment Acquisition	38,063	27,991	73.54%	10,071	-	-	0.00%	-	38,063	27,991	73.54%	10,071	
89 Admin Reimb - GM Fund	(264,838)	(59,394)	22.43%	(205,444)	-	-	0.00%	-	(264,838)	(59,394)	22.43%	(205,444)	
TOTAL EXPENSES: ADMINISTRATION	\$ 1,935,651	\$ 874,305	45.2%	\$ 1,061,346	\$ 861,986	\$ 362,247	42.0%	\$ 499,739	\$ 1,073,665	\$ 512,058	47.7%	\$ 561,607	

Administration Total Allocated out

O&M	94%	\$ 874,305
GM	6%	\$ 59,394

BUDGET ITEM	FYE 9/30/22	CURRENT YTD	REMAINING
CARRY OVER ITEMS FY 2022			
90 Motor Grader	323,732		323,732
91 Foreman Pickup - Delano	33,600	47,190	(13,590)
92 CSO Pickup - Orange Cove	25,290	33,662	(8,372)
93 CSO Pickup - Delano	25,290	33,662	(8,372)
94 Limitorque Actuators	-	-	-
95 Canal Sump Pump	-	-	-
TOTAL CARRY OVER ITEMS FY 2021	407,912	114,514	293,398

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

Note:

Friant Water Authority
Budget vs Actual Expenses
YTD - 02/28/2023

Budget year: 41.7% Completed												
Total					Labor				Materials			
Annual Budget	YTD Actual	% Of Bud	Projected Remaining		Budget	YTD Actual	Projected Remaining		Budget	YTD Actual	Projected Remaining	
SPECIAL PROJECTS												
96 Benefits	\$313,515	\$17,499	5.6%	\$296,015	\$82,655	\$17,499	21.2%	\$65,155	\$230,860	\$0	0.0%	\$230,860
97 Subsidence - System Wide	151,304	-	0.0%	151,304	41,304	-	0.0%	41,304	110,000	-	0.0%	110,000
98 GSA Engagement - East	322,292	103,150	32.0%	219,141	102,292	14,872	14.5%	87,419	220,000	88,278	40.1%	131,722
99 GSA Engagement - West	194,539	935	0.5%	193,604	15,767	935	5.9%	14,831	178,773	-	0.0%	178,773
100 Water Quality	475,741	21,371	4.5%	454,370	68,241	4,570	6.7%	63,671	407,500	16,801	4.1%	390,699
TOTAL EXPENSES: SPECIAL PROJECTS												
	\$1,457,390	\$142,956	9.8%	\$1,314,434	\$310,258	\$37,877	12.2%	\$272,380	\$1,147,133	\$105,079	9.2%	\$1,042,054

BUDGET TO ACTUALS REPORT

					% of Budget YTD
Consultants	FY 2023 Approved Budget	February-23 Actuals	FY 2023 Actuals	Surplus /(Shortage)	41.67%
General Counsel					
Burke, Williams & Sorenson, LLC	3,000	-	-	3,000	
Special Counsel					
Water & Power Law Group	230,000	37,842	93,758	136,242	40.76%
Burke, Williams & Sorensen, LLC	39,000	1,325	21,925	17,075	56.22%
Somach Simmons	119,000	-	38,126	80,874	32.04%
BiOps Litigation (Kaplan & Kirsch)	156,000	64,127	111,795	44,205	71.66%
CEQA Litigation (Stoel Rives)	126,000	3,582	12,824	113,177	10.18%
Additional Special Counsel (TBD)	55,500			55,500	
Special Counsel Subtotal	725,500	106,876	278,428	447,072	38.38%
Professional Support - Operations					
General Consulting - as needed (Luce, Steve O. & MBK)	111,950	2,096	8,162	103,788	7.29%
Kan Ventures	60,000	8,000	21,424	38,576	35.71%
Additional Legal/Operations Consultant (TBD)	16,000	-	-	16,000	
Professional Support - Operations Subtotal	187,950	10,096	29,586	158,364	15.74%
Professional Support - Communications & Outreach					
External Affairs - Federal (Ferguson Group)	50,000	6,776	17,239	32,761	34.48%
External Affairs - State (Villines)	50,000	6,480	16,200	33,800	32.40%
Media & Materials - (Commuter Industries)	30,000	1,700	5,150	24,851	17.17%
Professional Support - Comm. & Outreach Subtotal	130,000	14,955	38,588	91,412	29.68%
Consultants Subtotal	1,046,450	131,926	346,602	699,848	33.12%
Staff					
Leadership	635,327	47,771	302,880	332,447	47.67%
Staff Subtotal	635,327	47,771	302,880	332,447	47.67%
Other Activities					
CDTFA - State Water Resources Control Board	67,500	-	-	67,500	
Family Farm Alliance	15,000	-	15,000	0	100.00%
CVPWA dues	40,000	-	37,249	2,751	93.12%
SJV Blueprint	15,000	-	-	15,000	
Public Policy Institute of California	10,000			10,000	
Misc Organizational Contributions	15,000	3,960	3,760	11,240	25.07%
Dues & Fees Subtotal	162,500	3,960	56,009	106,491	34.47%
Other Supplies & Services					
Travel	60,000	11,030	15,845	44,155	26.41%
Hotel	37,500	5,998	13,708	23,792	36.56%
Meals	35,000	2,542	13,836	21,164	39.53%
Miscellaneous visa receipts	15,000	420	3,044	11,956	20.29%
Meeting expenses -	45,000	(1,415)	34,910	10,090	77.58%
Other Supplies & Services Subtotal	192,500	18,576	81,343	111,157	42.26%
Admin Allocation	175,000	11,922	59,394	115,606	33.94%
Direct Expenses (including rent, mileage)					
Mileage	27,500	1,200	6,000	21,500	21.82%
Rent	34,620	4,188	22,043	12,578	63.67%
Office Expenses	2,500	-	-	2,500	
Office Supplies	7,500	302	2,477	5,023	33.03%
Utilities	1,000	-	-	1,000	
Direct Expenses Subtotal	73,120	5,690	30,519	42,601	41.74%
Other Activities Subtotal	603,120	40,147	227,266	375,854	37.68%
Subtotal Base Budgets	2,284,897	219,845	876,747	1,408,150	38.37%
Special Projects					
Regulatory Engagement & Advocacy	200,000	-		200,000	
Total Special Projects	200,000	0	0	200,000	0.00%
Total Budgets	2,484,897	219,845	876,747	1,608,150	35.28%

Middle Reach Capacity Correction Project, Phase 1

Bureau of Reclamation and Friant Water Authority

Monthly Financial Status Report - Budget to Actual Spending

Expenditures through February 28, 2023

Sources of Funds	Federal Funding		FWA Spending Plan Funds		Friant Water Authority Funding					
	SJRRP funds	WIIN funds	Advance Payments for Construction Costs		FWA Contractors	Eastern Tule GSA	Pixley GSA	Delano GSA	State Funding-DWR	Total FWA funds
Anticipated Funding	\$41M-\$46.9M	\$210,550,000	\$118,645,000		\$50,000,000	\$125M-\$200M	\$11,000,000	\$1,200,000	\$59,584,000	
Funds Secured/Received to date	\$41,900,000	\$208,100,000	\$41,500,000		\$49,685,792	\$10,615,476	\$11,000,000	In progress	\$16,460,100	\$87,761,368
Expenditures to date	(39,807,150)	(104,867,015)	\$(29,614,365)		(22,712,030)	(7,994,068)	(11,000,000)	-	(16,460,100)	(58,166,198)
Remaining Funding Available	\$2,092,850	\$103,232,985	\$11,885,635		\$26,973,761	\$2,621,408	\$-	In progress	\$-	\$29,595,169

Project Cost Category	Budget Estimate (2023)			Prior Period Expenditures (Cumulative)		February 28, 2023 Expenditures		Total Expenditures through February 28, 2023		Remaining Budget	
	Reclamation	FWA (Non-Federal)	Total	Reclamation Expenditures	FWA Expenditures	Reclamation Expenditures	FWA Expenditures	Reclamation Expenditures	FWA Expenditures	Reclamation	FWA (Non-Federal)
Prior-Period Preconstruction Costs (thru September 30, 2021)	\$23,081,048	\$3,525,733	\$26,606,782	\$23,081,048	\$3,525,733	\$-	\$-	\$23,081,048	\$3,525,733	\$-	\$0
ROW & Land Acquisition	\$8,288,108	\$14,013,460	\$22,301,568	\$6,971,389	\$12,327,177	\$24,923	\$-	\$6,996,312	\$12,327,177	\$1,291,796	\$1,686,283
Legal & Administration (Facilitating Services) & IT Services	\$517,667	\$506,000	\$1,023,667	\$302,722	\$396,876	\$84	\$37,770	\$302,806	\$434,646	\$214,861	\$71,354
Permitting, NEPA/CEQA, Cultural Resources, & Environmental Monitoring	\$1,176,106	\$500,000	\$1,676,106	\$758,849	\$101,908	\$2,849	\$-	\$761,698	\$101,908	\$414,408	\$398,092
Project Management	\$2,360,302	\$1,987,500	\$4,347,802	\$849,409	\$242,784	\$32,030	\$21,966	\$881,439	\$264,750	\$1,478,863	\$1,722,750
Construction Management	\$12,000,000	\$-	\$12,000,000	\$3,713,943	\$-	\$461,333		\$4,175,276	\$-	\$7,824,724	\$-
Design & Specifications	\$1,785,380	\$-	\$1,785,380	\$1,691,391	\$-	\$24,781	\$-	\$1,716,172	\$-	\$69,208	\$-
Construction Support	\$13,561,832	\$-	\$13,561,832	\$6,348,359	\$-	\$467,560	\$11,985	\$6,815,919	\$11,985	\$6,745,914	\$(11,985)
Construction Contract - Phase 1 Replacement Pump Stations	\$8,629,262	\$8,629,262	\$17,258,525	\$186,422	\$-			\$186,422	\$-	\$8,442,840	\$8,629,262
Construction Contract - MRCCP Phase 1	\$69,215,038	\$111,452,787	\$180,667,825	\$97,529,094	\$41,500,000	\$2,227,975		\$99,757,069	\$41,500,000	\$(30,542,031)	\$69,952,787
Construction Contract Contingency	\$5,635,257	\$5,635,257	\$11,270,514	\$-	\$-			\$-	\$-	\$5,635,257	\$5,635,257
Total	\$146,250,000	\$146,250,000	\$292,500,000	\$141,432,626	\$58,094,478	\$3,241,535	\$71,721	\$144,674,161	\$58,166,198	\$1,575,839	\$88,083,802

% Cost-Share

50%

50%

71%

29%

Please Note:

Actual cost-share percentages: 70%30%

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

Agenda Report

No. 3.A.

DATE: March 23, 2023

TO: Board of Directors

FROM: Wilson Orvis, CFO, Johnny Amaral, CEA/COO; and Vivian Garcia, HR;

SUBJECT: Mid-Year Cost-of-Living Adjustment for Fiscal Year 2023

SUMMARY:

At the September 22, 2022, Board of Directors meeting, the Board approved a 5% Cost-of-Living-Adjustment (COLA) for FWA employees, exempting those employees covered by employment agreements that incorporate scheduled increases. At the time, the Consumer Price Index, West – Size B/C (CPI), which has been used by the staff to inform the annual recommendation, identified a year-over-year increase of 8.3%. Given the uncertainty regarding whether inflation was to increase or decrease in the current economic environment, the Board requested that the Human Resources Committee evaluate the subsequent trend in six months and provide a recommendation, as applicable, to the Board at the March 2023 meeting.

Since the September 2022 meeting, the overall trend of the CPI has seen an increase; however, the rate of increase in FY 2023, compared to the rate in FY 2022, has slowed. While there are months where the month-over-month change has been a decrease, the overall comparison, back to the August 2021 index, has remained above 5%, with February 2023 numbers showing a relative increase of 9.73% (See **Attachment 1** for more details).

At its March 20, 2023 meeting, the Human Resources Committee reviewed the CPI trend and discussed potential options to bring to the Board. Below are the options discussed and the estimated fiscal impact to each option. Further information is attached to this Agenda Report to inform the discussion including (1) CPI Trend Graph, (2) Historic CPI to COLA Comparison, and (3) recent comparative COLA analysis from similarly situated JPAs/Districts.

The fiscal impacts of each option are calculated against the approved budget for FY 2023. As a reminder, the approved FY 2023 budget assumed 7.6% for COLA. For each option, separate and combined, no increase in the overall FY 2023 budget is recommended at this time as it is anticipated that shortfalls in other budget areas should be sufficient to mitigate for any of these overages.

OPTIONS DISCUSSED AND FISCAL IMPACT:

1. **Mid-Year COLA Adjustment (Prospective).** Implement a mid-year 3.3% COLA adjustment, effective April 1, 2023; for all FWA employees, exempting those employees covered by employment agreements that incorporate scheduled increases. The estimated fiscal impact of this option is approximately \$25,000 in additional labor costs over what was budgeted for in the FY 2023 approved budget.

2. **One-time Inflation Adjustment.** Implement a one-time inflation adjustment equivalent to 3.3% of each employee's salary income between October 1, 2022 through March 31, 2023 for all FWA employees, exempting those employees covered by employment agreements that incorporate scheduled increases. The estimated fiscal impact of this option is approximately \$25,000 in additional labor costs over what was budgeted for in the FY 2023 approved budget.

HUMAN RESOURCES COMMITTEE DISCUSSION:

At the March 20, 2023 meeting, the Human Resources Committee reviewed the CPI trend and discussed potential options. The Human Resources Committee did not act to recommend a specific option or set of options at the meeting.

ATTACHMENTS:

1. Trend Analysis, Consumer Price Indices West – Size Class B/C, August 2021 through February 2023
2. Historic Comparison, CPI to FWA Approved COLA, 2009 – 2022
3. Recent COLA Comparatives – Other Districts/Organizations

CONSUMER PRICE INDEXES PACIFIC CITIES AND U. S. CITY AVERAGE August 2022

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

MONTHLY DATA	All Urban Consumers (CPI-U)						Urban Wage Earners and Clerical Workers (CPI-W)					
	Indexes			Percent Change			Indexes			Percent Change		
				Year ending		1 Month ending				Year ending		1 Month ending
	Aug 2021	Jul 2022	Aug 2022	Jul 2022	Aug 2022	Aug 2022	Aug 2021	Jul 2022	Aug 2022	Jul 2022	Aug 2022	Aug 2022
U. S. City Average.....	273.567	296.276	296.171	8.5	8.3	0.0	268.387	292.219	291.629	9.1	8.7	-0.2
West.....	290.393	313.951	314.013	8.3	8.1	0.0	283.286	307.269	307.003	8.7	8.4	-0.1
West – Size Class A ¹	298.574	322.703	322.401	8.3	8.0	-0.1	289.706	313.747	313.057	8.5	8.1	-0.2
West – Size Class B/C ²	169.477	183.277	183.543	8.3	8.3	0.1	170.186	184.879	184.964	8.8	8.7	0.0
Mountain ³	113.807	124.452	124.731	9.6	9.6	0.2	114.777	126.047	126.066	10.2	9.8	0.0
Pacific ³	112.489	121.095	121.024	7.8	7.6	-0.1	113.370	122.454	122.304	8.2	7.9	-0.1
Los Angeles-Long Beach-Anaheim, CA.....	291.333	313.415	313.608	7.7	7.6	0.1	282.691	304.441	304.137	7.9	7.6	-0.1
BI-MONTHLY DATA (Published for odd months)	Indexes			Percent Change			Indexes			Percent Change		
				Year ending		2 Months ending				Year ending		2 Months ending
	Jul 2021	May 2022	Jul 2022	May 2022	Jul 2022	Jul 2022	Jul 2021	May 2022	Jul 2022	May 2022	Jul 2022	Jul 2022
Riverside-San Bernardino-Ontario, CA ³	114.682	123.893	125.262	9.4	9.2	1.1	115.129	124.853	126.084	9.8	9.5	1.0
San Diego-Carlsbad, CA.....	323.906	343.502	347.462	8.3	7.3	1.2	307.737	327.997	331.914	9.2	7.9	1.2
Urban Hawaii.....	298.820	317.207	319.197	7.0	6.8	0.6	296.723	314.884	318.257	6.9	7.3	1.1
BI-MONTHLY DATA (Published for even months)	Indexes			Percent Change			Indexes			Percent Change		
				Year ending		2 Months ending				Year ending		2 Months ending
	Aug 2021	Jun 2022	Aug 2022	Jun 2022	Aug 2022	Aug 2022	Aug 2021	Jun 2022	Aug 2022	Jun 2022	Aug 2022	Aug 2022
Phoenix-Mesa-Scottsdale, AZ ⁴	153.931	172.643	173.952	12.3	13.0	0.8	153.035	172.827	173.148	13.1	13.1	0.2
San Francisco-Oakland-Hayward, CA.....	311.167	330.539	328.871	6.8	5.7	-0.5	307.423	328.137	325.932	7.6	6.0	-0.7
Seattle-Tacoma-Bellevue, WA.....	299.704	326.656	326.796	10.1	9.0	0.0	295.410	321.626	322.664	9.5	9.2	0.3
Urban Alaska.....	239.899	268.916	258.149	12.4	7.6	-4.0	239.491	265.859	257.738	11.8	7.6	-3.1

1 Population over 2,500,000

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

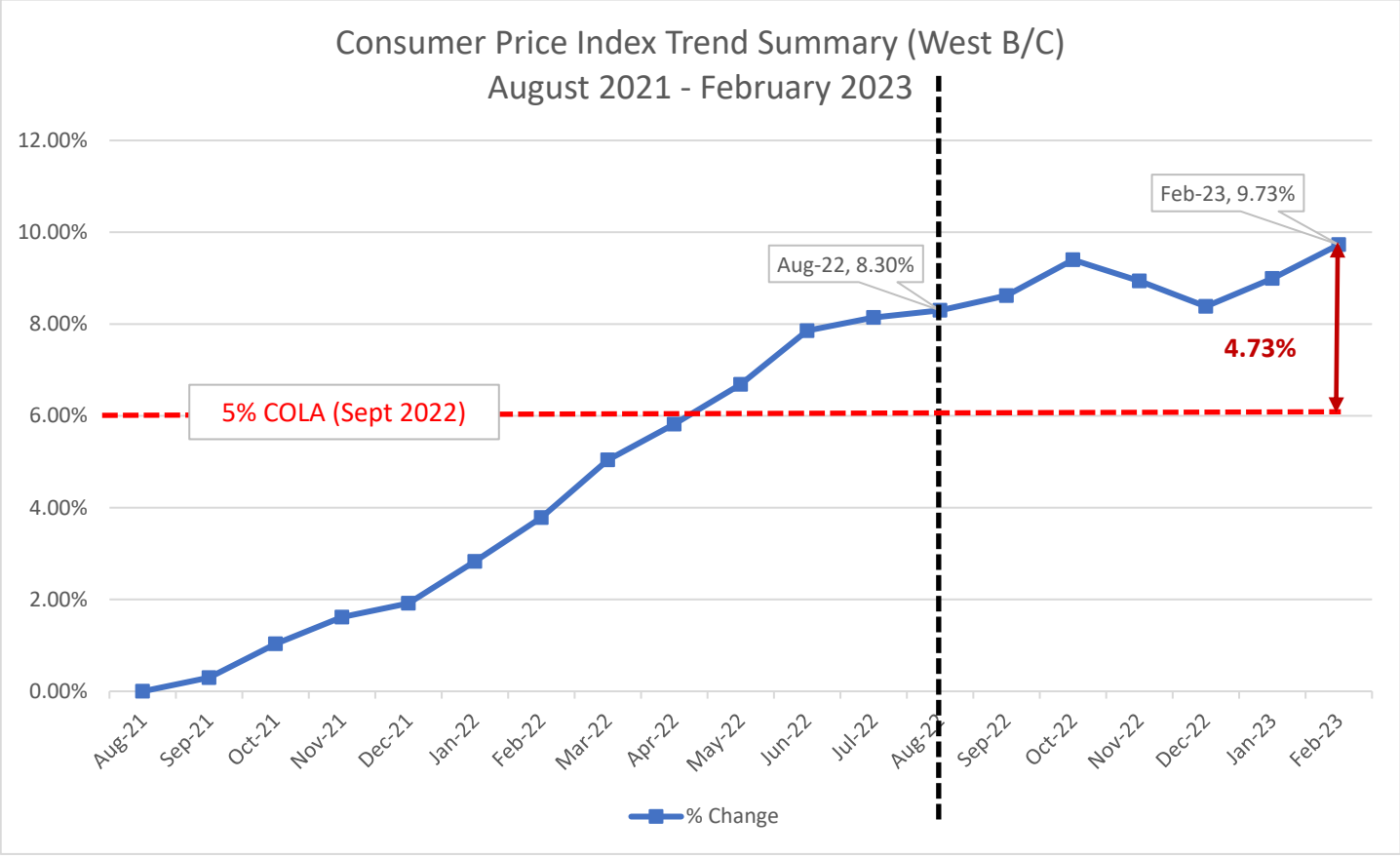
3 Dec 2017=100

4 Dec 2001=100

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

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

Release date September 13, 2022. The next release date is scheduled for October 13, 2022. For questions, please contact us at BLSinfoSF@bls.gov or (415) 625-2270.



Month/Year	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22	Jan-23	Feb-23
% Change	0.00%	0.30%	1.03%	1.61%	1.91%	2.83%	3.78%	5.04%	5.82%	6.69%	7.86%	8.14%	8.30%	8.62%	9.40%	8.94%	8.38%	8.99%	9.73%
Index (West B/C)	169.48	169.98	171.23	172.21	172.72	174.27	175.89	178.02	179.34	180.81	182.79	183.28	183.54	184.09	185.41	184.626	183.69	184.72	185.97

Historic CPI to COLA Comparison, FWA

March 2023

Year	CPI West B/C (Aug YoY)	FWA COLA (Sept)	% Difference
2009	-1.80%	0.00%	1.80%
2010	0.70%	1%	0.30%
2011	3.30%	2.50%	-0.80%
2012	1.30%	2%	0.70%
2013	1.60%	2%	0.40%
2014	1.50%	2%	0.50%
2015	0.30%	1%	0.70%
2016	0.70%	1%	0.30%
2017	2.30%	1.80%	-0.50%
2018	3.00%	3%	0.00%
2019	2.50%	2.50%	0.00%
2020	1.80%	1.80%	0.00%
2021	5.60%	5.60%	0.00%
2022	8.30%	5%	-3.30%

HUMAN RESOURCES COMMITTEE

Information Review for COLA

COLA – Consideration of Proposed Employee COLA Adjustment. The committee requested that additional information to include the comparison of other district protocol/process of COLA implementation.

- Westland Water District per contract negotiation with our union representatives, the following wage increases were agreed upon: (Western region pulled in September 2021)
 - Effective 03/16/22 – 2%
 - Effective 03/01/23 – 3%
 - Effective 03/01/24 – 4%
- Arvin Edison meets in October, November, December, and January with the WBC (Wage and Benefit Committee) and determine the requested COLA based on a survey of other Districts as well as CPI for December. They present the data and any other requests to the Board of Directors in February, and their decisions are effective March 1. At the February Board meeting, they presented the Board with the survey and CPI from December, and approved a 6.3% COLA effective March 1, 2023.
- Madera ID COLA this year was 7.6% effective March 1. The district utilizes the California Consumer Price Index for Urban Wage Earners and Clerical Workers as calculated by the Department of Industrial Relations in accordance with AB 1344, the annual average calculation.

Agenda Report

No. 3.B.

DATE: March 23, 2023

TO: Board of Directors

FROM: Ian Buck-Macleod, Water Resources Manager

SUBJECT: Friant-Kern Canal System-wide Capacity Correction Activity Agreement and Contract

SUMMARY:

The recently finalized Friant-Kern Canal (FKC) System-wide Capacity Correction Reconnaissance Study (Recon Study) assessed preliminary benefits and costs of restoring the design capacity for areas outside of Phase 1 of the Middle Reach Capacity Correction Project (MRCCP) and maximizing deliveries during flood operations. The information from this study is intended to help Friant Division contractors make decisions on their interest in moving forward with system-wide capacity correction projects in addition to future phases of the MRCCP. FWA is proposing a workplan for the next phase of planning with a large portion to be paid by willing participants under an activity agreement, and remaining portion to be paid under the existing FY 2023 Operations, Maintenance, and Replacement (OM&R) Budget.

FINANCE COMMITTEE ACTIONS:

At the March 20, 2023 meeting the Finance Committee acted to recommend that:

- (1) the Board of Directors authorize the execution of the Memorandum of Understanding Regarding Coordination, Cooperation, and Cost Sharing on Preconstruction Activities Related to the Friant-Kern Canal Systemwide Capacity Correction Project (MOU), subject to Home Boards' approvals and to final approval as to form by General Counsel; and
- (2) the Board of Directors authorize the execution of Task Order 2 – Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study for Stantec Consulting Services in the not to exceed amount of \$795,000, subject to execution of the MOU.

SUGGESTED MOTIONS:

I move that the Board of Directors authorize the execution of the Memorandum of Understanding Regarding Coordination, Cooperation, and Cost Sharing on Preconstruction Activities Related to the Friant-Kern Canal System-wide Capacity Correction Project (MOU), subject to Home Boards' approvals and to final approval as to form by General Counsel.

I move that the Board of Directors authorize the execution of Task Order 2 – Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study for Stantec Consulting Services in the not to exceed amount of \$795,000, subject to execution of the MOU.

BACKGROUND:

Capacity correction of the Friant-Kern Canal has been studied as part of Part III of the San Joaquin River Restoration Settlement Act since before 2010. The goal of these studies is to restore the maximum design capacity of the entire FKC. Operating the canal during the wet year of 2017 revealed the severe capacity constraint in the Middle Reach of the FKC (Fifth Avenue Check Structure to Lake Woollomes Check Structure). The Middle Reach became the focus for study and subsequent authorization for construction. Phase 1 of the MRCCP, now under construction, is designed to enable historic delivery capability of the FKC through this reach. Benefits of Phase 2 of the Middle Reach will rely on the ability to move water into that portion of the system, beyond what has been done historically. The Draft Recon Study was presented at the November Retreat which included preliminary benefits and costs of restoring the design capacity for areas outside of Phase 1 of the MRCCP. The Final Recon Study was provided in January and included cost refinements, expanded discussion on benefits, and a sensitivity analysis.

DISCUSSION:

FWA and Stantec developed a draft workplan on the next phase of planning (Plan Formulation Study) based on feedback from Friant Managers and Directors. This study will build on the Recon Study by refining the engineering, cost estimates, and economic benefits analysis to support the evaluation and selection of measures and development of alternatives to be advanced to a Feasibility Study, detailed design and environmental compliance. The draft task order for Stantec is attached and FWA staff propose that all tasks, except for Task 3.6 (Regional Storage Investigation), will be paid by willing Friant Contractors (totaling \$650,000) and allocated by relative Class 2 contract amounts through execution of the attached MOU. In addition, it is estimated that \$20,000 of FWA staff costs will be incurred to support these specific tasks and reimbursed through this MOU. The MOU states that the cost allocation will be “trued-up” based on actual benefits received from completed projects. Table 1 shows the preliminary cost by Friant Contractor.

Table 1. Preliminary Allocation of Costs for Plan Formulation Study Activities

Assumed Participants	Class 2 Contract	Percent Share	Share
Arvin-Edison WSD	311,675	34.51%	\$231,209.07
Lower Tule River ID	238,000	26.35%	\$176,554.93
Delano-Earlimart ID	74,500	8.25%	\$55,266.14
Tulare ID	141,000	15.61%	\$104,597.67
Southern San Joaquin MUD	45,000	4.98%	\$33,382.23
Shafter-Wasco ID	39,600	4.38%	\$29,376.37
Lindmore ID	22,000	2.44%	\$16,320.20
Exeter ID	19,000	2.10%	\$14,094.72
Kaweah Delta WCD	7,400	0.82%	\$5,489.52
Kern-Tulare WD	5,000	0.55%	\$3,709.14
Total	903,175	100.00%	\$670,000.00

Additionally, discussions indicated a desire to analyze regional storage alternatives integrated with the Plan Formulation Study (Task 3.6 Regional Storage Investigation), which would benefit all Friant-Kern

Canal contractors. These costs (\$145,000 for Stantec, and \$4,000 for FWA staff) are proposed to be absorbed into the existing FY 2023 OM&R Budget (without an overall increase to the approved bottom-line budget amount).

BUDGET IMPACT:

The cost to complete the Plan Formulation Study (except for Task 3.6) is approximately \$670,000 and would be paid through an MOU by willing Friant Contractors. FWA will conduct a quarterly call-for-funds and invoice each party based upon their relative share of the anticipated expenditures in the next quarter, taking into consideration funding on hand from previous call-for-funds.

The cost for Task 3.6 Regional Storage Investigation is approximately \$149,000 and will be paid through the existing FY23 OM&R Budget. The FY23 OM&R Budget did not include the costs for this study, however, staff does not recommend action to increase the overall FY23 OM&R Budget at this time. Staff will continue to monitor budget-to-actuals for this line-item and the OM&R Budget as a whole on a monthly basis and, if necessary, recommend an adjustment to the overall OM&R Budget at a later date.

ATTACHMENTS:

1. Memorandum of Understanding Regarding Coordination, Cooperation, and Cost Sharing on Preconstruction Activities Related to the Friant-Kern Canal Systemwide Capacity Correction Project
2. Stantec Task Order 2 – Friant-Kern Canal Systemwide Capacity Correction Plan Formulation Study

**MEMORANDUM OF UNDERSTANDING REGARDING COORDINATION, COOPERATION,
AND COST SHARING ON PRECONSTRUCTION ACTIVITIES RELATED TO THE
FRIANT-KERN CANAL SYSTEM-WIDE CAPACITY CORRECTION 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 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**”) and such water supplies are conveyed in whole or in part to the Parties by the Friant-Kern Canal (“**FKC**”), which is a facility of the Friant Division of the CVP that is operated and maintained (“**OM&R**”) by FWA pursuant to a transferred works contract with Reclamation.

C. The Parties, Reclamation, and other public agencies have for a number of years investigated the costs and benefits of restoring the design capacity of the FKC in areas outside of the area covered by the current FKC Middle Reach Capacity Correction Project.

D. The proposed project leading to a Feasibility Study, including detailed design and environmental review for additional repairs to correct the capacity of the FKC in areas outside of the area covered by the current Middle Reach Capacity Correction Project is referred to in this Agreement as the “**Project**.”

E. 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.

F. This Agreement is authorized under and consistent with Section 3.05 (Special Activities of the FWA Joint Powers Agreement).

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 or the submission of other evidence of approval of the MOU to FWA by at least 10 Parties listed in Exhibit A, not 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) 2 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 Project in order to, among other things, assist the Parties in making an informed determination with respect to the extent to which they may participate 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 through restoring the capacity of the Friant-Kern Canal.

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.

3. PARTIES

3.1. **Eligible Agencies.** Only CVP Friant Division contractors are eligible to become a Party to this MOU upon execution of the MOU and the payment of their relative share of the first quarterly call for funds to support costs under the SOW based upon their Class 2 contract amount within 10 days of its execution of this MOU (collectively, “**Eligible Agencies**”). 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.

3.2. **Additional Parties:** Following the Effective Date of this MOU, other Eligible Agencies may subsequently become a Party to this MOU upon: (a) an affirmative vote of at least 75% of the designated Representatives (defined below) of the then total number of Parties, (b) the new Party’s execution of this Agreement, as it may be amended, and (c) payment of the their relative share of the SOW based upon their Class 2 contract amount described in Section 5.1. Existing Parties will be reimbursed for their relative share of new Party payments.

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, 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 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., video teleconference).

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, including FWA with respect to its overall authority regarding OM&R of the Friant-Kern Canal.

5. FINANCIAL PROVISIONS

5.1. **Funding.** The Parties agree to work together to provide adequate funding to carry out the SOW activities. Preliminary allocation of costs for the SOW activities will be based upon each Party's relative Class 2 contract amounts shown in Table 1 below. In accordance with the principles of cost allocation for Phase 2+ projects developed jointly with Friant-Kern Canal Contractors in November 2022, if and when Phase 2+ project construction is substantially complete, the cost allocation will be adjusted amongst beneficiaries based upon actual benefits received from the completed projects over an extended period of time. The specifics of this "true-up" will be developed and approved by the FWA Board of Directors as a part of the approved cost allocation methodology.

Table 1. Preliminary Allocation of Costs for SOW Activities

Assumed Participants	Class 2 Contract	Percent Share	Share
Arvin-Edison WSD	311,675	34.51%	\$231,209.07
Lower Tule River ID	238,000	26.35%	\$176,554.93
Delano-Earlimart ID	74,500	8.25%	\$55,266.14
Tulare ID	141,000	15.61%	\$104,597.67
Southern San Joaquin MUD	45,000	4.98%	\$33,382.23
Shafter-Wasco ID	39,600	4.38%	\$29,376.37
Lindmore ID	22,000	2.44%	\$16,320.20
Exeter ID	19,000	2.10%	\$14,094.72
Kaweah Delta WCD	7,400	0.82%	\$5,489.52
Kern-Tulare WD	5,000	0.55%	\$3,709.14
Total	903,175	100.00%	\$670,000.00

5.1.1 Invoicing Process. The current estimate of the cost to complete the SOW activities is approximately \$670,000, including FWA administrative costs described below. FWA will conduct a quarterly call-for-funds and invoice each Party based upon their relative anticipated share of the anticipated expenditures in the next quarter, taking into consideration funding on hand from previous call-for-funds.

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 will 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.

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 accounted for separately from other funds held by FWA 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 expended on administrative activities pertaining to this MOU and the Project (i.e., not contractors retained by FWA to perform SOW services) will be charged to the Parties and collected by FWA from the funds contributed by the Parties. These costs are estimated to not exceed \$20,000 and are included in the total estimated cost above.

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

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MOU

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; or, alternatively, by FWA Board of Directors in accordance with Section 3.05 of the FWA Joint Powers Agreement if the Board determines that participation in this MOU is no longer in the best interests of FWA. 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 MOU, 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, is voluntary and does not ensure that such Party will have a right to participate in the Project 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 or any related agreement or actions. 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. 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:

SIGNATURE PAGE

**MEMORANDUM OF UNDERSTANDING REGARDING COORDINATION, COOPERATION
AND COST SHARING ON PRECONSTRUCTION ACTIVITIES RELATED TO THE FRIANT-
KERN CANAL SYSTEM-WIDE CAPACITY CORRECTION PROJECT**

PARTY NAME

Date: _____

By: _____

Name:

Title:

EXHIBIT A

Parties to the MOU

Arvin-Edison Water Storage District
Lower Tule River Irrigation District
Delano-Earlimart Irrigation District
Tulare Irrigation District
Southern San Joaquin Municipal Utility District
Shafter-Wasco Irrigation District
Lindmore Irrigation District
Exeter Irrigation District
Kaweah Delta Water Conservation District
Kern-Tulare Water District

EXHIBIT B

**Scope of Work
(Attached)**

FRIANT WATER AUTHORITY

MASTER PROFESSIONAL SERVICES AGREEMENT DATED April 14, 2022

Task Order No.: 2
Date: April ##, 2023

Friant Water Authority
854 N. Harvard Ave.
Lindsay, CA 93247
Attn: Johnny Amaral

DESCRIPTION OF SERVICES: **See Attachment A**

KEY PERSONNEL: **See Attachment B**

NOT TO EXCEED COST; **\$795,000. See Attachment B**

FEE SCHEDULE: **See Attachment B**

DATE TO COMMENCE SERVICES: To Be Determined

ESTIMATED COMPLETION DATE: To Be Determined

FRIANT'S REPRESENTATIVE: **Johnny Amaral** jamaral@friantwater.org

CONSULTANT'S REPRESENTATIVE: To Be Determined

ACCEPTED:
STANTEC CONSULTING SERVICES INC

ACCEPTED:
FRIANT WATER AUTHORITY

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

Attachment A

Description of Services- Task Order No. 2

Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study

Description of Task

This Scope of Work (SOW) provides a description of the required tasks for Stantec Consulting Services Inc. (Consultant) to prepare a Plan Formulation Report for Friant Water Authority (FWA) for system-wide modifications to the Friant-Kern Canal (FKC) to restore capacity. The Plan Formulation Report will build on the Reconnaissance Study by refining the engineering, cost estimates, and economic benefits analysis to support the evaluation and selection of measures and development of alternatives. The purpose of this Plan Formulation Report is to develop the initial alternatives that could be advanced to a feasibility study. The information will help the Friant Division contractors make decisions on their interest in moving forward with System-Wide Capacity Correction projects and continuing the Feasibility Level of analysis. The level of analysis will be generally consistent with Reclamation Guidance for Appraisal studies; however, it is not being prepared specifically to meet all the requirements of Reclamation Manual of Directives and Standards CMP09-01(Appraisal Studies).

This work plan was prepared with the expectation that technical services described herein will be completed in part or whole by the Consultant under contract to the FWA. FWA will assign a project manager to direct and coordinate the completion of this SOW with the Consultant. The Consultant will assist FWA in coordination with Reclamation as directed. FWA may perform some of the technical tasks described in this workplan.

Task 1 – Project Management

The Consultant's efforts shall focus on completing tasks and deliverables according to the Project schedule and budget, managing staff assignments, facilitating quality assurance/quality control (QA/QC) reviews, and identifying and communicating issues that will affect schedule. All schedule assumptions herein are subject to the prompt review and response of the FWA Project Manager, for all matters requiring FWA's review or approval. The schedule shall be subject to adjustment in the event such review or approval is unreasonably delayed.

Subtask 1.1 – Project Management and Controls

The Consultant shall provide the following project management/administration activities for the duration of the reconnaissance study:

- Coordination of daily study activities by the Consultant team to perform technical tasks, facilitate document review by FWA and Friant Division Contractors, and perform quality assurance/quality control of work prepared for this Project

Reference: Friant Water Authority Master Professional Services Agreement (Dated April 1, 2022) Task Order No.02 Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study

- Scheduling, planning, and conducting meetings and presentations
- Preparation and reproduction of meeting notes, handouts, and deliverables
- Coordination and communication with FWA, Reclamation, and the Project Management Team
- Preparation of monthly progress reports outlining activities of the previous month by sub-task, activities anticipated for the current month by subtask, issues, topics of concern, estimated expenses projected out by month for two months out, and a monthly invoice
- Management and maintenance of a document library

Attendance and participation in progress meetings with the Project Manager, as scheduled to report on the progress, issues, and concerns. The Consultant shall maintain a master project schedule in the form of a Gantt chart that uses the Critical Path Method. The schedule shall contain necessary predecessor/successor logic clearly showing the projects critical path and shows planned actual durations. Updated schedules shall show actual progress and be prepared and maintained in a Microsoft Project format.

Task 1 Deliverables

- Monthly invoices and progress reports
- Maintenance of project files and schedule
- Monthly Project Management Meetings

Task 2 – Meetings and Coordination

Subtask 2.1 – Meetings and Coordination Activities

Throughout the study, the Consultant shall participate in and coordinate the following activities:

- Twice Monthly, virtual coordination meetings with FWA, Friant Division participating districts, and Reclamation (as needed) to review the progress and plan for upcoming activities
- Up to four, in-person presentations at FWA Board of Directors meetings
- Up to four, virtual presentations at FWA Manager's meetings
- Preparation of meeting handouts and summaries
- As needed additional coordination and communication with FWA project manager

For each meeting, the Consultant shall provide meeting summaries with action items and key decisions. Draft meeting notes will be delivered within three days of the meeting. Final notes, incorporating comments and suggested changes, shall be provided within two days of receipt of all

Reference: Friant Water Authority Master Professional Services Agreement (Dated April 1, 2022) Task Order No.02 Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study

comments. Meeting coordination and participation not included in Task 2 are listed under other tasks as required.

Task 2 Deliverables:

- BOD Meeting Agenda Items and presentations
- GM Meeting presentations
- Meeting agendas, preparation, attendance, and meeting summaries for Coordination Meetings

Task 3 – Systemwide Benefits Refinement

During the Reconnaissance Study the Consultant, in coordination with the FWA and the Friant Division contractors, developed estimates of the water delivery capability for various conditions. Additionally, a flow routing model of the FKC was developed to simulate the opportunity to deliver additional spill to Friant Division contractors based on defined canal capacities. Continued discussions with the Friant Division contractors interested in participating in the project have resulted in identification of additional refinements to both the water delivery capability curves and the flow routing model to support additional phases of the FKC System-wide Studies. The following subtasks describe the refinements and additional analysis to support an economic benefits analysis.

Subtask 3.1 – Refine Current and Future Demands

For the Reconnaissance Study the Consultant developed water delivery capability curves for each Friant Division contractor interested in participating, for four delivery capability scenarios (Existing, Under Development, Planned Ultimate, and Unlimited). The Consultant shall refine the water delivery capability curves considering additional demand details (e.g., availability of local supplies, out-of-district demands), and shall consider opportunities to promote consistency in the development of each district's water delivery capability curves. These refinements are designed to improve the quantification of district demands and potential benefits of a System-wide Capacity Correction Project.

- Consultant shall meet with all participating Friant Division contractors (assumed to be up to 12), either independently or in regional groups, to refine delivery capability for each district, and will determine how to quantify demands for non-participating districts. All meetings will be virtual. Refinements shall consider:
 - Irrigation demand
 - Availability of local supplies
 - Out-of-district recharge / transfers
 - Classes of water

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- The Consultant shall host one workshop to facilitate and pursue agreement between all contractors on delivery capability curves (Meeting outside of coordination identified in Task 2). This workshop will be virtual.
- The Consultant shall define water delivery capability curves for four delivery capability scenarios (Existing, Under Development, Planned Ultimate, and Unlimited), and compile information for final documentation.

Subtask 3.2 – Flow Routing Model Refinements

The flow routing model previously developed simulates the historical operations of the FKC and assesses the opportunity to divert additional spilled water from Friant Dam. The flow routing model accounts for capacity of the FKC, a delivery pattern based on historical deliveries to match historical operations, a delivery pattern based on class 2 contract amounts for spilled water, and daily Friant Division contractor deliveries on a pool-by-pool level. Based on feedback from Friant Division contractors there are additional capabilities that would be beneficial to understanding the potential opportunities of restoring FKC capacity. The following topics have been discussed as potential refinements to the flow routing tool:

- Consideration of local supplies and the potential shutoff of FKC deliveries during wet hydrologic periods for some Friant Division contractors.
- Consider transfers of water outside of Friant Division contractors pool of delivery.
- Compare model performance against CVP contract amounts.
- Consider turnout capacity for Friant Division participating districts.
- If off canal operational surface water storage is identified, consider operations in flow routing model.
- Consider how water is treated during downstream prorates.

The Consultant will review the above topics and discuss with FWA, and the Friant Division interested participants and identify the priority for implementation. The Consultant shall review and assess the efficacy of implementing them in the flow routing tool and refine as the tool if feasible.

Subtask 3.3 – Incremental Analysis of Capacity Restoration

In the Reconnaissance Study the Consultant developed multiple capacity restoration scenarios for the FKC including restoring capacity of individual pools, groups of pools (i.e., reaches), and the entire canal (i.e., the Full Restoration scenario). However, each scenario considered restoration from the current carrying capacity to only the maximum design capacity. This analysis shall consider incremental increases in capacity from the current carrying capacity to the maximum design capacity to identify potential breakpoints in the quantity of benefits.

- The Consultant will consider incremental increases in canal capacity for the Full Friant Kern Canal fix scenario (i.e., increasing capacity of each pool of the FKC). The Consultant will

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evaluate benefits at five additional increments between the current carrying capacity and the maximum design capacity (i.e., a total of six scenarios will be considered, including the Full Restoration scenario to the maximum design capacity and five additional increments).

- In addition to the Full Restoration scenario, the Consultant will perform an incremental analysis for two additional scenarios. Here, the pools for inclusion in each scenario will be strategically selected based on the results of the incremental analysis for the Full Restoration scenario. The two scenarios will include five additional increments between the current conveyance capacity and the maximum design capacity.
- The refined flow routing model will be used to assess the benefits (i.e., increases in water deliveries) for the scenarios of the incremental analysis described above. Benefits for the incremental analyses will be quantified at a system level and will not be quantified on a district-by-district level.
- The Consultant shall host one workshop to present the results of the incremental analysis to the Friant Division contractors interested in participating in the System-wide capacity correction projects (Meeting outside of coordination identified in Task 2). This workshop will be virtual.

Subtask 3.4 – Hydrologic Uncertainty Sensitivity Analysis

In the Reconnaissance Study the Consultant used observed historical deliveries from Friant Dam to the San Joaquin River and FKC as inputs in the flow routing model. The analysis included a sensitivity analysis on the recurrence of wet year types that are expected to produce the opportunity for additional deliveries. The Refinements to the inputs will include consideration of hydrologic uncertainties by considering the climate change hydrology for the San Joaquin River Basin. The Consultant will work with FWA to determine an appropriate method to perform the hydrologic uncertainty sensitivity analysis. Refinements to the hydrology would most likely consider potential future changes in timing of runoff into Millerton Lake.

- The Consultant shall work with the FWA to determine appropriate methods to perform sensitivity analysis regarding hydrologic uncertainty. These discussions will occur during technical meetings described in Subtask 2.1.
- The Consultant shall then refine inputs to flow routing model based on input received during the virtual workshop with Friant Division contractors. Refinements shall include:
 - Up to two additional hydrologic inputs considering possible hydrologic futures. Differences in inputs will be water available for diversion into the FKC
- The hydrologic uncertainty sensitivity analysis will be applied using the flow routing model only to the alternatives selected in Subtask 6.2 – Formulate Initial Alternatives.

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Subtask 3.5 – Updated Benefits Analysis

In the Reconnaissance Study the Consultant identified benefits associated with various scenarios restoring capacity to individual pools, reaches and the entire FKC including quantifying opportunities, potential net benefits, and benefit-cost ratios. Benefits were quantified for the entire FKC and individually for Friant-Division contractors with Class 1 and Class 2 contracts and the ability to take additional recharge. Refinements shall consider quantification of these same benefits considering the updates made to the water delivery capability curves, flow routing model, and other tasks in this study.

- Benefits will be quantified only for the alternatives identified in Subtask 6.2 – Formulate Initial Alternatives, the Consultant shall identify benefits, net benefits, benefit-cost ratios, and unquantified benefits.
- The Consultant shall identify benefits at a system-wide basis, as well as at the district-by-district level.
- In addition, the Consultant shall compile benefits information for inclusion in final documentation.

Subtask 3.6 – Regional Storage Sensitivity Analysis (Optional Storage Track)

During the Reconnaissance Study, the Consultant, in coordination with the FWA and the Friant Division contractors, evaluated restoring sections of the canal to design maximum capacity. Alternatives that could include off-channel regional storage project (surface storage or groundwater storage) that could benefit all Friant Division contractors have not been available. All Friant Division contractors could potentially benefit from regional storage alternatives, as they are not limited to having places to store water during high flow periods. The regional storage option will be evaluated as a sensitivity to the canal capacity restoration using the system-wide flow routing tool, as the storage option could be used to capture the spill water that currently would be prorated due to FKC capacity constraints and lack of contractor delivery capability. The following activities describe the steps for evaluating regional storage opportunities.

Activity 3.5.1 – Off-Channel Regional Storage Existing Study Compilation and Review

The Consultant shall review existing studies developed through other programs including the Upper San Joaquin River Basin Storage Investigation, San Joaquin River Restoration Program Investment Strategy, Groundwater Sustainability Plans, and other local plans to compile a list of regional storage concepts including descriptions, locations, sizing, general location along the FKC, and any previously developed costs and/or other pertinent information.

Activity 3.5.2 – Off-Channel Regional Storage Analysis

The existing flow routing model tool shall be used to determine the potential benefits of an off-channel regional storage option at different locations along the FKC. There are three capacity

Reference: Friant Water Authority Master Professional Services Agreement (Dated April 1, 2022) Task Order No.02 Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study

constrained locations in the systemwide FKC model where water is often prorated: Sand Creek pool, Deer Creek pool, and Shafter Wasco pool. The volume and timing of prorated water at these locations will be assessed to determine the potential benefit of a storage option upstream of each capacity constrained pool. In addition to prorates from FKC capacity constraints, water is also rejected if an individual district's delivery capability is less than the potential water that could be delivered to it through the FKC. Each set of capacity constrained water that could be captured by a regional storage option, instead of lost to spills, will be tracked. Thus, benefits to contractors could be determined separately, depending on the type of prorated water.

To avoid the need for an additional reservoir operations model, only potential inputs to the reservoir will be tracked. It will be assumed that the water in regional storage will be fully delivered during following non-wet years, thus the reservoir has the full storage capacity available at the beginning of the wet year. Losses from the regional storage option (evaporative for a surface water option, percolation/ siltation for a groundwater option) will be accounted for in the benefits analysis for each year of potential storage.

Activity 3.5.3 – Off-Channel Regional Storage Workshops

The consultant shall host a workshop with FWA and the Friant Division contractors to show preliminary results from the storage analysis, discuss how the results could help screen out existing storage options identified in Activity 3.5.1, and discuss if there are any new regional storage options that should be further investigated.

Activity 3.5.4 – Off-Channel Regional Storage Benefit-Cost Analysis

A similar benefits analysis as described in Subtask 3.6 will be used to determine the benefits of the off-channel storage options. Costs from existing storage options identified in Activity 3.5.1 will be escalated to current prices. Costs for newly identified storage options will be determined parametrically based on recently developed information to the fullest extent possible.

Activity 3.5.5 – Off-Channel Regional Storage Technical Memorandum

The results from the off-channel regional storage analysis and workshop shall be documented in a TM that will be appended to the Plan Formulation Report. The TM will include the list of identified regional storage projects, description of the regional storage analysis, and summaries of the analysis, and recommendations on regional storage.

Task 3 Base Deliverables:

Deliverables for Task 3 shall include information for the Plan Formulation Report including:

- Documentation of the updates to the water delivery capability curves, flow routing model, incremental analysis, hydrologic uncertainty analysis, and updated benefits analysis. It is assumed that each will be discussed in a section of the Plan Formulation Report.

Reference: Friant Water Authority Master Professional Services Agreement (Dated April 1, 2022) Task Order No.02 Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study

- Water delivery capability curves for each participating Friant Division contractor.
- Benefits information necessary to develop summaries of benefits at a district-by-district level for each of the alternatives identified in Subtask 6.2 – Formulate Initial Alternatives.

Task 3 Optional Deliverables:

Deliverables for Task 3 Optional Subtasks shall include the following:

- Technical Memorandum describing the off-channel regional storage analysis.

Task 4 – Data Collection

To support the development of engineering analysis, cost estimates, hydraulic modeling, and identification of potential environmental compliance and permitting requirements shall be collected. For the Plan Formulation Study, the Consultant shall focus on desktop studies reviewing and compiling information from existing sources to collect geotechnical, right-of-way, and environmental data. Land and aerial survey information of land surface and structural information will be gathered in the field.

Subtask 4.1 – Geotechnical Data Compilation

This subtask is to develop an inventory of geotechnical investigations, analyses, and reports that have been completed near the alignment of the Upper (MP 29.13 to MP 88.22) and Lower (MP 121.5 to MP 152.13) reaches of the FKC. Based on the Initial Alternatives descriptions, to be developed as part of Subtask 5.3, a Geotechnical work plan will be developed as part of this subtask.

Activity 4.1.1 – Geotechnical Data Review

A geotechnical data review will be performed to identify the existing geotechnical information that may be pertinent to the project. This may include previous borings from the original canal construction, construction records from the canal construction, records from previous remedial work, published geologic maps from the United States Department of Agriculture (USDA) and California Geological Survey (CGS), and boring logs and reports from Geotracker. The Consultant will provide an assessment of the applicability of the data sources for the Systemwide studies.

Activity 4.1.2 – Geotechnical Work Plan

A Geotechnical Work Plan will be prepared to develop plans for geotechnical investigations that would be implemented during the Feasibility Phase. The work plan will summarize the purpose of the investigation and will document activities to be performed during the investigation. The work plan will include the following items:

- Purpose of investigation

Reference: Friant Water Authority Master Professional Services Agreement (Dated April 1, 2022) Task Order No.02 Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study

- Site plan showing the extent of potential geotechnical explorations
- Identification of approvals that will be needed prior to fieldwork including County and other agency permits, dig alerts, and landowner access agreements
- Details of explorations including type of exploration, exploration equipment, investigation depth, sampling and backfill requirements and procedures
- Tentative list of laboratory tests

Subtask 4.2 – Identify Existing Right-of-Way Limits

To determine the potential land acquisition requirements associated with measures and initial alternatives the Consultant shall review existing databases of parcel ownership to identify the approximate Right-of-Way limits of the FKC. The Consultant shall evaluate the FKC alignment from MP 29.15 to MP 88.22 and from MP 121.51 to MP 151.81 using the ParcelQuest database. The areas from MP 88.22 to MP 121.51 were previously assessed during the Middle Reach Capacity Correction Project. The Consultant shall produce GIS layers identifying the right of way and parcel ownership for the identified portions of the FKC.

Subtask 4.3 – Surveying (Optional Data Collection Track)

The Consultant shall perform land and aerial surveying to support the development of measures and alternatives for the FKC System-Wide analysis. The surveying will be performed as summarized in the following activities.

Activity 4.3.1 – Aerial and Topographic Mapping

The Consultant shall establish a survey control network which will be surveyed at approximately one-mile intervals along the length of the project. Survey datums will be referenced to NAD83 (CSRS Epoch 2011.00) and Geoid 2012B NAVD88 based on CGPS reference stations that are remotely situated and are not affected by local ground subsidence. GPS surveying technology shall be used to accomplish the control survey.

Light Detection and Ranging (LiDAR) data, using a rotary or fixed wing aircraft suitable to map the terrain within the mapping corridor shall be collected for the project area. The LiDAR data shall be acquired at a nominal density of nine (9) points per square meter. Natural color (RGB) aerial imagery will be acquired concurrently with the LiDAR flights (simultaneous acquisition). The aerial imagery will have a nominal ground resolution of three (3) inches.

Upon completion of the ground control survey and acquisition of aerial photography, analytical aero triangulation will be performed to extend control throughout the project photography to achieve a network of points sufficient to orient all stereo models. A digital topographic map will be compiled at a scale of 1 inch = 100 feet for the mapping area. Planimetric features – such as buildings, roads, fences, bridges, and the like will be digitized at elevations that provide the best horizontal

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accuracy. Planimetric features digitized will be typical for a map scale of 1 inch = 100 feet. The final topographic mapping will have a contour interval of one foot. Contours will be generated from the project digital terrain model (DTM).

The controlled aerial photography shall be used to develop natural color digital orthophotography covering the project corridor. It is recommended that aerial photography and/or LiDAR flight dates be scheduled during known annual maintenance dry-up periods to capture canal bottom elevation where possible.

Activity 4.3.2 – Supplemental Ground Surveys

Supplemental field surveys and office work to provide survey data to supplement the aerial coverage and preliminary design tasks. Specific items are described below.

Turnout Surveys

The Consultant will survey the elevation of the top of lining at each turnout structure and measure the distance to the floor of the structure. Utilizing the surveyed data and cross referencing it to the FKC structural inventory and other information from FWA, a technical memorandum will be prepared that lists the turnout, turnout milepost (MP), side of canal, size of delivery, and the name of the Friant Division contractor receiving water. Photographs of the turnouts will be taken and cataloged. Coordination with Hydraulic Modeling obligations under Task 5 is recommended.

Bridge Surveys

The Consultant will survey the elevation of the bridge soffits and the low chord of the facilities. Utilizing the surveyed data and cross referencing it to the FKC structural inventory and other information from FWA, a technical memorandum will be prepared that lists the bridge, bridge milepost (MP), bridge type, and bridge ownership. Photographs of the bridges will be taken and cataloged. Coordination with Hydraulic Modeling obligations under Task 5 is recommended.

Check Structure Surveys

The Consultant will survey the elevation of the check structure pier elevations, liner elevations through the check structure bays, the elevation of the trunnions, and the low chord of the check structure control deck. Utilizing the surveyed data and cross referencing it to the FKC structural inventory and other information from FWA, a technical memorandum will be prepared that lists the check structure, structure details, bridge milepost (MP), bridge type, and bridge ownership. Photographs of the bridges will be taken and cataloged. Coordination with Hydraulic Modeling obligations under Task 5 is recommended.

Subtask 4.4 – Environmental Data Compilation (Optional Data Collection Track)

Environmental data will be collected to support the formulation of measures and initial alternatives that involve modification to the canal sections and potential off-stream storage capacity

Reference: Friant Water Authority Master Professional Services Agreement (Dated April 1, 2022) Task Order No.02 Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study

development. The Consultant shall review existing databases and previously gathered information for biological and wetlands resources, cultural resources, and potential other resources.

Biological and Wetlands Resources

The consultant will obtain and review available biological/botanical resource information that pertain to the study area. This could include a review of records from the CDFW California Natural Diversity Database (CNDDB), USFWS data, California Native Plant Society Inventory of Rare and Endangered Plants, existing consultant databases, and previously completed environmental documents prepare for relevant projects. The Consultant shall interpret aerial photographs to identify potential suitable habitat for special-status and other species of regulatory concern, vegetation communities, potential occurrence and approximate boundaries of wetlands and other jurisdictional waters, and occurrences of nesting birds and other ephemeral species.

Cultural Resources

The Consultant shall obtain and review available cultural resource reports and surveys related to the study area, including records archived at records search at the Southern San Joaquin Valley Information Center (SSJVIC) and data compiled by Reclamation regarding the potential eligibility of the canal for listing on the National Register of Historic Places (NRHP).

Other Resources

The Consultant shall conduct office evaluations and prepare initial characterizations of the affected environments and environmental settings for up to five resource areas with potential to exceed approval thresholds under CEQA for mitigated negative declarations, or under NEPA for FONSI; or which may merit enhanced analysis or generate public concern during the subsequent CEQA/NEPA processes. Examples of resource areas that may be assessed include air quality, transportation, land use, geology/minerals, and agricultural resources.

From the results of the desktop studies and review of existing information the Consultant shall prepare an Environmental Field Survey Data Collection Plan to support Feasibility Level Analysis. Based on information prepared for the geotechnical field data collection plan, the Consultant shall also prepare a field survey and monitoring plan to support the data collection.

Task 4 Base Deliverables:

- Geotechnical Data Collection Plan
- ROW Mapping GIS Files

Task 4 Optional Deliverables:

- Lidar surface that is compatible with AutoCAD Civil 3D (Optional Data Collection Track)
- Point elevations at structures that can be used as input into HEC-RAS Model (Optional Data Collection Track)

Reference: Friant Water Authority Master Professional Services Agreement (Dated April 1, 2022) Task Order No.02 Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study

- Environmental Data Collection Plan

Task 5 – Hydraulic Analysis

A FKC steady state HEC-RAS model was initially developed for Reclamation to use in Capacity Restoration Feasibility Study (2011). This model was modified in 2017, to account for additional local subsidence along the FKC in Tulare and Kern Counties and for use in the Middle Reach Capacity Correction Project. The hydraulic model was further updated to refine the representation of the concrete liner, embankment, and appurtenant structures in locations outside of the Middle Reach for use in the Reconnaissance Study. Additional model refinements are required to provide additional accuracy of capacity constraints and support alternative evaluation for plan formulation and future phases of analysis.

Subtask 5.1 – Establishing Hydraulic Grade Lines for Incremental Analysis

The consultant shall use the hydraulic model developed for the FKC System-wide Capacity Correction Reconnaissance Study to calculate hydraulic grade lines to support the engineering and cost estimate development for the incremental analysis and consider modeled subsidence. As described in Subtask 3.3, a total of six increments, including the design maximum capacity, will be evaluated as part of the incremental analysis. The hydraulic model will be used to determine the hydraulic grade line for the FKC from the Kings River Check to the Kern River Check. These hydraulic grade lines will be used to determine the extent of lining and embankment raises required to restore capacity to the corresponding flow.

Subtask 5.2 – Refinement of Current Conditions Model (Optional Data Collection Track)

The consultant shall obtain and incorporate survey data for the upper reach, including the following information:

- Top of lining and top of earth embankment at $\frac{1}{4}$ to $\frac{1}{2}$ -mile intervals,
- Spot elevations at structures; including turnouts, wasteway, checks and siphons.
- Spot elevations at bridges; including low chord elevation, limits of abutment encroachment, and pier supports along with optional top of deck and other features.
- Lower and middle reach survey are needed at the following structures:
 - Check structures
 - Siphons
 - Key bridges and other structures (TBD)

In addition to incorporating the above survey information, the following model updates are planned:

- Confirm turnout delivery obligations (both elevation and rate of flow)

Reference: Friant Water Authority Master Professional Services Agreement (Dated April 1, 2022) Task Order No.02 Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study

- Confirm and update the Turnout Inventory as required
- Confirm and update all Turnout locations and required HGL in the RAS Model
- Confirm and update the Structure Inventory as required
- Confirm and update structure dimensions, gate sizes and elevations in the RAS Model for all:
 - Bridge crossings
 - Check structures
 - Wasteways
 - Siphons
 - Turnouts
- Modify friction loss estimates through inverted siphon structures and other pressure conduit structures to incorporate USBR friction loss computation methods and coefficients.
- Confirm conveyance capacity and potential bottlenecks after incorporating survey data for each reach with data collected by the FWA.

Subtask 5.3 – Hydraulic Analysis of System-Wide Alternatives (Optional Data Collection Track)

In coordination with the work performed in Subtask 6.2 the Consultant shall prepare a hydraulic analysis matrix that documents models to be developed and the required flow profiles that will be created to capture the necessary modeling runs to support the Plan Formulation Study alternatives analysis. The hydraulic analysis will be used to support the evaluation alternatives under the current and future subsidence condition. Subsidence conditions will be based on previous modeling or other specified profiles of the FKC provided to the Consultant by the FWA. It is anticipated that a total of 4 alternatives will be evaluated as part of this analysis.

Task 5 Base Deliverables

- Hydraulic grade lines for the FKC for the incremental analysis scenarios.

Task 5 Optional Deliverables:

- Updated Current Conditions Model (Current and Future Subsidence Conditions).
- Model Simulations for Alternatives (Current and future subsidence conditions for up to 4 alternatives).

Reference: Friant Water Authority Master Professional Services Agreement (Dated April 1, 2022) Task Order No.02 Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study

Task 6 – Preliminary Engineering and Cost Estimating

The Plan Formulation Study Report will build on the reconnaissance study by investigating incremental capacity restoration of previously established alternatives, formulating additional structural and non-structural alternatives and refining cost estimates. The topographic survey conducted under Task 2 will be used to inform and refine alternative development and cost estimates.

Subtask 6.1 – Update Project Definition Tool for Incremental Analysis

The Consultant shall use the hydraulic grade lines developed in Subtask 6.1 as input to the Project Definition Tool developed as part of the FKC System-wide Capacity Correction Reconnaissance Study. These inputs into the Project Definition Tool will be used to develop estimated quantities and cost estimates to be used in the benefits cost estimates incremental analysis.

Subtask 6.2 – Formulate, Evaluate, and Screen System-Wide Measures

The Consultant shall identify and describe measures that contribute to the restoration of capacity in the Upper and Lower Reach of the FKC. Examples of potential measures that could be considered include the following:

- Liner and Embankment Raise
- Adding Liner to Unlined Sections
- Bridge Modifications/Replacements
- Hydraulic Structure Modifications
- Off-canal operational storage (multiple potential locations)
- Modification of freeboard requirements and corresponding risk reduction measures.

The Consultant shall update the design criteria developed for the Middle Reach Capacity Correction Project for application to the reconnaissance level facility designs for the System-Wide Study. The Consultant shall develop preliminary information to support the evaluation and screening of measures to develop initial alternatives. Specific criteria will be developed in coordination with the FWA for the evaluation and screening for the following topics:

- Cost
- Environmental Concerns
- Schedule
- Constructability

The evaluation and comparison of the alternatives will be documented in a Microsoft Excel Spreadsheet, and the retained measures will be identified. A brief summary of the screening results for the measures will be documented.

Reference: Friant Water Authority Master Professional Services Agreement (Dated April 1, 2022) Task Order No.02 Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study

Subtask 6.3 – Formulate Initial Alternatives

Using the retained measures developed in Subtask 6.2 the Consultant shall combine measures to formulate complete alternatives that in combination meet the planning objectives of restoring capacity of the FKC. The Consultant shall use the PDT developed to support the FKC Systemwide Capacity Correction Reconnaissance Study to estimate quantities and costs of modifications for each initial alternatives using the costs developed in the measures evaluation. Information regarding costs, environmental concerns, schedule, and constructability for the measures included in each initial alternative will be used to compile summary information. A comparison table will be prepared showing the relative attributes of Initial Alternatives.

Subtask 6.4 – Engineering Evaluation and Cost Estimates of Alternatives (Optional Data Collection Track)

The initial alternatives developed in Subtask 6.2 will be further developed for further evaluation and comparison. The Consultant will revisit the measures design criteria and identify the capacity for the initial alternatives. The Consultant will use the survey information developed Task 4 – Data Collection to develop a AutoCAD Civil 3D model to determine initial quantity takeoffs for earthwork. The Consultant will also develop initial designs sufficient to develop quantity takeoffs for structures (e.g., bridges, turnouts, and check structures).

The Consultant shall use the quantities developed to prepare an Opinion of Probable Construction Cost (OPCC) for the initial alternatives, The OPCC will be developed to a Class 5 level consistent with the Association for the Advancement of Cost Engineering (AACE) International, Inc. cost estimating classification system. The AACE Cost Estimate Classification System maps the various stages of project cost estimating together with a generic maturity and quality matrix. Class 5 generally corresponds to “rough order of magnitude” or “screening level” costs. The expected accuracy ranges of this class estimate are -15 to -50 percent on the low side and +30 to +100 percent on the high side.

Subtask 6.5 – Alternatives Comparison (Optional Data Collection Track)

The Consultant shall compare and screen the initial alternatives and identify potential alternatives to carry forward to a feasibility level analysis. The evaluation criteria and sub criteria developed in Subtask 6.1 will be reviewed and modified in coordination with the FWA and interested participants for use in the comparison of alternatives. The Consultant shall document the comparison in a Microsoft Excel Spreadsheet.

Task 6 Base Deliverables:

- Table of identified measures including name, brief description, and potential locations of implementation.

Reference: Friant Water Authority Master Professional Services Agreement (Dated April 1, 2022) Task Order No.02 Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study

- Table of criteria and sub criteria to be used for measures comparisons and screening, including methods for evaluation (qualitative or quantitative).
- Descriptions of the initial alternatives that will be evaluated.
- OPCCs for the Initial Alternatives.

Task 6 Optional Deliverables:

- Table of criteria and sub criteria to be used for initial alternatives comparisons and screening, including methods for evaluation (qualitative or quantitative).
- Sections on engineering analysis and formulation of Initial Alternatives will be documented in the Plan Formulation Report developed in a subsequent scope of work.

Task 7 – Environmental Permitting Strategy

Subtask 7.1 – Prepare Environmental Permitting Strategy (Optional Data Collection Track)

The Consultant will prepare an Environmental Compliance and Permitting Strategy, providing a plan for environmental compliance (e.g., NEPA/CEQA) and permitting activities that may be required for each alternative that is being retained for feasibility level analysis. The environmental compliance and permitting strategy will identify applicable requirements and provide direction and documentation for the anticipated level of environmental analysis and approach (e.g., combined or separate NEPA and CEQA documents).

The strategy will also identify other activities that will need to be considered during the environmental review process, such as tribal, agency, and public engagement; biological and cultural resources field surveys and reporting; and potential federal and state environmental permits required for construction and operation of the chosen alternative.

Task 7 Optional Deliverables:

- Draft Environmental Compliance and Permitting Strategy
- Final Environmental Compliance and Permitting Strategy

Task 8 – Plan Formulation Study Report

The technical activities performed in Tasks 3 through Task 6 will be summarized as sections or appendices to the Plan Formulation Study Report. The Plan Formulation Study Report will document the identification of measures, development of initial alternatives, to be evaluated in subsequent phase of the FKC System-wide Capacity Correction study.

Reference: Friant Water Authority Master Professional Services Agreement (Dated April 1, 2022) Task Order No.02 Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study

Subtask 8.1 – Prepare Plan Formulation Study Report

The Consultant shall prepare a Draft Plan Formulation Study Report based on the results of evaluations and work prepared under this work plan. The Plan Formulation Study Report shall identify if there are viable system-wide alternatives to move forward to a Feasibility Study. The Plan Formulation Study Report shall include:

- Problem statement describing how the reduced capacity of the FKC could result in water management challenges in the Friant Division.
- Summary of measure screening
- Describe initial alternatives to carry on to a Feasibility Level Study

Task 8 Deliverables:

- Draft Plan Formulation Study Report for FWA Review
- Clean and Track Changes Final Plan Formulation Study Report for FWA Concurrence

Reference: Friant Water Authority Master Professional Services Agreement (Dated April 1, 2022) Task Order No.02 Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study

Milestone Schedule

[illegible]



DRAFT - FEE ESTIMATE - Friant-Kern Canal Systemwide Capacity Correction Plan Formulation Study

			Company Officer	Senior Professional	Assistant Professional	Professional	Drafter	Principal Professional	Supervising Professional	Clerk	Startec ODCs							
Name			Swanson, William	Perez, Evan	Thomas, Tori Hart, Bryan Price, Sam	Werbylo, Kevin, Phelps, David Christie, Kieran	Evans, Garrett	Carpenter, Matthew	Amendolagine, Maurice	Kim, Woo Jin, Intern		Project Summary		Hours	Labour	Expense	Subs	Total
Project Billing Rate			\$421.00	\$229.00	\$141.00	\$204.00	\$112.00	\$312.00	\$252.00	\$79.00	\$1.00	Fixed Fee		0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Units (T&M)			231.00	614.00	1,378.50	1,250.00	158.00	76.00	216.50	48.00	7,981.25	Time & Material		3,972.25	\$787,018.75	\$7,981.25	\$0.00	\$795,000.00
Fee (T&M)			\$97,251.00	\$140,606.00	\$194,403.75	\$255,000.00	\$17,696.00	\$23,712.00	\$54,558.00	\$3,792.00	\$7,981.25	Total		3,972.25	\$787,018.75	\$7,981.25	\$0.00	\$795,000.00

WBS Code	Task Code	Task Name	Units									Task Type	Hours	Labour	Expense	Subs	Total
1	Refinement of Current Conditions Model		0.00	21.00	42.00	43.00	0.00	0.00	0.00	12.00	49.00	Time & Material	118.00	\$20,451.00	\$49.00	\$0.00	\$20,500.00
1.1	1.01	Project Managment and Controls		21.00	42.00	43.00				12.00	49.00	Time & Material	118.00	\$20,451.00	\$49.00	\$0.00	\$20,500.00
2	Coordination and Meetings		69.00	110.00	76.00	76.00	0.00	0.00	0.00	0.00	4,041.00	Time & Material	331.00	\$80,459.00	\$4,041.00	\$0.00	\$84,500.00
2.1	2.01	Coordination and Meetings	69.00	110.00	76.00	76.00					4,041.00	Time & Material	331.00	\$80,459.00	\$4,041.00	\$0.00	\$84,500.00
3	Refinement of Current Conditions Model		114.00	271.00	893.50	702.00	0.00	0.00	0.00	0.00	155.50	Time & Material	1,980.50	\$379,244.50	\$155.50	\$0.00	\$379,400.00
3.1	3.01	Refine Current and Future Demands	16.00	37.00	112.00	112.00					51.00	Time & Material	277.00	\$53,849.00	\$51.00	\$0.00	\$53,900.00
3.2	3.02	Flow Routing Model Refinement	16.00	61.00	220.00	130.00					5.00	Time & Material	427.00	\$78,245.00	\$5.00	\$0.00	\$78,250.00
3.3	3.03	Incremental Analysis of Capacity Restoration	16.00	21.00	80.00	40.00					15.00	Time & Material	157.00	\$30,985.00	\$15.00	\$0.00	\$31,000.00
3.4	3.04	Hydrologic Uncertainty Sensitivity Analysis	8.00	20.00	120.00	80.00					62.00	Time & Material	228.00	\$41,188.00	\$62.00	\$0.00	\$41,250.00
3.5	3.05	Updated Benefits Analysis	8.00	20.00	40.50	80.00					21.50	Time & Material	148.50	\$29,978.50	\$21.50	\$0.00	\$30,000.00
3.6	3.06	Regional Storage Investigation	50.00	112.00	321.00	260.00					1.00	Time & Material	743.00	\$144,999.00	\$1.00	\$0.00	\$145,000.00
4	Data Collection		0.00	0.00	180.00	0.00	0.00	0.00	160.50	0.00	174.00	Time & Material	340.50	\$65,826.00	\$174.00	\$0.00	\$66,000.00
4.1	4.01	Geotechnical Data Colletion							160.50		54.00	Time & Material	160.50	\$40,446.00	\$54.00	\$0.00	\$40,500.00
4.2	4.02	Determine Existing Right-of-Way Limits									120.00	Time & Material	180.00	\$25,380.00	\$120.00	\$0.00	\$25,500.00
4.3	4.03	Ground Surveys										Time & Material	0.00	\$0.00	\$0.00	\$0.00	\$0.00
4.4	4.04	Environmental Data Collection										Time & Material	0.00	\$0.00	\$0.00	\$0.00	\$0.00
5	Hydraulic Analysis		0.00	8.00	26.00	81.00	158.00	0.00	0.00	36.00	538.00	Time & Material	309.00	\$42,562.00	\$538.00	\$0.00	\$43,100.00
5.1	5.01	Establish Hydraulic Grade Lines for Incremental Analysis		8.00	26.00	81.00	158.00			36.00	538.00	Time & Material	309.00	\$42,562.00	\$538.00	\$0.00	\$43,100.00
5.2	5.02	Refinement of Current Conditions Model										Time & Material	0.00	\$0.00	\$0.00	\$0.00	\$0.00
5.3	5.03	System-Wide Alternatives Model										Time & Material	0.00	\$0.00	\$0.00	\$0.00	\$0.00
6	Preliminary Engineering and Cost Estimating		18.00	89.00	41.25	228.00	0.00	76.00	56.00	0.00	1,638.75	Time & Material	508.25	\$118,111.25	\$1,638.75	\$0.00	\$119,750.00
6.1	6.01	Update Project Definition Tool Incremental Analysis	2.00	20.00	41.25	60.00					21.75	Time & Material	123.25	\$23,478.25	\$21.75	\$0.00	\$23,500.00
6.2	6.02	Formulate, Evaluate, and Screen Systemwide Measures	8.00	43.00		92.00		36.00	36.00		1,463.00	Time & Material	215.00	\$52,287.00	\$1,463.00	\$0.00	\$53,750.00
6.3	6.03	Formulate Initial Alternatives	8.00	26.00		76.00		40.00	20.00		154.00	Time & Material	170.00	\$42,346.00	\$154.00	\$0.00	\$42,500.00
6.4	6.04	Engineering Evaluation and Cost Estimates of Alternatives										Time & Material	0.00	\$0.00	\$0.00	\$0.00	\$0.00
6.5	6.05	Alterantives Comparison										Time & Material	0.00	\$0.00	\$0.00	\$0.00	\$0.00
7	Environmental Permitting Strategy		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	Time & Material	0.00	\$0.00	\$0.00	\$0.00	\$0.00
7.1	7.01	Prepare Environmental Permitting Strategy										Time & Material	0.00	\$0.00	\$0.00	\$0.00	\$0.00
8	Plan Formulation Study Report		30.00	115.00	120.00	120.00	0.00	0.00	0.00	0.00	1,385.00	Time & Material	385.00	\$80,365.00	\$1,385.00	\$0.00	\$81,750.00
8.1	8.01	Prepare Plan Formulation Study Report	30.00	115.00	120.00	120.00					1,385.00	Time & Material	385.00	\$80,365.00	\$1,385.00	\$0.00	\$81,750.00

Reference: Friant Water Authority Master Professional Services Agreement (Dated April 1, 2022) Task Order No.02 Friant-Kern Canal System-Wide Capacity Correction Plan Formulation Study

Attachment B

CONSULTANT'S STANDARDS RATES

For Professional Services By: Stantec Consulting Services Inc.

Classification	Year 1* Fully Burdened Hourly Rate (\$/hr)	Year 2 Fully Burdened Hourly Rate (\$/hr)	Year 3 Fully Burdened Hourly Rate (\$/hr)
Company Officer	\$405	\$421	\$438
Principal Technologist	\$333	\$346	\$360
Principal Professional II	\$318	\$331	\$344
Principal Professional I	\$300	\$312	\$324
Project Manager	\$274	\$285	\$296
Supervising Professional	\$242	\$252	\$262
Senior Professional	\$220	\$229	\$238
Professional	\$196	\$204	\$212
Associate Professional	\$163	\$170	\$177
Assistant Professional	\$136	\$141	\$147
Supervising Designer	\$209	\$217	\$226
Senior Designer	\$187	\$194	\$202
Designer	\$151	\$157	\$163
Drafter	\$108	\$112	\$116
Contract Administrator	\$147	\$153	\$159
Administrative Assistant	\$126	\$131	\$136
Clerk	\$76	\$79	\$82
Expiration Date	2/28/2023	2/28/2024	2/28/2025

Agenda Report

No. 3.C.

DATE: March 23, 2023

TO: Board of Directors

FROM: Wilson Orvis, CFO

SUBJECT: Revisions to FWA's OM&R Cost Recovery Policy – Conveyance Fee Update and Clarifications to San Luis & Delta-Mendota Water Authority OM&R Cost Allocation Procedures

SUMMARY:

On July 25, 2019, the Board of Directors approved a substantive revision to FWA's Operations, Maintenance, and Replacement (OM&R) Cost Recovery Policy, incorporating contractor comments received during the 60-day comment period. The focus of that revision was to update the 25-year rolling average methodology used to calculate each Long-Term Friant-Kern Canal Contractor's percentage of annual OM&R, as well as to establish a threshold above which any proposed extraordinary maintenance project would require consideration of potential alternative cost recovery methodologies. While it was discussed during the effort developing the updated policy, the 2019 revision did not make changes to the methodology used by FWA to assess conveyance fees on "Other Water¹" conveyed for non-long-term contractors (mainly Warren Act and Section 215 water) or Warren Act water conveyed for Friant-Kern Canal Water Delivery Contractors.

The current methodology, developed in 1998, set the conveyance fee on a per acre-foot basis, calculated based on the current year Class 1 O&M water share of O&M Expense (based on the O&M Budget) divided by the 25-year average of Class 1 deliveries on the Friant Kern Canal. Given the change to the methodology for calculating the 25-year rolling average (which added in all types of water and eliminated the previous ratio of Class 1 to Class 2 approach), the increased OM&R costs that FWA has been incurring to maintain the Friant-Kern Canal (including extraordinary maintenance projects like the Middle Reach Capacity Correction Project, Phase 1), and increased OM&R conveyance and pumping costs for Settlement Contractor deliveries allocated to FWA from San Luis & Delta-Mendota Water Authority (SLDMWA), a substantive update to the methodology calculating conveyance fees for "Other Water" is necessary to reflect current practices and recover an equitable share of OM&R costs. The current rate is \$11.60/per acre-foot.

The proposed methodology would include any Warren Act water deliveries for Long-Term Water Delivery Contractors into the existing 25-year rolling average calculation. An impact analysis suggests that including these amounts would not substantively increase the OM&R costs for the three affected

¹ See Section 1 of the "Agreement To Transfer The Operation, Maintenance And Replacement And Certain Financial And Administrative Activities Related To The Friant-Kern Canal And Associated Work" (Transfer Agreement)" for a detailed definition of "Other Water"

Friant-Kern Canal contractors. For non-long-term Contractors, the proposed methodology would increase this Fiscal Year's conveyance rate from \$11.60/acre-foot to:

- (1) \$25.07 per acre-foot for Section 215/Flood Water conveyed to a non-Long Term Contractor, and
- (2) \$84.83 per acre-foot for Warren Act (Non-Flood) Water.

As noted above, these proposed rates reflect current OM&R costs and more equitably allocate those costs.

The proposed revisions to the FWA OM&R Cost Recovery Policy are provided in a red-line copy as **Attachment 1**. In addition to revisions related to the conveyance rate methodology, there are (1) revisions to align the text of the definitions with the updated Transfer Agreement and (2) additional, minor revisions regarding the procedures for allocating OM&R costs billed by San Luis & Delta-Mendota Water Authority (SLDMWA) to FWA for conveyance of Settlement Contractor deliveries. The revisions in that section:

- (1) Revise the billing procedures to reflect the actual procedures that have been in place for a number of years, and
- (2) Clarify that FWA will allocate costs from SLDMWA's general "Reserve Cost Pool" based upon a 35% conveyance/65% pumping split, which has been the current practice, and adds that for specific reserve cost pools, FWA will conduct an analysis of the purpose of those reserves to inform the appropriate allocation between pumping and conveyance.

CONVEYANCE RATE DETAILED DISCUSSION:

Staff worked with the General Managers for the Friant-Kern Canal Contractors to develop the revised methodology for assessing OM&R on "Other Water" as well as assessing Water Delivery Contractors for Warren Act deliveries:

1. For "Other Water" conveyed to non-long-term contractors, the proposed methodology differentiates between two types of "Other Water" – Section 215/Flood Water and Warren Act (non-flood) water. For each type of water, a composite rate is calculated by combining routine OM&R costs, extraordinary replacement costs, and SLDMWA OM&R rate components, as applicable. The formulas below show how each of the components are calculated and used to determine the conveyance rate. Please see **Attachment 2** for the calculated rates for FY 2023 using this proposed methodology:
 - A. For Section 215/Flood Water, the conveyance rate is equal to the sum of three components (routine OM&R, extraordinary OM&R, and SLDMWA OM&R):

Routine OM&R Rate Component:

$$\frac{\text{Current Year Routine OM\&R Budget}}{\text{Average Deliveries from the Last Two Wet Years}}$$

Extraordinary OM&R Rate Component

$$\frac{\text{Straight Line Depreciation of XM Project Costs}}{\text{Average Deliveries from the Last Two of Three Wet Years}}$$

SLDMWA OM&R Rate Component:

$$\frac{\text{Average SLDL MWA OM\&R Costs paid by FWA in Last 3 Years}}{\text{Average Deliveries from the Last Two or Three Wet Years}}$$

- B. For Warren Act (non-Flood) Water, the conveyance rate is equal to the sum of three rate components (routine OM&R, extraordinary OM&R, and SLDMWA OM&R):

Routine OM&R Rate Component:

$$\frac{\text{Current Year Routine OM\&R Budget}}{\text{10 Year Rolling Average of Class 1 Deliveries}}$$

Extraordinary OM&R Rate Component:

$$\frac{\text{Straight Line Depreciation of XM Project Costs}}{\text{10 Year Rolling Average of Class 1 Deliveries}}$$

SLDMWA OM&R Rate Component:

$$\frac{\text{Average SLDL MWA OM\&R Costs paid by FWA in Last 3 Years}}{\text{10 Year Rolling Average of Class 1 Deliveries}}$$

2. For Flood water conveyed by a non-Long-Term Contractor to a Long-Term Contractor, the non-long term contractor would not be assessed a conveyance fee. Instead, the Long-Term Contractor would be assessed the conveyance through adding the flood water deliveries to their respective water data for purposes of calculating the 25-year rolling average allocation for annual Friant-Kern Canal OM&R.
3. For Warren Act water conveyed to long-term, Friant-Kern Canal Water Delivery Contractors, the proposed methodology includes this water as part of the existing 25-year rolling average calculation, eliminating the separate per acre-foot conveyance fee for these Contractors. There are three Long-Term Contractors that consistently convey Warren Act water in the Friant-Kern Canal (Fresno ID, Lindsay-Strathmore ID, and Kern-Tulare WD). An impact analysis of this approach was conducted and the estimated cost impact was essentially neutral when considering the impact to their share of routine OM&R compared to paying the existing \$11.60 per acre-foot rate. For details regarding this analysis, please see **Attachment 3**.

FEEDBACK FROM FRIANT-KERN CANAL CONTRACTORS (TO DATE):

The proposed updates the FWA's conveyance fee methodology was developed by FWA staff in collaboration with General Managers and staff from Friant-Kern Canal Contractors. Through that process, there were concerns raised with the proposed approach from some Contractors as well as identification of some outstanding items that will need further discussion prior to finalization of the policy. While not an exhaustive list, some of the concerns and outstanding items identified included:

- Inclusion of Warren Act deliveries in each Long-Term Contractor's 25-year rolling average could result in a higher percentage of extraordinary OM&R projects in the future.
- The cost allocation methodology does **not** currently assess conveyance of returned banked project water (either through inclusion in the 25-year rolling average or through a separate conveyance fee)

The general consensus was to proceed with the 60-day review period while continuing work through the concerns and outstanding items so that the final policy update could be implemented in FY 2023.

REVISION NOTICE:

Under Article 11(b)(3) of the Transfer Agreement, FWA is required to provide notice of changes to the OM&R Cost Recovery Methodology Policy to all affected Friant Division contractors with obligations under Article 11 of the Transfer Agreement at least 60 days prior to the effective date of any amendment. The proposed amendments must also be submitted concurrently to Reclamation for review and comment.

FINANCE COMMITTEE ACTION:

At the March 20, 2023 meeting, the Finance Committee acted to recommend that the Board of Directors approve the proposed OM&R Cost Recovery Methodology Policy and direct staff to provide notice of changes to the OM&R Cost Recovery Policy to all affected Friant Division Contractors and Reclamation for the mandatory 60-day review period.

SUGGESTED MOTION:

I move that the Board of Directors approve the proposed OM&R Cost Recovery Methodology Policy and direct staff to provide notice of changes to the OM&R Cost Recovery Policy to all affected Friant Division Contractors and Reclamation for the mandatory 60-day review period.

BUDGET IMPACT:

There is no adverse impact to the budget. Conveyance fees that are collected by FWA on "Other Water" are used to offset OM&R cost obligations which, in turn, reduce OM&R costs allocated to Friant-Kern Canal Water Delivery Contractors.

ATTACHMENTS:

- 1) Proposed Revisions to Friant Water Authority's OM&R Cost Recovery Policy
- 2) FY 2023 Conveyance Fee Calculations
- 3) Long Term Contractor Impact Analysis



Friant Water Authority OM&R Cost Recovery Policy

Friant-Kern Canal and Delta-Mendota Canal Conveyance & Pumping Facilities Cost Recovery Methodology Policy for Operation, Maintenance, Repair, and Replacement (OM&R) Costs

Effective ~~May XX~~ **October 1, 2023**

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Background

Since March 1, 1998, when the Friant Water Authority (~~Authority~~**FWA**) (as successor to the Friant Water Users Authority) entered into that certain “Agreement To Transfer The Operation, Maintenance And Replacement And Certain Financial And Administrative Activities Related To The Friant-Kern Canal And Associated Work” (Transfer Agreement), ~~FWA the Authority~~ has been responsible for working with the CVP contractors that take delivery of water from the Friant-Kern Canal, in establishing a program of operation and maintenance and a cost recovery methodology that directly recovers ~~-FWAthe Authority’s~~ costs in operating and maintaining the Friant-Kern Canal.

Similarly, since 1998, the San Luis and Delta-Mendota Water Authority (SLDMWA) has been responsible for developing a program of operation and maintenance and a cost recovery methodology for the Delta-Mendota Canal, the Tracy Pumping Plant and the O’Neill Pump/Generating Plant. ~~The Authority~~**FWA** is responsible for working with all long-term contractors of the Friant Division of the CVP (**Friant Division Contractors**) in establishing a program that directly recovers costs incurred by the SLDMWA attributable to the delivery of Exchange Contractor and San Joaquin River Water Rights Settlement Contractor water.

The following is a description of the updated cost recovery methodology for recovering the costs associated with the operation and maintenance of the Friant-Kern Canal.

~~As of the effective date above, t~~**his Policy is clarified to confirm that it** covers operation, maintenance, repair, and replacement costs (collectively, “OM&R”) of the “Project Works” for the Friant-Kern Canal and related facilities as those terms are defined in the Transfer Agreement.

This Policy also covers the recovery of the costs associated with the operation, maintenance, repair, and replacement costs of the Delta-Mendota Canal and the Tracy and O’Neil Plants as those costs are applied to the delivery of water on behalf of Friant Division ~~C~~contractors to meet the obligations for providing an alternative supply of water as contemplated under the *Contract for Exchange of Waters* to the Exchange Contractors and for San Joaquin River Water Rights Settlement Contractors.

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OM&R COST RECOVERY PROCEDURES: ADOPTED ON MAY XX, 2023 BY BOARD RESOLUTION 2023-XX



Friant Water Authority OM&R Cost Recovery Policy

As used in this Policy, “Operation, Maintenance and Replacement” or “OM&R” has the meaning set forth in Article 1(c) of the Transfer Agreement, which is as follows:

“Operation, Maintenance and Replacement” or “OM&R” shall mean the complete operation and maintenance of the Project Works ~~(as defined below)~~, including performing, funding, and financing such repairs and replacements as are normally considered part of annual operation and maintenance functions and not considered Capital Improvement costs of the Project. ~~in accordance with the Blue Book entitled, Replacements—Units, Service Lives, Factors, as it exists on the date of this Agreement or in accordance with Federal law or any other regulations, policies, guidelines or instructions adopted thereunder.~~ OM&R shall include the performance, and funding, and financing of emergency or unusual operation and maintenance or extraordinary operation and maintenance costs, unusual or extraordinary repair or replacement costs, unusual or extraordinary repair or replacement costs, and betterment costs, but only to the extent the costs thereof are not considered Capital Improvement costs of the Project. ~~in accordance with the Blue Book reference above as it exists on the date of the Agreement or in accordance with Federal law or any other regulations, policies, guidelines or instructions adopted thereunder.~~ Notwithstanding the foregoing, OM&R shall also include Capital Improvements~~tems~~, as that term is defined in Article 4-1(a) ~~hereof~~, which the Authority chooses to accomplish and finance pursuant to Article 54(b) ~~hereof~~.

The definition of “Project Works” referenced in the definition of OM&R is found in Article 1(h) ~~f~~ of the Transfer Agreement, which is as follows:

“Project Works” shall mean those facilities listed or described on the attached Exhibit A, which are incorporated herein by this reference, including: the Friant-Kern Canal and related in-line control facilities; wasteways, laterals, holding reservoirs, turnouts, and measuring devices, ~~and~~ associated water level control devices and water level recording instruments; appurtenant equipment, structures and maintenance buildings; and such other facilities as the parties may agree by modification of ~~this definition and/or addendum to Exhibit A, without amending this agreement from time to time.~~

The definition of “Capital Improvements~~tems~~” referenced in the definition of OM&R is found in Article 4(a) of the Transfer Agreement, and the relevant portion of Article 4 (b) of the Transfer Agreement that authorizes FWA to allocate the cost of Capital Improvements~~tems~~ as part of OM&R are as follows:

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OM&R COST RECOVERY PROCEDURES: ADOPTED ON MAY XX, 2023 BY BOARD RESOLUTION 2023-XX



Friant Water Authority OM&R Cost Recovery Policy

4(a): Nothing in this Agreement shall be construed to require the Authority to make or fund improvements, modifications, replacements or repairs of any nature to the Project Works the costs of which should be or will be added to the Capital Improvement costs of the Project ~~(herein "Capital Items")~~.

4(b): Notwithstanding the provisions of Article ~~54~~(a) ~~hereof~~, in the event the Authority identifies Capital Improvements it deems necessary for the OM&R of the Project Works and the Contracting Officer is unable or unwilling to provide a mechanism for accomplishing and financing such Capital Improvements, the Authority ~~in its sole discretion~~ may proceed with the accomplishment and financing of such Capital Improvements and deem the costs thereof to be OM&R cost thereunder, regardless of whether such costs are added to the Capital Improvements costs of the Project under Article 5(a) ~~capitalized by the Authority~~.

Friant-Kern Canal OM&R Cost Recovery Methodology (Effective October 1, 2019)

The following methodology will be employed in recovering the costs associated with the OM&R of the Friant-Kern Canal:

For Long-Term Friant-Kern Canal Contractors (Water Delivery Contractors¹):

1. Annual OM&R costs will be based on actual FKC deliveries to contractors. All water types ~~(except including Warren Act water and Flood Water conveyed through the Friant-Kern Canal to a long-term contractor)~~ will be included in the calculation. The calculation will be based on the USBR Rate Schedule A-13 by individual contractor and include Section 215 water deliveries and Restoration Water Account (RWA) and Unreleased Restoration Flows (URF) deliveries as reported annually by the Bureau of Reclamation or other appropriate monitoring agency. OM&R costs will be based on the total volume of water (regardless of color) delivered to an individual contractor as a percentage of total water delivered to all Friant-Kern Canal contractors over the last 25-years of available delivery data.

- ~~1. Annual OM&R costs will be allocated based upon the proportion of costs each contractor would have incurred if those costs would have been paid on an acre foot delivered basis each year for the immediate past 25 years.~~

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¹ See Article 1 of the Transfer Agreement for definition of "Water Delivery Contractor"



Friant Water Authority OM&R Cost Recovery Policy

2. Payment of each contractor's share of annual OM&R costs will be made in twelve equal monthly installments. Other payment plans can be arranged by a contractor; provided, however, that the contractor will have to bear any cost of borrowing that the Authority may incur to provide the alternative payment mechanism.

~~3. Warren Act water deliveries will be billed for their Friant-Kern Canal conveyance cost monthly.~~

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- 4.3. In the event of a proposed non-emergency project involving unusual operation and maintenance or extraordinary operation and maintenance costs, unusual or extraordinary repair or replacement costs, or Capital Items, and the total budget for the project exceeds 50% of the prior fiscal year's budget for normal or routine OM&R activities, the method of cost recovery for the proposed project will be presented to the Friant Water Authority Board of Directors for consideration of potential alternative cost recovery methodologies prior to approval of the proposed project and implementation of the standard OM&R cost recovery methodology set forth in Sections 1 and 2 above. Emergency projects (defined as immediately damaging or imminently threatening to damage life or property) in an amount exceeding the threshold of 50% of the prior fiscal year's budget for normal or routine OM&R activities, may be undertaken immediately without Board of Director consideration of potential alternative cost recovery methodologies.

For Parties Entitled to Utilize or Receive Other Water through the Friant-Kern Canal². For Other Water conveyed through the Friant-Kern Canal for Parties Entitled to Utilize or Receive Other Water, a per acre-foot conveyance fee will be assessed by FWA. FWA differentiates between two types of Other Water – Section 215/Flood Water and Warren Act (non-flood) water. Conveyance fees are calculated annually and will consist of a combination of routine OM&R costs, replacement costs, and San Luis & Delta-Mendota Water Authority (SLDMWA) OM&R cost components, as applicable:

1. Section 215/Flood Water. Flood Water delivered to a Long-Term Friant Kern Canal Contractor from a Party Entitled to Utilize or Receive Other Water will be included in the receiving Long-Term Contractor's 25-year rolling average of water delivery data used to calculate their annual allocation of Friant-Kern Canal OM&R. For Section 215 and flood water delivered to a Party Entitled to Utilize or Receive Other Water through the Friant-Kern Canal:

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- A. A routine OM&R rate component will be calculated using the current year's OM&R budget divided by an average of all Friant-Kern Canal deliveries from the most recent two or three wet years. Wet years will be identified using the

² See the Article 1 of the Transfer Agreement for definitions of "Party Entitled to Utilize or Receive Other Water" and "Other Water"



Friant Water Authority OM&R Cost Recovery Policy

Department of Water Resources, Water Year Hydrologic Classification Indices for the San Joaquin Valley.

B. An extraordinary maintenance OM&R rate component will be calculated using a annual depreciation (calculated as straight-line depreciation) of all extraordinary maintenance project costs incurred for the Friant-Kern Canal divided by an average of all Friant-Kern Canal deliveries from the most recent two or three wet years. Wet years will be identified using the Department of Water Resources, Water Year Hydrologic Classification Indices for the San Joaquin Valley

C. A SLDMWA OM&R rate component will be calculated using the average OM&R costs paid by FWA for SLDMWA OM&R from the last 3 years of available final accountings divided by an average of all Friant-Kern Canal deliveries from the most recent two or three wet years. Wet years will be identified using the Department of Water Resources, Water Year Hydrologic Classification Indices for the San Joaquin Valley

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2. Warren Act Water (non-flood). For non-flood Warren Act water:

A. A routine OM&R rate component will be calculated using the current year's OM&R budget divided by the 10-year rolling average of all Class 1 Friant-Kern Canal deliveries, as reported by the Bureau of Reclamation in the last 10 years of final accountings.

B. An extraordinary OM&R rate component will be calculated using annual depreciation (calculated as straight-line depreciation) of all extraordinary maintenance project costs incurred for the Friant-Kern Canal divided by a 10-year rolling average of all Class 1 Friant-Kern Canal deliveries, as reported by the Bureau of Reclamation in the last 10 years of final accountings.

C. A SLDMWA OM&R rate component will be calculated using the average conveyance costs paid by FWA for the Delta-Mendota Canal from the last 3 years of available final accountings divided by a 10-year rolling average of all Class 1 Friant-Kern Canal deliveries, as reported by the Bureau of Reclamation in the last 10 years of final accountings.

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Delta-Mendota Canal Cost Recovery Methodology (Effective March 1, 2019)

FWA and SLDMWA have entered into that certain First Amended and Restated Memorandum of Understanding Relating to Allocation, Collection and Payment of Operation, Maintenance & Replacement Costs for Water Delivered Through Certain Central Valley Project Facilities effective as of September 1, 2002, (as it may be amended, "MOU"), which includes the cost

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OM&R COST RECOVERY PROCEDURES: ADOPTED ON MAY XX, 2023 BY BOARD RESOLUTION 2023-XX



Friant Water Authority OM&R Cost Recovery Policy

allocation plan that is used to assign costs of various Westside facilities to CVP water contractors, including Friant Division ~~C~~ontractors. The Friant Division's share of these expenses is distributed among the Friant Division ~~C~~ontractors. ~~FWA The Friant Water Authority~~ will be responsible for assigning and collecting the allocated share of the Delta-Mendota Canal's (DMC) OM&R costs for the Friant Division contractors using the following cost recovery methodology:

1. Annual OM&R conveyance costs will be based on actual FKC and Madera Canal deliveries. All water types (except Warren Act water) will be included in the calculation. The calculation will be based on USBR Rate Schedule A-13 by individual contractor and include Section 215 water deliveries and RWA and URF deliveries as reported annually by the Bureau of Reclamation or other appropriate monitoring agency. SLDMWA OM&R conveyance costs will be based on total volume of water (regardless of color) delivered to an individual contractor as a percentage of total water delivered to all Friant Division contractors.
2. Annual OM&R conveyance costs will be allocated based upon the proportion of costs each contractor would have incurred if those costs would have been paid on an acre foot delivered basis each year for the immediate past 25 years.
3. ~~Each month FWA~~~~The Friant Water Authority will handle the billing and collection of these costs identically to those required for the payment of the OM&R costs of the Friant Kern Canal, namely each Friant Division contractor will pay these costs in equal monthly installments. Other payment plans can be arranged by a contractor; provided, however, that the contractor will have to bear any cost of borrowing that the Authority may incur to provide the alternative payment mechanism. To the extent that the payment requirements of the San Luis and Delta-Mendota Water Authority do not match up with the Authority's monthly collections program, the Friant Water Authority will absorb any differential and account for the additional costs (or revenues) that may result and apply any differential to the next year's costs for this activity.~~
bills each Friant-Division Contractor based upon their relative allocable share of the invoiced amountsbills received from SLDMWA to be paid over the priorwithin 30-day period terms. In order to ensure timely payment to SLDMWA, FWA maintains a reserve amount that is sufficient to pay~~cover~~ the highest anticipated monthly invoice from SLDMWA in the any given budget year.

Commented [A1]: Is this what you mean to say? Or is it something else - I assume you use the 25 year rolling average to invoice the FKC contractors for costs that were paid by FWA from the reserve. This sentence was confusing to me.

~~Traey Jones~~ Pumping Plant and O'Neill Pumping ~~-Generating~~ Plant Cost Recovery Methodology

1. Class 1 contractors will be the only Friant Division ~~C~~ontractors responsible for paying for the Friant Division's share of the OM&R costs of the ~~Traey Jones~~ Pumping Plant and the O'Neill ~~Pumping-Generating~~ Plant costs.

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OM&R COST RECOVERY PROCEDURES: ADOPTED ON MAY XX, 2023 BY BOARD RESOLUTION 2023-XX



Friant Water Authority OM&R Cost Recovery Policy

2. Contract quantities of Class 1 water will be used as the basis for allocating the Friant Division's share of the Tracy Jones Pumping Plant's and O'Neill Pumping-Generating Plant's operation and maintenance expense to Friant Division Contractors. M&I water contractors will share in this expense on the same basis as Class 1 Irrigation water contractors.
3. The Friant Water Authority bills each Friant-Division Contractor based upon their allocable share of the invoices received from SLDMWA to be paid within 30-day terms. In order to ensure timely payment to SLDMWA, FWA maintains a reserve amount that is sufficient to cover the highest anticipated monthly invoice from SLDMWA in the budget any given year. will handle the billing and collection of these costs identically to those required for the payment of OM&R expense of the Friant Kern Canal; namely, each Friant-Division contractor will pay these costs in equal monthly installments. Other payment plans can be arranged by a contractor; provided, however, that contractor will have to bear any cost of borrowing that the Authority may incur to provide the alternative payment mechanism. To the extent that the payment requirements of the San Luis and Delta-Mendota Water Authority do not match up with the Authority's monthly collections program, the Friant Water Authority will absorb any differential and account for the additional costs (or revenues) that may result and apply any differential to the next year's costs for this activity.

SLDMWA Reserve Costs Recovery Methodology

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SLDMWA allocates funds certain long-term OM&R activities for Project Facilities through a separate reserve cost pool and allocates the annual contributions to the reserve to the SLDM Contractors and FWA. FWA allocates its share of For SLDMWA's general reserve cost pool, costs will be allocated based upon a 35% conveyance/-65% pumping methodology, where 35% of the costs will be allocated the same as the Delta-Mendota Canal cost recovery methodology and 65% will be allocated the same as the Jones Pumping Plant/-O'Neill Pumping-Generating Plant cost recovery methodology. For any additional reserve cost pool setup to be established by SLDMWA for a specific long-term expenditures (such as the Jones Pumping Plant Rewinds), FWA will allocate the costs based upon their primary relationship to either the Delta-Mendota Canal conveyance or Jones Pumping Plant/O'Neill Pumping-Generating Plant cost components (e.g., a specific extraordinary maintenance project may affect the Delta-Mendota Canal and FWA would allocate 100% of the reserve contribution on the same basis as conveyance costs.)

FKC Warren Act Conveyance Charge Scenarios (Non-Friant Division Contractors)

References	
FY23 FKC OM&R Budget	\$ 12,780,000
MRCCP Phase 1 Budget	\$ 292,500,000
3-Year Rolling Avg SLDMWA OM&R Costs (WY18 - WY20)	\$ 12,352,983
Avg. Last Two Wet Years Deliveries (2017 & 2019)	\$ 1,391,263
10-Year Rolling Avg Class 1 Deliveries (FY12 - FY21)	411,211

Numerator:
Denominator:
Rate / AF

215 / Flood Water Conveyance (Non-Long-Term) Routine OM&R Component	
Current OM&R Budget	\$ 12,780,000
Avg W (2017 & 2019)	1,391,263
	\$ 9.19

Numerator:
Denominator:
Rate / AF

215 / Flood Water Conveyance (Non-Long-Term) Replacement Component	
Annual MRCCP Phase 1 SLD	\$9,750,000.00
Avg W (2017 & 2019)	1,391,263
	\$ 7.01

Numerator:
Denominator:
Rate / AF

215 / Flood Water Conveyance (Non-Long-Term) SLDMWA Component	
3Y Avg SLDMWA OM&R	\$ 12,352,983
Avg W (2017 & 2019)	1,391,263
	\$ 8.88

215 / Flood Water Composite Conveyance Rate (FY 2023)	\$ 25.07
------------------------------------------------------------------	-----------------

Notes:

- 1/ This conveyance charge is for 215/Flood Water conveyed to a non-long-term Contractor.
- 2/ 215/Flood Water Conveyance Charge should reflect anticipated wet year conveyance and be differentiated from Warren Act Conveyance
- 3/ For Flood Water conveyed to FKC Long-Term Contractors, the Long-Term Contractor pays for the conveyance through inclusion in their 25-year Rolling Average OM&R allocation

Numerator:
Denominator:
Rate / AF

Warren Act Routine OM&R Conveyance Rate Component	
Current OM&R Budget	\$ 12,780,000
10-Year Rolling Average Class 1	411,211
	\$ 31.08

Notes:

- 1/ Rolling Average of Class 1 is more representative of annual use of canal and includes use during dry/critical years
- 2/ Rolling Average of Class 1 approach maintains relatively stable rate from year to year for budgeting purposes

Numerator:
Denominator:
Rate / AF

Warren Act Replacement (XM) Conveyance Rate Component	
Annual MRCCP Phase 1 SLD	\$9,750,000.00
10-Year Rolling Average Class 1	411,211
	\$ 23.71

Notes:

- 1/ Used Straight-Line Depreciation of MRCCP Phase 1 Cost over 30 years, no salvage value
- 2/ Used 10-Year Average of Class 1 for the same reasons as for the Routine OM&R component and to maintain consistency

Numerator:
Denominator:
Rate / AF

Warren Act SLDMWA Conveyance Rate Component	
3Y Avg SLDMWA OM&R	\$ 12,352,983
10-Year Rolling Average Class 1	411,211
	\$ 30.04

Notes:

- 1/ Used average SLDMWA OM&R costs from last 3 years of final accountings (WY20, WY19, and WY18)
- 2/ Used 10-Year Average of Class 1 for the same reasons as for the Routine OM&R component and to maintain consistency

Warren Act Composite	
Conveyance Rate (FY 2023)	\$ 84.83

Comparison of Impact of Inclusion of Warren Act Water Deliveries in 25-Year Rolling Average for Long-Term Contractors

Current FWA Conveyance Charge	\$ 11.60
Current FKC Routine OM&R Budget	\$ 12,780,000

Proposed Conveyance Cost Components:

	Routine OM&R Component	Replacement Component	SLDMWA Component	Total
215/Flood Water	\$ 9.19	\$ 7.01	\$ 8.88	\$ 25.07
Warren Act Water	\$ 31.08	\$ 23.71	\$ 30.04	\$ 84.83

					FKC Cost Allocation 100% Historic WA Water	Proposed Conveyance Cost Impact
	Warren Act (WA) & Non-Millerton Deliveries (2021-1997)	FY 2021 Deliveries	FY 2021 Conveyance Cost	% Impact FKC 25- Year Rolling Average	Cost Impact (FY 2023 Budget)	
Friant-Kern Canal						
Arvin-Edison WSD	-	-	\$ -	-0.23%	(\$29,589.33)	\$ -
Delano-Earlimart ID	4,251	-	\$ -	-0.22%	(\$28,222.52)	\$ -
Exeter ID	1,285	-	\$ -	-0.02%	(\$2,607.14)	\$ -
City of Fresno	-	-	\$ -	-0.10%	(\$12,762.59)	\$ -
Fresno ID	47,640	7,510	\$ 87,116.00	0.21%	\$26,699.65	\$ 637,072
Garfield WD	287	-	\$ -	0.00%	(\$527.10)	\$ -
Hills Valley ID	3,922	-	\$ -	0.02%	\$2,301.48	\$ -
International ID	-	-	\$ -	0.00%	(\$261.63)	\$ -
Ivanhoe ID	981	-	\$ -	-0.01%	(\$929.78)	\$ -
Kaweah Delta WCD	-	-	\$ -	-0.01%	(\$699.21)	\$ -
Kern Tulare WD	132,281	6,188	\$ 71,780.80	0.62%	\$79,374.28	\$ 524,927
Lewis Creek WD	-	-	\$ -	0.00%	(\$213.59)	\$ -
Lindmore ID	-	-	\$ -	-0.07%	(\$8,707.52)	\$ -
Lindsay-Strathmore ID	152,163	6,731	\$ 78,079.60	0.67%	\$85,818.21	\$ 570,990
City of Lindsay	-	-	\$ -	0.00%	(\$473.81)	\$ -
Lower Tule River ID	7,220	-	\$ -	-0.22%	(\$27,633.66)	\$ -
City of Orange Cove	-	-	\$ -	0.00%	(\$357.53)	\$ -
Orange Cove ID	3,246	-	\$ -	-0.05%	(\$6,779.12)	\$ -
Porterville ID	-	-	\$ -	-0.04%	(\$5,369.52)	\$ -
Saucelito ID	884	-	\$ -	-0.05%	(\$6,619.05)	\$ -
Shafter-Wasco ID	-	-	\$ -	-0.11%	(\$14,250.66)	\$ -
S.S.J.MU.D.	-	-	\$ -	-0.20%	(\$25,679.48)	\$ -
Stone Corral ID	1,013	-	\$ -	-0.01%	(\$1,534.91)	\$ -
Tea Pot Dome WD	-	-	\$ -	-0.01%	(\$1,583.93)	\$ -
Terra Bella ID	5,905	-	\$ -	-0.02%	(\$2,696.73)	\$ -
Tri Valley WID	701	-	\$ -	0.00%	\$406.46	\$ -
Tulare ID	-	-	\$ -	-0.13%	(\$17,101.30)	\$ -
Total Friant-Kern Canal	361,778	20,429	\$ 236,976.40	0.00%		\$1,732,989.34
Percent of Total	-	-	\$ -			
Madera Canal	-	-				
Chowchilla WD	-	-	\$ -			
Madera ID	-	-				
Total Madera Canal	-	-				
Percent of Total	-	-				
Millerton Lake	-	-				
Fresno County Wwks#18	-	-	\$ -			
Gravelly Ford	-	-	\$ -			
County of Madera	-	-	\$ -			
Total Millerton Lake		-				
Percent of Total		-				
Total Friant Unit	483,608	20,429	\$ 236,976.40			

Agenda Report

No. 3.D.

DATE: March 23, 2023
TO: Board of Directors
FROM: Wilson Orvis, Chief Financial Officer
SUBJECT: Third Quarter, Fiscal Year 2023 - General Membership Call-for-Funds

SUMMARY:

The Board of Directors approved the Fiscal Year 2023 General Membership Budget at the August 25, 2022 meeting. Consistent with the adopted Budget and considering the current cash position, staff is recommending a Call-for-Funds due April 28th, 2023 for the General Membership in the amount of \$618,224.00 to fund activities for the third quarter of FY 2023.

An Exhibit A for General Member Budget Call-for-Funds is attached for your review. The “Exhibit A” delineates the amount to be invoiced from each member district.

Should the Call-for-Funds be approved by the Board, the invoices will be prepared and sent out by the end of March 2023 and would be due by April 28, 2023.

FINANCE COMMITTEE ACTION:

At the March 20, 2023 meeting, the Finance Committee acted to recommend that the Board of Directors approve the April 2023 Call-for-Funds in the amount of \$618,224 for the third quarter per the Exhibit A for the FY 2023 General Membership Budget.

SUGGESTED MOTION:

I move that the Board of Directors approve the April 2023 Call-for-Funds in the amount of \$618,224 for the third quarter per the Exhibit A for the FY 2023 General Membership Budget.

BUDGET IMPACT:

\$618,224 in Cash Receipts to fund FY 2023 General Membership Budget activities.

ATTACHMENTS:

FY 2023 General Member Budget - Exhibit A.

Friant Water Authority Exhibit "A" for General Member Budget GENERAL MEMBER ALLOCATION Fiscal Year Ending September 30, 2023						Water %					October 1	
						50.00%					618,224	
						Equal %					January 1	
						50.00%					618,224	
						Total					April 1	
100.00%		618,224		*Final		618,224						
		Associate Dues		12,000		Total Call for Funds		2,484,897				
District	CLASS I	CLASS I TIMES 2	CLASS II	2 X CLASS I PLUS CLASS II	CONTRACT WATER PERCENT	EQUAL ALLOCATION PERCENT	TOTAL ALLOCATION PERCENT	October 1 Call for Funds	January 1 Call for Funds	April 1 Call for Funds	Final Call for Funds	Total Call for Funds
Arvin-Edison	40,000	80,000	311,675	391,675	8.828%	3.125%	11.953%	70,893.00	70,893.00	70,893.00	70,893.00	283,572.00
City of Fresno	60,000	120,000		120,000	2.705%	3.125%	5.830%	36,040.00	36,040.00	36,040.00	36,040.00	144,160.00
Chowchilla WD	55,000	110,000	160,000	270,000	6.085%	3.125%	9.210%	56,940.00	56,940.00	56,940.00	56,940.00	227,760.00
Fresno ID		0	75,000	75,000	1.690%	3.125%	4.815%	29,770.00	29,770.00	29,770.00	29,770.00	119,080.00
Kaweah Delta WCD	1,200	2,400	7,400	9,800	0.221%	3.125%	3.346%	20,685.00	20,685.00	20,685.00	20,685.00	82,740.00
Kern-Tulare		0	5,000	5,000	0.113%	3.125%	3.238%	20,016.00	20,016.00	20,016.00	20,016.00	80,064.00
Lindmore	33,000	66,000	22,000	88,000	1.983%	3.125%	5.108%	31,581.00	31,581.00	31,581.00	31,581.00	126,324.00
Lindsay-Strathmore	27,500	55,000		55,000	1.240%	3.125%	4.365%	26,983.00	26,983.00	26,983.00	26,983.00	107,932.00
Lower Tule River	61,200	122,400	238,000	360,400	8.123%	3.125%	11.248%	69,536.00	69,536.00	69,536.00	69,536.00	278,144.00
Madera ID	85,000	170,000	186,000	356,000	8.024%	3.125%	11.149%	68,923.00	68,923.00	68,923.00	68,923.00	275,692.00
Orange Cove	39,200	78,400		78,400	1.767%	3.125%	4.892%	30,243.00	30,243.00	30,243.00	30,243.00	120,972.00
Porterville	15,000	30,000	30,000	60,000	1.352%	3.125%	4.477%	27,680.00	27,680.00	27,680.00	27,680.00	110,720.00
Saucelito	21,500	43,000	32,800	75,800	1.708%	3.125%	4.833%	29,881.00	29,881.00	29,881.00	29,881.00	119,524.00
Tea Pot Dome	7,200	14,400		14,400	0.325%	3.125%	3.450%	21,326.00	21,326.00	21,326.00	21,326.00	85,304.00
Terra Bella	29,000	58,000		58,000	1.307%	3.125%	4.432%	27,401.00	27,401.00	27,401.00	27,401.00	109,604.00
Tulare	30,000	60,000	141,000	201,000	4.530%	3.125%	7.655%	47,326.00	47,326.00	47,326.00	47,326.00	189,304.00
Associate Member												
Hills Valley								3,000.00	3,000.00	3,000.00	3,000.00	12,000.00
Totals	504,800	1,009,600	1,208,875	2,218,475	50.000%	50.000%	100.000%	618,224.00	618,224.00	618,224.00	618,224.00	2,472,896.00



Begin Phase 1 Project

Avenue 136

T

LTRID

T

TPDWD

Avenue 128

Siphon 4

T

SID

Avenue 120

Avenue 112

Siphon 5

T

T

DCTRA

SID

Avenue 104

Deer Creek Check/Siphon

T

T

TBID

Siphon 6

Siphon 7

T

T

SID

Avenue 88

Siphon 8

Avenue 80

Siphon 9

T

SID

T

DEID

Siphon 10

Avenue 64

End Phase 1 Project

FRIANT-KERN CANAL MIDDLE REACH CAPACITY CORRECTION PROJECT PHASE 1

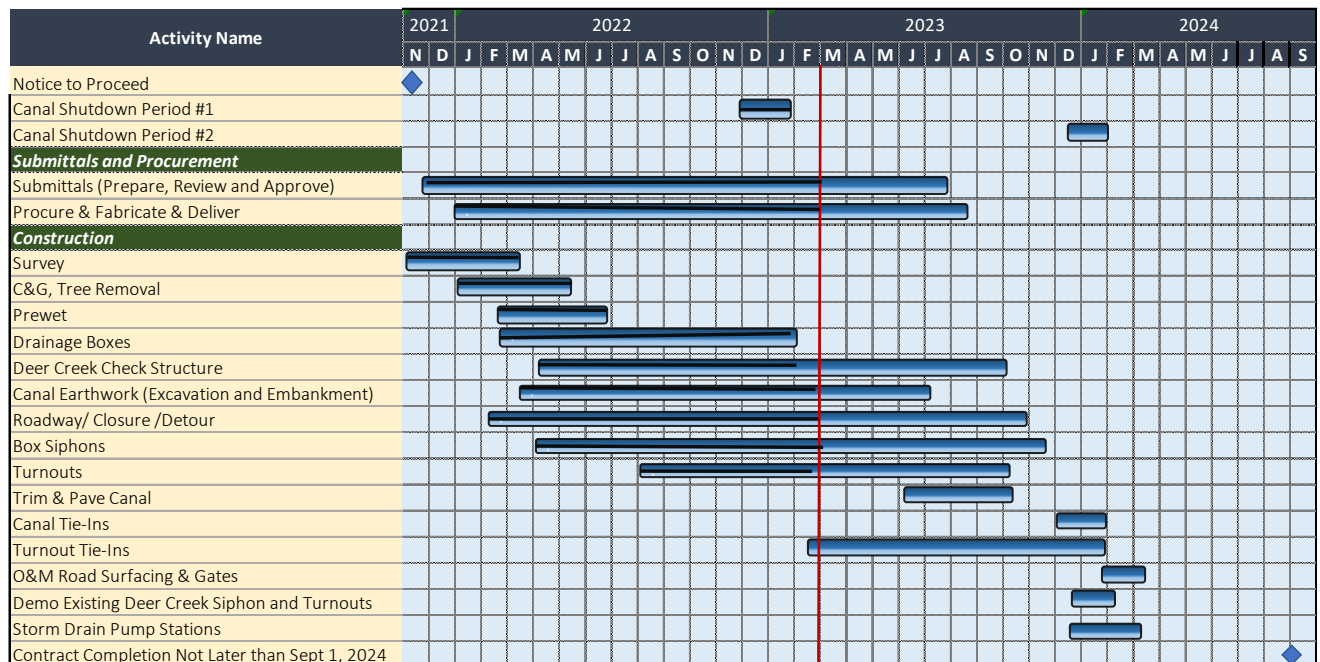
Construction Progress Report: February 2023



Summary of Work Accomplished

- The Contractor has worked 421 calendar days as of February 25th.
- Turnout work continued, with work being conducted at Casa Blanca, Teapot Dome, and SID-S1 turnouts.
- At the Deer Creek work area, work continued to pump water out of the new siphon and the temporary bypass berms were replaced from the January flood event.
- Canal embankment was placed between Avenue 112 and Avenue 104, and between Road 192 to the end of the project.
- At the Avenue 88 siphon, work included installing reinforcing bars and pouring structural concrete.
- At the Avenue 112 siphon, work included installing reinforcing bars, and placing structural concrete.
- At the Road 192 siphon, work included installing reinforcing bars, formwork, and placing structural concrete in several wall and slab sections.
- Road closures for Avenue 88 and 128 siphons remain in effect, and a temporary shoofly continues to be in place at Road 192. Terra Bella Avenue is now closed to traffic.

Schedule Progress



Work completed through end of February (based on cost) is approximately 58.3 percent of the original contract amount, and the elapsed time represents approximately 47.1 percent of the total contract time

Construction Narrative

There were significant rain events the last week of this month that impacted construction activities. There was over 5-inches of rain spread over that time period.

Canal embankment was placed between Avenue 112 and Avenue 104, and from Road 192 to the end of the project this month using materials obtained from the TBID borrow site. The embankment completion varies along the alignment, with the highest completion from Avenue 88 northwards between 70 to 92-percent complete.

At the Deer Creek site, the Contractor continued pumping the water out of siphon and associated work areas from the January flood event, replaced the temporary bypass berms and built a temporary access road across Deer Creek. At the Avenue 88 siphon, the Contractor placed reinforcement and placed structural concrete in walls from their batch plant. At the Avenue 112 siphon, structural concrete was placed in three wall sections. On February 7th, at the Avenue 112 siphon, during placement of the top deck concrete, the falsework collapsed causing injuries to three laborers. All workers were back to work on modified duties on February 10th. Investigations activities have been conducted and plans to modify falsework for remaining deck pours completed. At the Road 192 siphon, work included reinforcing bar placement, installing formwork, and placing structural concrete in several slab and wall sections. The Terra Bella road closure was put into effect this month and excavation for the new roadway siphon initiated. Excavation continued for the Avenue 128 siphon and the project geotechnical engineers conducted the foundation inspection.

Some minor work was conducted at several irrigation and drainage box extensions to backfill previously placed work. The Contractor repaired leaks in several irrigation bypass lines. Turnout work continued, with work being conducted at Casa Blanca, Teapot Dome, and SID-S1 turnouts. Work included excavation, placing formwork, and installing reinforcing bars for the structures. The Contractor started receiving parts of the canal trimming and paving equipment this month and these were placed on the west side of the borrow area.

Environmental

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

Change Orders

There were 2 change orders this month totaling \$597,944. The largest change order was for adjustments to the canal earthwork quantities.

Construction Progress Photographs¹

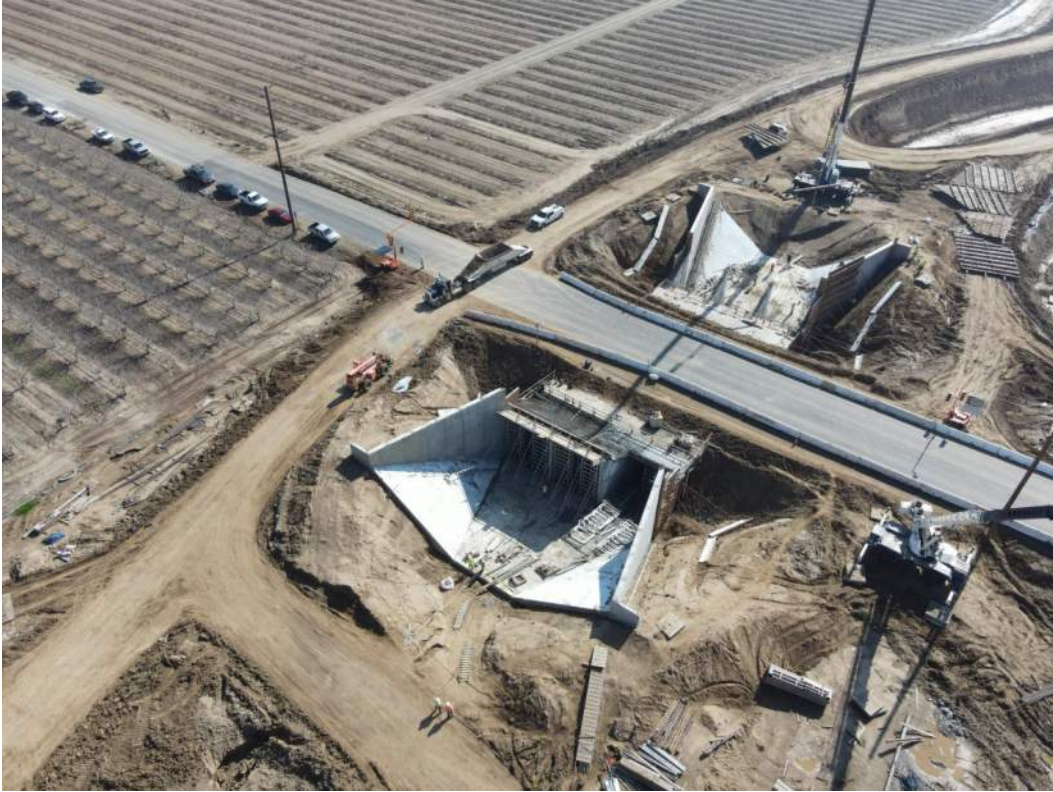


Mobilization of canal trimming and paving equipment on western side of borrow area.



Deer Creek work area - established a temporary crossing and re-established temporary bypass berm.

¹ Photographs courtesy of Reclamation



Avenue 112 siphon cleanup from the falsework incident in progress on the D2 deck and removing formwork on south transition wall.



Casa Blanca turnout formwork in progress.



Avenue 88 siphon north transition wall placement and structural backfill in progress.



Road 192 siphon wall construction section in progress.

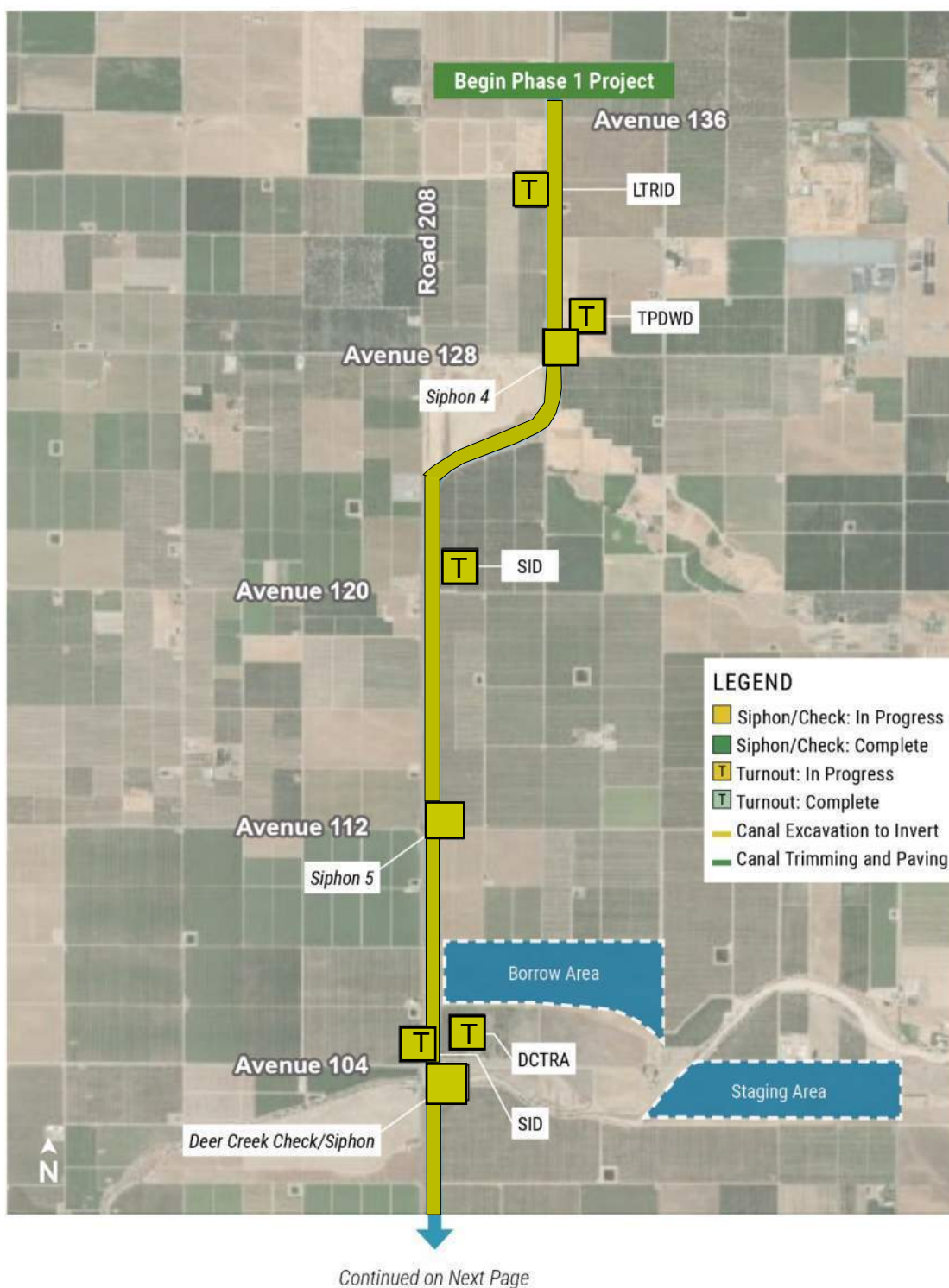


Avenue 128 siphon foundation excavation and Teapot Dome Water District turnout excavation.

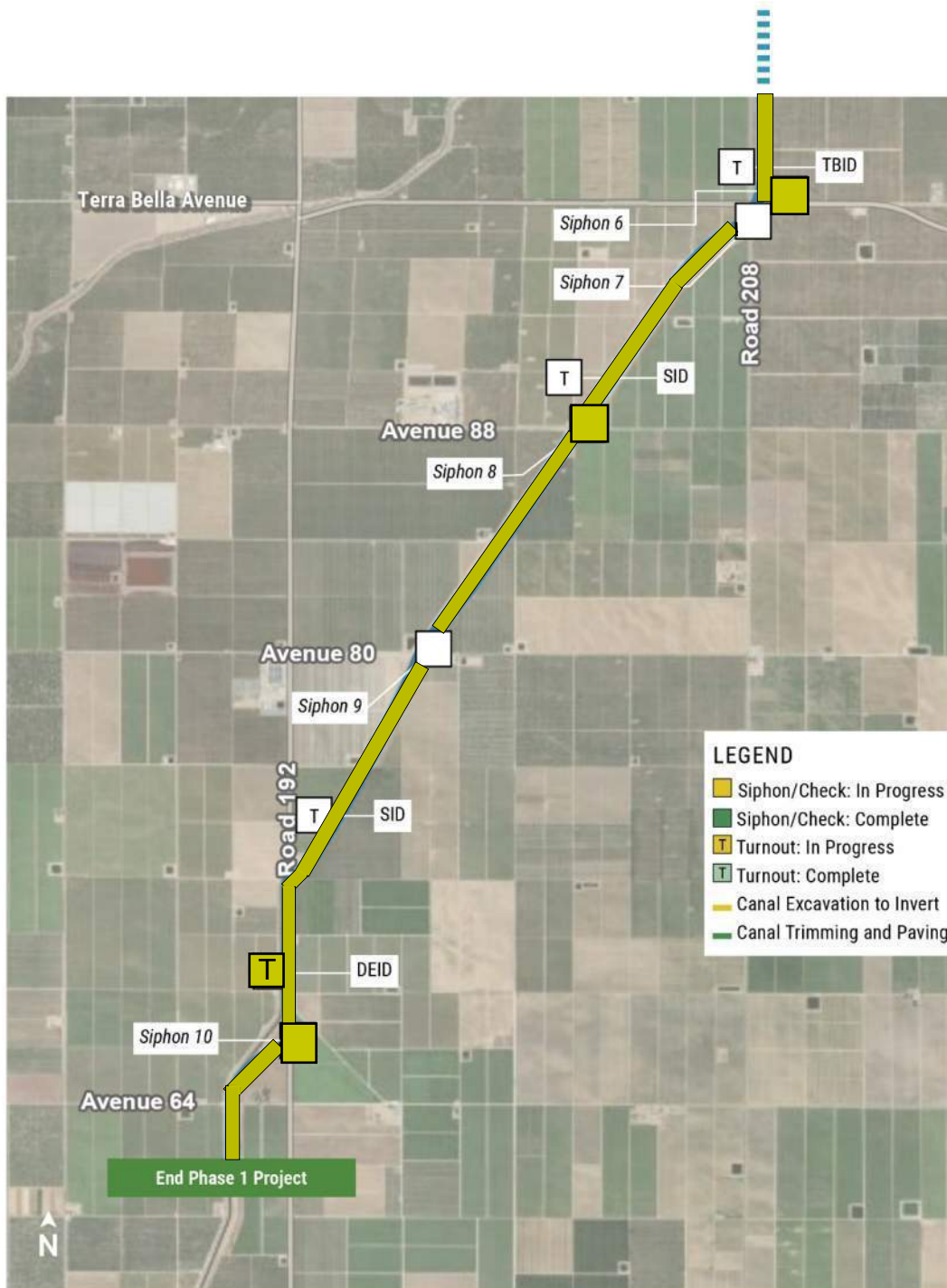


Avenue 95 siphon (Terra Bella) and canal embankment in progress.

Progress Map



Progress Map continued



Financial Summary

Monthly Financial Status Report - Budget to Actual Spending Expenditures through February 28, 2023

Sources of Funds	Federal Funding		FWA Spending Plan Funds		Friant Water Authority Funding					
	SJRRP funds	WIIN funds	Advance Payments for Construction Costs		FWA Contractors	Eastern Tule GSA	Pixley GSA	Delano GSA	State Funding-DWR	Total FWA funds
Anticipated Funding	\$41M-\$46.9M	\$ 210,550,000	\$ 118,645,000		\$ 50,000,000	\$125M-\$200M	\$ 11,000,000	\$ 1,200,000	\$ 59,584,000	
Funds Secured/Received to date	\$ 41,900,000	\$ 208,100,000	\$ 41,500,000		\$ 49,685,792	\$ 10,615,476	\$ 11,000,000	In progress	\$ 16,460,100	\$ 87,761,368
Expenditures to date	(39,807,150)	(104,867,015)	\$ (29,614,365)		(22,712,030)	(7,994,068)	(11,000,000)	-	(16,460,100)	(58,166,198)
Remaining Funding Available	\$ 2,092,850	\$ 103,232,985	\$ 11,885,635		\$ 26,973,761	\$ 2,621,408	\$ -	In progress	\$ -	\$ 29,595,169

Project Cost Category	Budget Estimate (2023)			Prior Period Expenditures (Cumulative)		February 28, 2023 Expenditures		Total Expenditures through February 28, 2023		Remaining Budget	
	Reclamation	FWA (Non-Federal)	Total	Reclamation Expenditures	FWA Expenditures	Reclamation Expenditures	FWA Expenditures	Reclamation Expenditures	FWA Expenditures	Reclamation	FWA (Non-Federal)
Prior-Period Preconstruction Costs (thru September 30, 2021)	\$ 23,081,048	\$ 3,525,733	\$ 26,606,782	\$ 23,081,048	\$ 3,525,733	\$ -	\$ -	\$ 23,081,048	\$ 3,525,733	\$ -	\$ 0
ROW & Land Acquisition	\$ 8,288,108	\$ 14,013,460	\$ 22,301,568	\$ 6,971,389	\$ 12,327,177	\$ 24,923	\$ -	\$ 6,996,312	\$ 12,327,177	\$ 1,291,796	\$ 1,686,283
Legal & Administration (Facilitating Services) & IT Services	\$ 517,667	\$ 506,000	\$ 1,023,667	\$ 302,722	\$ 396,876	\$ 84	\$ 37,770	\$ 302,806	\$ 434,646	\$ 214,861	\$ 71,354
Permitting, NEPA/CEQA, Cultural Resources, & Environmental Monitoring	\$ 1,176,106	\$ 500,000	\$ 1,676,106	\$ 758,849	\$ 101,908	\$ 2,849	\$ -	\$ 761,698	\$ 101,908	\$ 414,408	\$ 398,092
Project Management	\$ 2,360,302	\$ 1,987,500	\$ 4,347,802	\$ 849,409	\$ 242,784	\$ 32,030	\$ 21,966	\$ 881,439	\$ 264,750	\$ 1,478,863	\$ 1,722,750
Construction Management	\$ 12,000,000	\$ -	\$ 12,000,000	\$ 3,713,943	\$ -	\$ 461,333		\$ 4,175,276	\$ -	\$ 7,824,724	\$ -
Design & Specifications	\$ 1,785,380	\$ -	\$ 1,785,380	\$ 1,691,391	\$ -	\$ 24,781	\$ -	\$ 1,716,172	\$ -	\$ 69,208	\$ -
Construction Support	\$ 13,561,832	\$ -	\$ 13,561,832	\$ 6,348,359	\$ -	\$ 467,560	\$ 11,985	\$ 6,815,919	\$ 11,985	\$ 6,745,914	\$ (11,985)
Construction Contract - Phase 1 Replacement Pump Stations	\$ 8,629,262	\$ 8,629,262	\$ 17,258,525	\$ 186,422	\$ -			\$ 186,422	\$ -	\$ 8,442,840	\$ 8,629,262
Construction Contract - MRCCP Phase 1	\$ 69,215,038	\$ 111,452,787	\$ 180,667,825	\$ 97,529,094	\$ 41,500,000	\$ 2,227,975		\$ 99,757,069	\$ 41,500,000	\$ (30,542,031)	\$ 69,952,787
Construction Contract Contingency	\$ 5,635,257	\$ 5,635,257	\$ 11,270,514	\$ -	\$ -			\$ -	\$ -	\$ 5,635,257	\$ 5,635,257
Total	\$ 146,250,000	\$ 146,250,000	\$ 292,500,000	\$ 141,432,626	\$ 58,094,478	\$ 3,241,535	\$ 71,721	\$ 144,674,161	\$ 58,166,198	\$ 1,575,839	\$ 88,083,802
% Cost-Share		50%	50%					71%	29%		

Please Note:		
Actual cost-share percentages:	70%	30%
The difference is due to timing of when the FWA Spending Plan Funds are being expended by BOR.		

DATE: March 23, 2023

TO: Board of Directors

FROM: Ian Buck-Macleod, Water Resources Manager

SUBJECT: Water Operations Update

SUMMARY:

March is continuing to be exceptionally wet throughout the State. Flood releases from many reservoirs are occurring to stay within conservation pools. On March 7th, Reclamation increased the Friant Class 2 allocation from 20% to 70%, and subsequently, announced Uncontrolled Season with availability of Section 215 supplies and Recovered Water Account (RWA) water on March 9th and 11th, respectively.

DISCUSSION:

Inflow Forecasts

Despite a below normal first three weeks of February, the month ended above normal for the San Joaquin and Tulare Lake Basins. So far this month, the Sierras have received 12-20 inches with statewide precipitation in March ranging from 160% to 290% of normal from north to south. To date, precipitation ranges from 136% to 212% of average, and SWE from 180% to 280%. Another storm is occurring this week which will bring another 3-5 inches in the central and southern Sierras and about half as much in the north. These storms are anticipated to have low freezing levels, and will result in less runoff compared to more recent events. Prior to this week, precipitation in the Upper San Joaquin watershed is currently more than 230% of average, with snow-water equivalent (SWE) ranging from 200% to 300% of average with all stations well exceeding April 1 averages. Beyond this week, long range forecast models continue to indicate wet weather adding another 3 inches of precipitation at the peaks.

Table 1 shows the unimpaired inflow forecasts for Shasta Lake and Millerton Lake from the California Nevada River Forecast Center (CNRFC) and CA Department of Water Resources (DWR). Forecasts for both reservoirs have risen dramatically over the course of the month. The current CNRFC Millerton 50% forecast would result in a water year inflow that is 260% of average and would be the wettest year on record exceeding 1983. The CNRFC Shasta 50% forecast would result in an average water year. Unimpaired inflow to Shasta this year needs to be 4.0 MAF or greater to avoid a Shasta Critical year and current 90% forecasts show that it should well exceed. Relatedly, on February 15, Reclamation made initial determination of Shasta non-Critical year type.

Table 1. Unimpaired Inflow Forecasts for WY 2023

Item	Exceedance		
	90%	50%	10%
CNRFC Shasta Unimpaired Inflow (TAF) ¹	5,336	5,656	6,642
DWR Shasta Unimpaired Inflow (TAF) ²	4,710	5,590	7,195
CNRFC Millerton Unimpaired Inflow (TAF) ¹	4,340	4,748	5,072
DWR Millerton Unimpaired Inflow (TAF) ²	3,980	4,520	5,235
SCCAO Blended Unimpaired Inflow (TAF) ³	4,201	4,747	5,694

Notes:

¹ As of March 20.

² As of March 14.

³ As of March 17.

CVP NOD Operations

Overall CVP North-of-Delta (NOD) reservoirs have been increasing in response to the storms, storage levels for this week based on the 15-year average – Trinity, Shasta, and Folsom are 58%, 107%, and 112% of average, respectively. Releases from Folsom and Oroville were as high at 20,000 cfs and 35,000 cfs, respectively, but have since reduced to 12,000 cfs and 15,000 cfs. Reclamation sent notice that this is not a Shasta Critical year and agricultural service contract allocation is 35%. The SWP updated their Table A allocation to 35% on February 22nd (from 30%).

Internal projections of upstream operations were updated with DWR's latest inflow forecasts. Figures 1 and 2 show the projected Shasta Lake and Folsom Lake storage through June based off these internal projections and compared to Reclamation's projections from February. Shasta storage is trending better with recent storms, and the prior 50% projection from Reclamation is now the 90%. The more current 90% forecast shows Shasta topping out over 4.1 MAF by the end of April. Folsom storage shows the recent spikes in storage due to flood control operations, and trending on the 50% forecast.

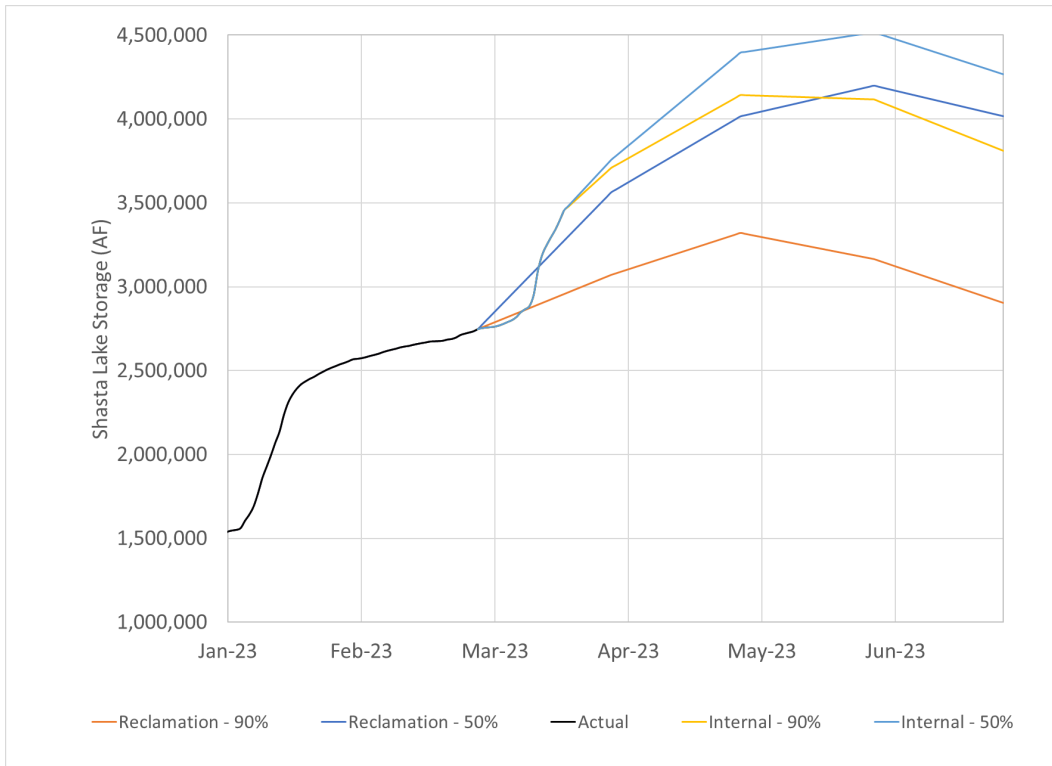


Figure 1. Shasta Lake Storage – March Projections

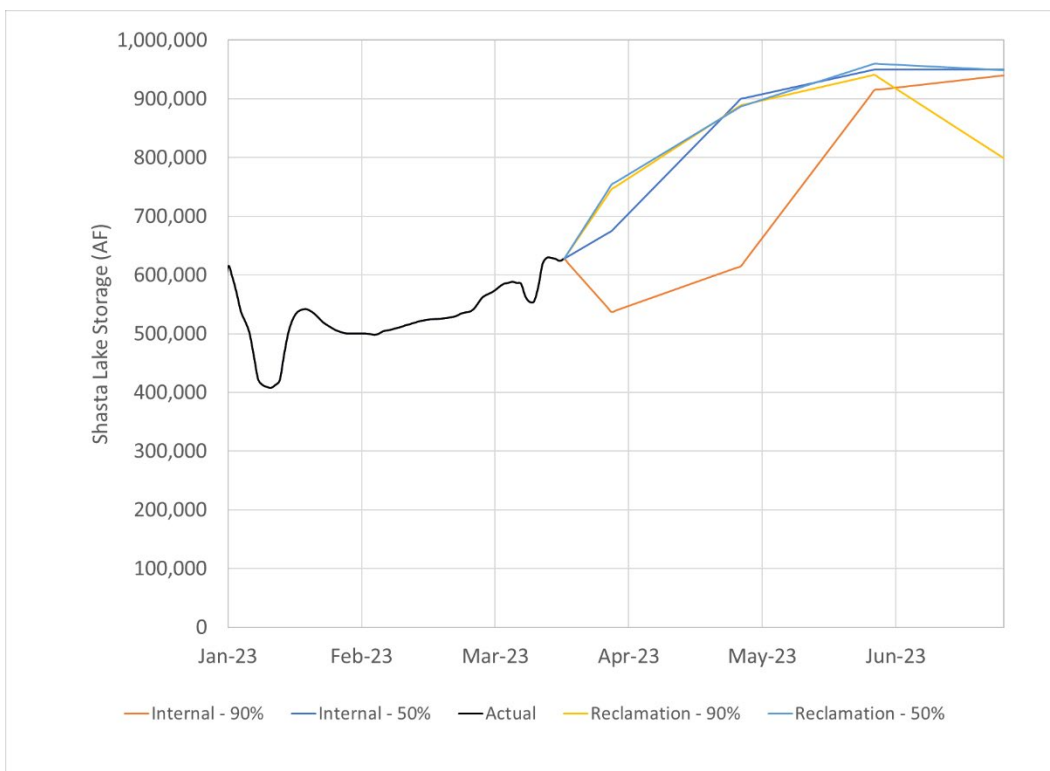


Figure 2. Folsom Lake Storage – March Projections

CVP SOD Operations

Delta Operations

Exports increased in December in response to the storm events and have been mostly at a four or five-unit operation this calendar year, with occasional reductions caused by OMR requirements and limitations in using the DMC-CA Intertie. Exports are currently at a 5-unit operation, although there was a momentary drop to 2 units in early March due to an electrical issue. Exports are anticipated to remain high through next week with current inflow forecasts although they will begin to drop as San Luis Reservoir gets close to filling.

The Temporary Urgency Change Order was rescinded on March 9th by the State Board due to wet conditions. For March, Delta Outflow (for Spring X2) will have to be a 3-day average Delta Outflow of at least 29,200 cfs for at least 11 days of March, which should be easily met with current forecasts. However, April will likely require 3 weeks of this standard. A Turbidity Bridge Avoidance was triggered in the Delta due to recent storms and the Stealhead loss threshold was triggered which will require 14 days of OMR no more negative than -3,500 although neither of these constraints will control due to such high inflows. Figure 3 shows the projected daily Jones pumping through June as compared to actuals to date. The 90% forecast shows high pumping through June due to wet water supply conditions although there is some uncertainty due to anticipated filling of San Luis Reservoir in early April.

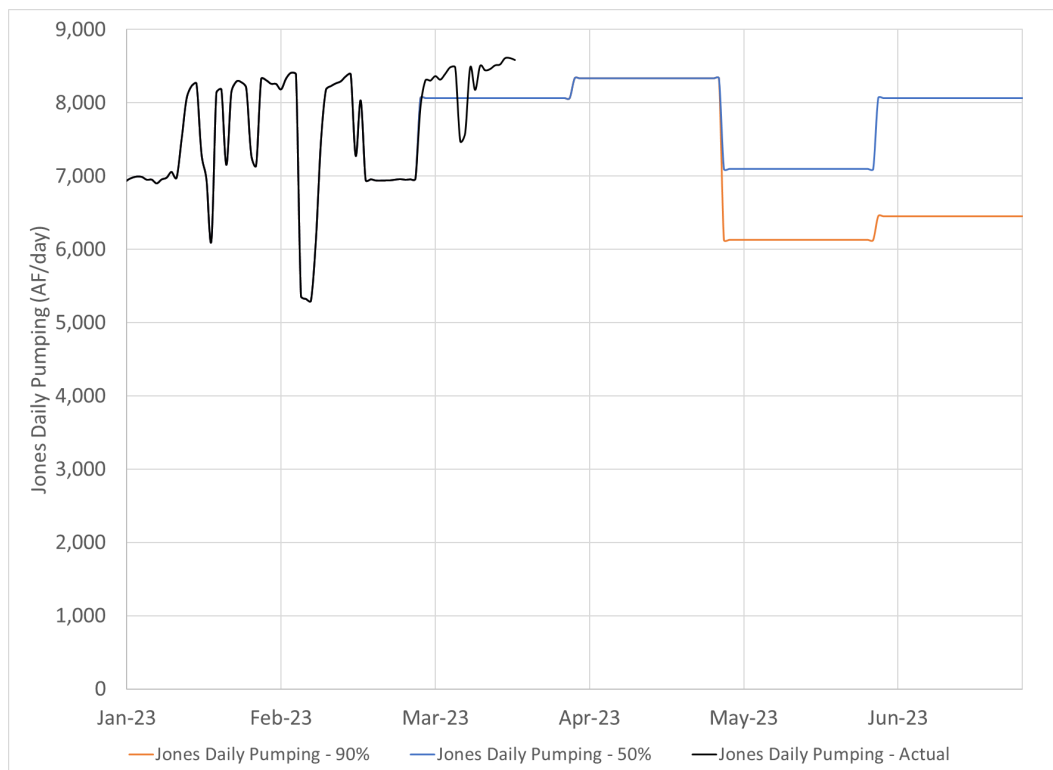


Figure 3. Daily Jones Pumping – Internal Projection as Compared to Actuals

San Luis Operations

CVP San Luis Reservoir storage is at 837 TAF—128% of its 15-year average. At the end of October there was approximately 160 TAF of rescheduled and non-Project water in CVP San Luis, and it is estimated that has increase over 170 TAF. Figure 4 shows the Internal projection for San Luis Federal storage through June, and it anticipates all rescheduled and non-Project water to ‘spill’ due to foregone pumping in April, and remaining at capacity essentially through May. Contractors with stored Restoration Flows in San Luis Reservoir should evacuate them as soon as possible.

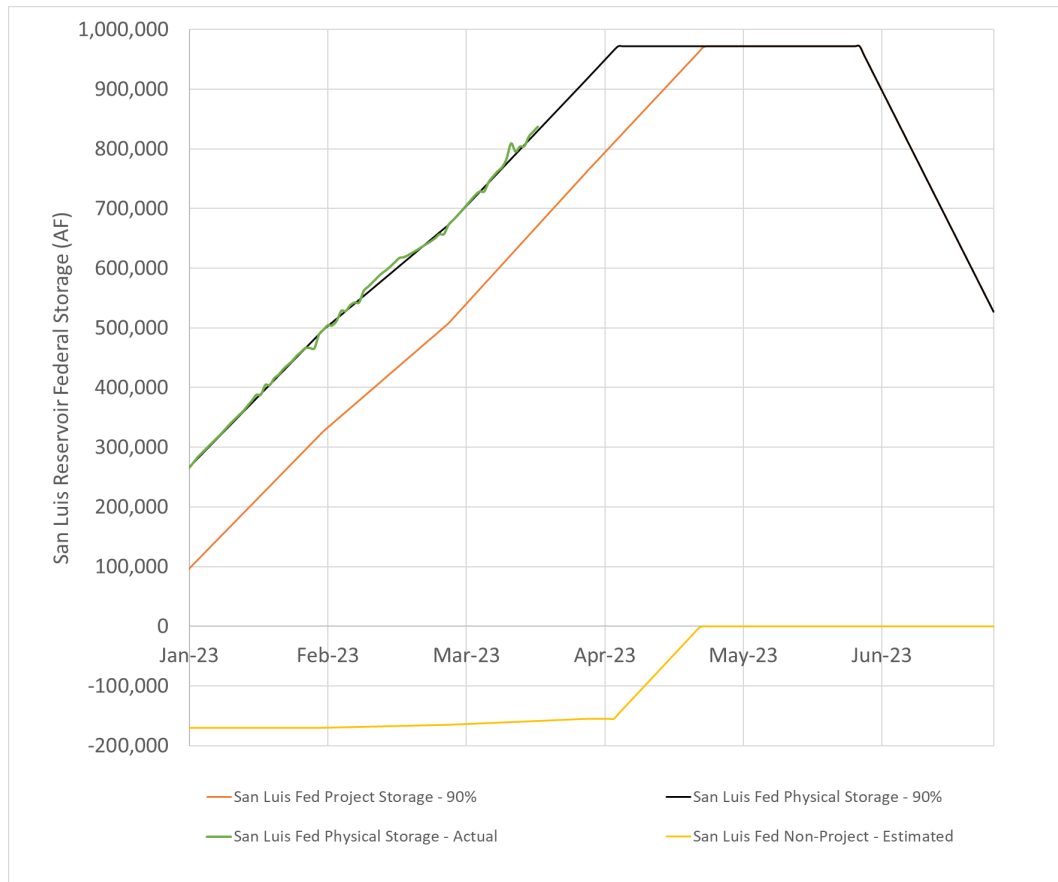


Figure 4. San Luis Federal Storage – Internal Projection as Compared to Actuals

Friant Division

Millerton and Friant Allocation

On March 7th, Reclamation increased the Friant Class 2 allocation from 20% to 70%, and subsequently, on March 9th announced Uncontrolled Season with availability of Section 215 supplies, and March 11th announced the availability of RWA water. Friant Dam river releases are at 8,500 cfs, which is just above the rated channel capacity. Any 2022 Carryover Class 1 would need to be evacuated before end of uncontrolled season, which based on current forecasts should last for months.

On February 7th, Reclamation made 157 TAF of 2023/24 Unreleased Restoration Flows (URF) available to Class 2 contractors at a rate of \$23/AF. These URFs must be taken by May 28th. It is anticipated another

block of 75-80 TAF URFs will be made available very soon and will also need to be delivered before May 28th. A third block will likely be available in the summer.

Based on Reclamation's recent March 17 50% forecast, Millerton needs to be brought down to almost deadpool by end of April in order to maximize water supply and limit flood releases. This forecast includes current 70% Class 2 schedules (although multiple contractors have not reported), estimated use of only 108 TAF of URFs. The 50% forecast shows uncontrolled season lasting into July with almost 2.2 MAF of flood releases, including February. Releases from Friant Dam will likely exceed downstream capacity in May and June with average releases over 10,000 cfs.

As long as contractors use supply based on their schedules, there should be no reduction in the Class 2 allocation after uncontrolled season and despite all these flood releases. Although it appears that not all URFs can be allocated without a low point issue in the fall.

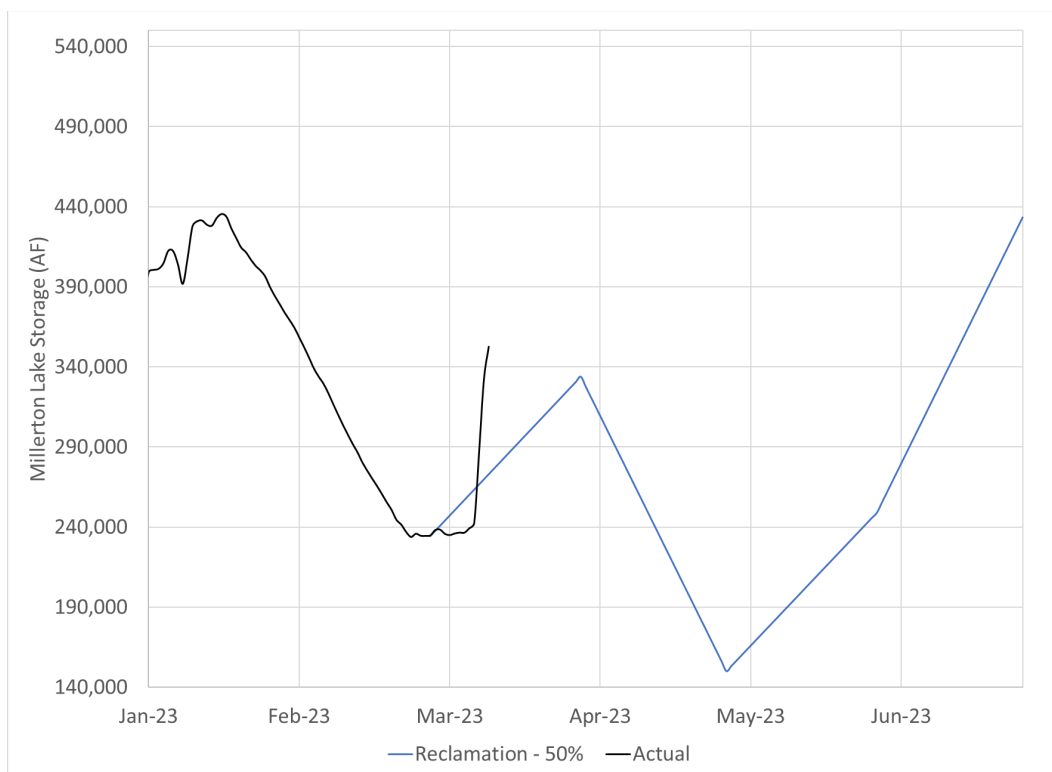


Figure 5. Millerton Storage – March Projection as Compared to Actuals

San Joaquin River Restoration Allocation

On January 20th, Reclamation notified the Restoration Administrator (RA) of the initial allocation for WY 2023/24 of 556,542 AF (a Wet Year), as measured at Gravelly Ford. Restoration flows resumed on February 6th. The schedule maximizes releases throughout the year, including advancing some 2023 allocation into February to augment remaining 2022 Restoration flows. As noted above, substantial amount of URFs have and will be made available.

San Joaquin River Restoration Recapture

Approximately 2.6 TAF was recaptured in January before Restoration flows ceased. PID was unable to recapture in February due to mechanical difficulties and BCID was only able to pump on February 28 and recaptured a total of 108 AF. BCID is currently recapturing 90 cfs of available Restoration Flows while PID is down due to mechanical issues.

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

AGENDA REPORT

NO. 4.C.

DATE: March 23, 2023
TO: Board of Directors
FROM: Johnny Amaral, Chief of External Affairs
SUBJECT: External Affairs Update

SUMMARY:

Update on State and Federal affairs and communications activities.

RECOMMENDED ACTION:

None; informational only.

SUGGESTED MOTION:

None; informational only.

DISCUSSION:

State Affairs

Budget/Deficit

The budget deficit is continuing to balloon as California has seen a decline in Personal Income Tax (PIT) payments and Corporate Tax payments. The Governor's January budget anticipated using the state reserves to cover the deficit which allowed him to avoid announcing cuts. However, it seems clear now that the reserve of \$15-\$17 billion will be eaten up and a significant deficit will exist of at least \$10-\$15 billion. Cuts in future growth, not real current level program or infrastructure cuts, can be expected and if things worsen financially, we can anticipate potential real cuts to programs and infrastructure funding.

Bonds, Bonds and More Bonds

Even with the financial situation described above, the Legislature and the Governor are not shying away from advocating for significant borrowing and spending. The Governor has called for a mental-health bond to focus on providing housing and mental health services for California's homeless population. Additionally, CTA and members of the education coalition are sponsoring a K12 education bond AND the Legislature is looking to put a Flood Bond (there are three versions out now but the legislature will coalesce behind one by the summer) and an Affordable Housing Bond is being considered too. All of these bonds are going onto the November 2024 ballot.

Oil Severance Tax is now Oil "Penalty"

With the concept of an oil severance tax not palatable to the Legislature, the Governor has retooled his request for a tax on the oil industry into a “penalty” without teeth. The Legislature did not want a tax vote and the oil industry can point to many state decisions that caused the increases in costs, so it seems the Legislature decided to do the least possible and move on to other issues.

Water/Infrastructure Related Legislation

While there are over 2,500 new bills this session, many are still in “spot bill” form and will have to be amended before it will be known what those bills would actually do. These amendments will be happening soon. Relative to water, there are no major bills that have us concerned But SGMA implementation and groundwater over-drafting are still a big focus of the state so we will need to watch closely. Additionally, we can anticipate flood related legislation especially if flooding occurs as anticipated this spring.

Federal Affairs

FY 2024 Budget Hearings Bring Cabinet Members to the Hill

Biden Administration Cabinet secretaries will kick off appropriations season by testifying on Capitol Hill to defend President Biden's FY 2024 budget request, as Republicans mount a counteroffensive to increased spending in the budget request. The annual ritual of budget hearings does not mean the appropriations process will proceed smoothly. With the new Republican majority in the House and the close 51-49 Democratic majority in the Senate, finding consensus across party lines on enacting spending bills for FY 2024 will not be easy, and may even be impossible.

But Senate Appropriations Committee Chair Patty Murray (D-WA) and ranking member Susan Collins (R-ME) have vowed to mark up all FY 2024 bills in committee and move them across the Senate floor, which would require at least 60 bipartisan votes to accomplish. In the past, the Senate has not had a very good track record in moving spending bills, as last year they only marked up three of the twelve spending measures and the Senate did not pass a single appropriations bill for FY 2023 (the omnibus spending bill did, however, pass late in the lame duck session).

Speaker Calls for More Negotiations with White House as Debt Limit Timeline Accelerated

As budget hearings crank up this week, House Speaker Kevin McCarthy (R-CA) is pressing President Biden to resume talks on a deal to lift the statutory debt limit. The debt limit must be raised by summer, by most expert projections, and Republicans are pushing for spending cuts and other fiscal changes as part of any debt limit increase, a condition Democrats including President Biden have rejected.

The Biden Administration's response to the recent banking turmoil amid the biggest American bank failure since the global financial crisis in 2008, caused the Federal Deposit Insurance Corporation (FDIC) to withdraw roughly \$40 billion of cash, enough to bring the U.S. Treasury's cash reserves down to \$208 billion, its lowest level since December 2021. Analysts have warned that the federal government is likely to exhaust extraordinary measures that would allow it to continue paying debts sometime in the third quarter if the debt ceiling is not lifted or suspended. The Administration's response to the bank turmoil could accelerate that timeline into the summer months.

House Members Form Six State Bipartisan Colorado River Basin Caucus

Twelve House lawmakers from the six Basin states of Arizona, California, Colorado, Nevada, New Mexico and Utah have formed a new caucus focused on the Colorado River Basin, where more than two decades of drought threaten water supplies and hydropower production. The Wyoming congressional delegation has yet to join. The caucus is jointly led by Rep. Joe Neguse (D-CO) and Rep. Juan Ciscomani (R-AZ). In the Senate, Sen. John Hickenlooper (D-CO) has likewise been convening an informal group of Colorado River Basin Senators to work on Basin issues.

The Colorado River supplies water to 40 million individuals (about twice the population of New York) and irrigates 5.5 million acres of agricultural land but is experiencing the worst drought in a thousand years according to scientific data. Shrinking reservoirs that store and distribute the river water according to 100-year-old multi-state compact and various court directives, known as the “law of the river,” now sit at record low levels, jeopardizing power production at the Glen Canyon and Hoover dams and endangering water deliveries downstream. The Interior Department is currently reviewing how it can update the 2007 Colorado River Interim Guidelines, a set of rules that dictate how much water is withdrawn from each reservoir based on its current surface elevation. A draft is expected to be released this April.

Biden EPA Announces New PFAS Drinking Water Limits

The Biden Administration announced it is proposing a federal rulemaking setting new drinking water limits for toxic “forever” chemicals known as PFAS, which are estimated to be contaminating 200 million Americans’ drinking water. If finalized, the regulation would spark the first major upgrade to the safety of the nation’s drinking water in three decades. The proposal is an aggressive move in response to what health experts and community activists say is a long-overdue effort to begin regulating widespread contamination from PFAS, which are linked with cancer, reproductive problems and a wide array of other health ailments.

But the agency acknowledges that the \$772 million annual cost to meet the new standards would, at least initially, be borne by American households through higher water charges. Under the proposed regulation, the limit for the likely carcinogen PFOA and equally notorious PFOS would be 4 parts per trillion, an amount as low as labs can reliably detect and measure.

The proposed rule would require water utilities to treat their drinking water supplies to essentially no detectable levels of the two chemicals in the class of some 12,000 substances. EPA’s new proposal also includes a surprise provision aimed at limiting four other chemicals that the industry shifted to using after the PFOA and PFOS phase-out, which chemical companies argued were safer, but that federal scientists have concluded pose severe dangers of their own.

Federal Court Stays Biden WOTUS Rule in Idaho and Texas

A federal judge in Texas has put the Biden Administration's newly finalized their rule defining “waters of the U.S.” (WOTUS) under the Clean Water Act on hold in two states while many are calling for the rule to be stayed nationwide until a much-anticipated Supreme Court ruling is decided later this year.

Judge Jeffrey Brown handed the states of Texas and Idaho a victory in their fight to head off the new WOTUS rule. Two separate lawsuits in the U.S. District Court for the Southern District of Texas had argued that EPA and the Army Corps of Engineers should have to wait for the upcoming Sackett v. EPA decision before implementing the new regulation. One was brought by state officials and one by industry members. However, the judge denied the industry associations' plea to stop the rule nationwide.

The Supreme Court's upcoming Sackett decision could potentially limit the reach of the Clean Water Act, in conflict with the Biden WOTUS rule. That decision is expected by early this summer.

BUDGET IMPACT:

None.

ATTACHMENTS:

Family Farm Alliance Executive Director's Report (March 2023)



MEMORANDUM

TO: BOARD OF DIRECTORS AND ADVISORY COMMITTEE
FROM: DAN KEPPEL, EXECUTIVE DIRECTOR
SUBJECT: EXECUTIVE DIRECTOR'S REPORT
DATE: MARCH 13, 2023
CC: MARK LIMBAUGH, JOSH ROLPH, NORM SEMANKO, JANE TOWNSEND

This executive director's report (EDR) is intended to keep you apprised as to what is happening behind the scenes on policy issues the Alliance is engaged in, some of which we will discuss at our next ZOOM meeting of the Board of Directors scheduled for this **Friday, March 17, 2023 at 1:30 p.m. (Pacific Time); 2:30 p.m. (Mountain Time, including Arizona); 3:30 p.m. (Central Time); 4:30 p.m. (Eastern Time)**. Please note that this is a board-only meeting; we will resume joint meetings with the Advisory Committee starting in April. However, I wanted to share this briefing with all of you, to keep you apprised of what we've been working on. In the past month, much of our efforts have focused on hosting our 2023 annual conference, trekking water legislation with Senate committee staff, engaging in litigation and administrative matters, and preparing for and testifying at a House subcommittee hearing on Western water. These issues and other matters important to our members are further discussed in this memo.

BIDEN ADMINISTRATION

1. Biden Administration Announces New Hires

The White House Council on Environmental Quality (CEQ) announced it has hired Mr. Michael Drummond as director for permitting and innovation. He joins the permitting and environmental review team led by Ms. Jayni Hein, CEQ's senior director for clean energy, infrastructure and the National Environmental Policy Act (NEPA). CEQ is responsible for overseeing the implementation of NEPA, which requires agencies to assess the environmental impacts of their actions. Also, Ms. Miriam Goldstein has been hired as CEQ's ocean policy director. Ms. Goldstein hails from the Center for American Progress and was most recently legislative director for Rep.

Jackie Speier (D-CA). And Mr. Brendan Philip is CEQ's new deputy director for water infrastructure. He was previously an ocean policy fellow at CEQ and a fellow in EPA's Office of Wetlands, Oceans and Watersheds. Ms. Goldstein and Mr. Philip join the team led by Ms. Sara Gonzalez-Rothi, CEQ's senior director for water.

At the U.S. Department of Agriculture (USDA), President Biden announced that he's chosen a former New Mexico congresswoman Xochitl Torres Small to serve as the next Deputy Secretary of the Agriculture Department. Ms. Torres Small joined the Biden Administration's USDA in 2021 as undersecretary for rural development after losing her House seat to Rep. Yvette Herrell (R-NM) in 2020. If confirmed by the Senate, Ms. Torres Small would replace former USDA Deputy Secretary Jewel Bronaugh who retired in January of this year.

2. FY 2024 Budget Request

President Joe Biden has released his FY 2024 \$6.9 trillion [budget request](#) that seeks a 3.3% increase in defense spending and a 6.5% increase for nondefense discretionary programs, requesting increases for most major departments and agencies. The budget request is merely a blueprint for the Administration's policy priorities, including a broad vision to cut the deficit by \$2.9 trillion over the next decade with a higher corporate income tax and a minimum tax on billionaires. The Biden budget will see staunch opposition from House Republicans, who have said they plan steep cuts to nondefense discretionary spending in their appropriations bills. The budget proposes significant increases for departments popular among Democrats.

a. Bureau of Reclamation

Reclamation has requested a [\\$1.7 billion budget](#) for FY 2024. Reclamation's budget request includes a \$49 million request for the Lower Colorado River Operations Program, including \$16.8 million to build on the work of Reclamation, Colorado River basin partners and stakeholders to implement drought contingency plans. It also includes \$2.7 million for the Upper Colorado River Operations Program to support Drought Response Operations and \$200.3 million to find long-term, comprehensive water supply solutions for farmers, families, and communities in California.

Senator Mark Kelly (D-ARIZONA) recently called on Reclamation to use a portion of the Inflation Reduction Act (IRA) drought mitigation funds he secured to help farmers in the Colorado River Basin invest in water-efficient technologies. He was joined by Senators Alex Padilla (D-CALIFORNIA), Krysten Sinema (I-ARIZONA) and Dianne Feinstein (D-CALIFORNIA). "The U.S. Department of the Interior and the Bureau of Reclamation have unprecedented resources that can assist farming communities in the Colorado River Basin to voluntarily transition, where practicable, from flood irrigation to water-efficient and energy-efficient drip irrigation and implement other water conservation practices," [the letter](#) states. "Doing so will save significant amounts of Colorado River water while avoiding the harmful impacts of fallowing."

The budget includes \$62.9 million for the WaterSMART Program to support Reclamation's collaboration with non-federal partners in efforts to address emerging water demands and water shortage issues in the West. The budget also includes \$210.2 million for the Dam Safety Program to effectively manage risks to the downstream public, of which \$182.6 million is for modification actions. Another focus area for infrastructure is \$105.3 million requested for extraordinary maintenance activities across Reclamation. The Reclamation request is about \$325 million less than enacted levels in FY 2023, when Congress added funding to the agency's budget.

This budget request is complemented by nearly \$1.7 billion in funding Reclamation will receive in FY 2024 from the Bipartisan Infrastructure Law. Reclamation hosted a briefing today for stakeholders on the President's 2024 budget request on March 13 at 1 pm EDT. We'll have additional details of that meeting for you in the coming days.

b. U.S. Department of Agriculture

The USDA budget invests heavily in climate resilience. The budget supports \$1.2 billion in continued investments in USDA's hallmark conservation programs and for work with landowners to improve farm operations and enhance farm environmental sustainability. The budget includes over \$5 billion to restore our national forests and mitigate wildfire risk, a significant investment to prioritize and target landscape treatments under the 10-Year Wildfire Crisis Strategy. Further, the budget increases investments in grants and lending authority to support rural communities in the transition to clean energy and invests in expanding the reach of the USDA Climate Hubs that provide technical assistance to producers.

The USDA budget proposes a suite of changes to the Farm Service Agency's diverse portfolio of farm loans to make more producers eligible. The budget proposes \$2.38 billion for the Water and Wastewater program to improve water and waste disposal systems in rural areas, and requests \$400 million to reach more communities, homes, and businesses with reliable internet access. Of significance, the budget requests \$569 million for a suite of critically needed wildfire firefighter workforce reforms, including improved compensation, increased workforce capacity, vital health and well-being assistance, and improved housing.

President Biden's USDA budget proposal doesn't have a ton of pull in a divided Congress, but it sets the stage for policies that will be important to Democrats in the next farm bill.

c. Environmental Protection Agency (EPA)

The Administration's FY 2024 budget asks for \$12 billion for the EPA, a 19% increase over its current enacted level and a record high amount that's almost certain to be trimmed during congressional negotiations. The Biden Administration has requested this funding to further their environmental priorities, such as winding down carbon emissions, cleaning up pollution, addressing environmental justice, and catching and penalizing violators. The EPA request calls for the addition of more than 2,400 employees from 2022 levels to bring staffing to roughly 17,000.

d. Department of Interior (DOI)

The FY 2024 budget is requesting a 9.3% increase over FY 2023's enacted level in the DOI budget, totaling \$18.8 billion. That includes \$5.7 billion for climate adaptation and resilience measures across the department, and, among other provisions, \$181 million to accelerate renewable energy development on federal lands—an increase of \$70 million. The Administration's budget request includes \$2.1 billion in discretionary funding for the Fish and Wildlife Service and \$1.8 billion for the U.S. Geological Survey's various science ventures. The proposal amounts to a more than \$300 million increase for the FWS over the fiscal 2023 level and an increase of \$288 million for USGS.

e. Army Corps of Engineers (Corps)

For the U.S. Army Corps of Engineers Civil Works Program, the FY 2024 budget would provide over \$7.4 billion in gross discretionary funding. The budget request includes the Corps Investigations program at \$130 million, the Construction program at \$2.25 billion and the O&M program at \$2.63 billion.

More details on the Biden Administration FY 2024 budget request will be made available this week.

3. Department of Energy: \$3.7 Million for in “Uncommon Dialogue” Project

The U.S. Department of Energy (DOE) recently announced \$3.7 million in funding from the Bipartisan Infrastructure Law (BIL) which will expand on the controversial Stanford Woods Institute for the Environment's [Uncommon Dialogue on Hydropower, River Restoration, and Public Safety](#). American Rivers and its partners will develop tools and documents to provide insights and recommendations for DOE, Tribes, and other stakeholders on issues such as dam safety, inclusive workforce, the federal licensing process, fleet modernization, and reservoir emissions. These efforts are intended to enhance and inform R&D needs for hydropower technologies and environmental mitigation efforts at DOE and in industry with the goal of improving outcomes for Tribes and disadvantaged communities in remote areas where hydropower and river restoration projects are often sited.

4. Department of Interior (DOI)

a. Reclamation: Updated Rules Regarding Public Access on Reclamation Lands

Reclamation is seeking public comment on updates to regulations regarding public access to and conduct on all Reclamation projects, waters and real property. Reclamation is updating the existing definitions for aircraft usage and the possession of firearms, updating regulations on camping, swimming; and winter recreation for the wide range of circumstances found across Reclamation, and clarifying the permitting of memorials and reburials on Reclamation lands. The proposed

changes were published in [the February 16 Federal Register](#) for a 60-day public review. Comments are due to Reclamation on April 17, 2023. The updated regulations will replace the current rule, Public Conduct on Bureau of Reclamation Facilities, Lands, and Waterbodies (43 CFR PART 423) that was published in 2008.

b. Reclamation: \$728 M for New Water Conservation Projects

Last month Reclamation announced \$728 million in new investments for water conservation measures in the West. Funded by the BIL, seven authorized rural water projects under construction in Iowa, Minnesota, Montana, New Mexico, North Dakota and South Dakota will receive \$278 million. These investments build on the allocation of \$420 million for [rural water construction activities](#) in fiscal year 2022. The funding is helping projects complete construction of water treatment plants and intakes, supporting work related to pipeline connections, pump systems, and reservoir construction, and advancing other efforts to provide potable water to rural and Tribal communities.

Reclamation also announced it would release up to \$125 million in federal funds from the FY 2023 Omnibus Appropriations bill to pay water rights holders in the Upper Colorado River Basin to temporarily forgo their allocations, as part of the System Conservation Pilot Program to reduce pressure on the drought affected river. Reclamation is currently reviewing proposals in an attempt to cut river use by up to 4 million acre-feet annually in an effort to protect hydropower production at the Glen Canyon and Hoover Dams. More than 20 years of drought has reduced the river's flows, drawing down the region's major reservoirs to meet water deliveries under the Colorado River Compact of 1922. The program, available in Colorado, New Mexico, Utah and Wyoming, could pay water users at least \$150 per acre-foot of water conserved. Based on accounts we heard at our recent conference in Reno (*see below*), I think Reclamation is going to have a challenge finding takers for this program, based in part on the “insultingly low” offering price, and the fact that the hay market is short, and prices are high. Not too many folks are going to be willing to forsake that market to get compensated by Uncle Sam not to farm.

1. Office of Inspector General (OIG): Oversight Plan on Water Programs

In a new [oversight plan](#) that identifies audit and inspection targets for 2023 - 2024, the OIG has indicated they will be initiating “discretionary reviews”, conducted by the OIG’s Office of Audits, Inspections and Evaluations on several water programs at Interior. Included are planned audits of appropriated funding spent in the Klamath River Basin as well as funding provided by the IRA to the Colorado River Basin, both separately mitigating significant drought conditions in these basins. Also on the list is the California Central Valley Project looking at lost revenues associated with uncollected fees for water deliveries. The majority of this planned oversight across the Department will include the billions of dollars that have flowed into the Interior Department in the last two years, including \$6.65 billion from the IRA, \$9 billion from the Great American Outdoors Act and \$30 billion from the BIL.

**5. Department of Commerce, National Marine Fisheries Service (NMFS):
Review of Chinook salmon for endangered-species listing**

NMFS (also known as NOAA Fisheries) is considering a request from several environmental groups seeking to list two types of Chinook salmon as threatened or endangered under the Endangered Species Act. One population lives along the Oregon Coast and the other farther south along the Oregon-California border. Three environmental groups sent the petition last August showing that numerous threats have caused a sharp decline in spring-run Chinook salmon. Those groups are the litigious Center for Biological Diversity, the Native Fish Society and Umpqua Watersheds. The Alliance is working with the California Farm Bureau, Oregon Farm Bureau, and Klamath Water Users Association on developing a joint comment letter on this proposal.

6. Encouraging Developments at USDA

a. Meeting with Robert Bonnie, USDA Under Secretary for FPAC

Last month, one week before our conference, Alliance leaders met (virtually) with Robert Bonnie, USDA Under Secretary for Farm Production and Conservation (FPAC) and other speakers who we had invited to participate in a watershed panel discussion on Friday, February 24th during the general session of our annual conference. During our conversation, our reps did a nice job explaining the challenges of getting USDA agency staff moving efficiently to spend all the money they got in BIL and IRA. We also reiterated the concerns we made in our December 2022 coalition letter to NRCS regarding “climate smart agriculture” practices that could be funded with the \$20 million in the IRA provided to NRCS late last year. Recall that we pushed NRCS to include irrigation management and conifer removal as eligible activities. Leftist environmental interests are pushing back, and instead want the dollars going strictly to actions that lead to quantifiable reductions in greenhouse gas (GHG) emissions. Mr. Bonnie noted that the IRA statute ties these practices closely to greenhouse gas (GHG) mitigation. However, he also said that USDA would listen to our concerns.

“It’ll be pretty good, but it won’t be perfect,” he predicted.

Well, it looks like USDA has been listening. One week after our conversation with Mr. Bonnie, USDA rolled out its game plan. Nearly \$20 billion of the total IRA investment in agriculture will support existing conservation programs that directly assist producers. The first of the funds have now been released, with [USDA announcing last month](#) that the NRCS is making \$850 million available to farmers, ranchers and foresters in fiscal year 2023. The funds will expand access to financial and technical assistance for producers to advance conservation on their farms, ranches or forest lands through practices like cover cropping, conservation tillage, wetland restoration, prescribed grazing, nutrient management, tree planting and more. Expect the GOP to watch closely how USDA rolls out IRA funds. Republicans are eager to repurpose some of the massive \$20 billion infusion into the farm bill’s conservation title into other priorities, like the safety net — arguing USDA will not be able to spend the conservation money quickly enough. But Mr. Bonnie has said that the department is capable of moving the funds.

b. NRCS Western Water and Working Lands Framework for Conservation Action

USDA Secretary Tom Vilsack also announced a new framework - [The Western Water and Working Lands Framework for Conservation Action](#), a comprehensive, multi-state strategy under NRCS)to address key water and land management challenges across 17 Western States. It is intended to provide direction, support and coordination to address resource concerns and threats across state boundaries and leverage new scientific tools to guide strategic program implementation on the ground. The Framework includes guidelines for identifying vulnerable agricultural landscapes and 13 strategies to help NRCS state leaders, water resource managers, and producers respond to priority challenges.

It sounds like this program has its roots in a listening session conducted by USDA and NRCS in the latter months of the Trump Administration (!). Guided by this new framework, Interior's [WaterSMART Initiative](#) will invest \$25 million in three new priority areas and 37 existing priority areas, assisting communities and producers in the West. NRCS leveraged stakeholder feedback, input from the field and the latest scientific data to shape and inform the framework.

NRCS has identified six major water and working land management challenges resulting from threats to water supply in the West: 1) Forecasting water supply; 2) Sustaining agricultural productivity; 3) Protecting groundwater availability; 4) Protecting surface water availability; 5) Managing and restoring rangelands and forestlands; and 6) Responding to disruptions from catastrophic events. For each of these major management challenges, opportunities exist to help individuals, entities and communities better manage water and working lands, conserve natural resources and build resilience to drought and climate change.

NRCS will use this framework to set comparable goals for effective program delivery and coordinate and track progress on helping individuals, entities and communities across the West address their management, conservation and resiliency needs. NRCS believes it can build upon recent investments and expand support by advancing innovative targeting at the state, local and regional levels, while also utilizing additional funds from the IRA that *advance both climate mitigation and Western water priorities.* (*Emphasis added.*)

c. WaterSMART Initiative

The \$25 million investment in three new priority areas and [37 existing priority areas](#) in the West is the result of a collaboration with NRCS and Interior's WaterSMART Initiative to help farmers and ranchers conserve water and build drought resilience in their communities. These investments complement projects led by irrigation districts, water suppliers and other organizations receiving WaterSMART program funds from the Bureau of Reclamation (Reclamation). The three new priority areas include: 1) Madera Irrigation District Area (Funding amount: \$1.5 million); Kohala, HI Watershed Partnership Area (Funding amount: \$345,000); Quincy Columbia Basin Irrigation District (WA) West Canal Area (Funding amount: \$1.8 million).

7. Endangered Species Act (ESA) Implementation Developments

a. Fish and Wildlife Service (FWS): Proposed Rule on Incidental Take Permits

FWS recently published a proposed rule on Endangered and Threatened Wildlife and Plants; Enhancement of Survival and Incidental Take Permits. The new rule would clarify the use of the permits under ESA Section 10(a), and FWS authority to issue them for non-listed species. It would also simplify requirements by combining safe harbor agreements and candidate conservation agreements with assurances into one agreement type. The intent is to promote species conservation through voluntary agreements and make the process clearer, easier and more efficient. Comments are due April 10 at www.regulations.gov, Docket #FWS-HQ-ES-2021-0152.

b. Lawsuit Over the Pace of Interior ESA Listings Allowed to Proceed

Senior Judge Emmet Sullivan of the U.S. District Court for the District of Columbia has ruled the Center for Biological Diversity (CBD) can continue with its legal challenge against the U.S. Fish and Wildlife Service (FWS) on behalf of 192 species for which ESA decisions are overdue, setting the stage for one of the most expansive ESA lawsuits in history. In his opinion, Judge Sullivan wrote that “the ESA imposes a continuing duty on the FWS to make 12-month findings for petitioned species. Because the FWS is under a continuing obligation to act and has not yet acted, the Center’s claims have not accrued.” The ruling allows CBD’s lawsuit regarding the status of 192 species awaiting a 12-month finding under the ESA to proceed.

c. White House OMB Begins Review of Proposed ESA Rule Changes

The Biden Administration sent a proposed rule determining how federal agencies manage the ESA, from listing decisions to critical habitat designations, to the White House Office of Information and Regulatory Affairs for their review last week. FWS and NOAA Fisheries share ESA responsibilities for different species and jointly submitted the proposals to the White House office, which is part of the Office of Management and Budget (OMB). Several ESA reforms were first announced by the Biden Administration nearly two years ago. When finalized, the revised rules will also reverse ESA rulemakings completed in the Trump Administration.

DEVELOPMENTS IN CONGRESS

8. March 8, 2023 House Water, Wildlife and Fisheries Subcommittee Hearing

The House Committee on Natural Resources, Subcommittee on Water, Wildlife and Fisheries (WWF) conducted a hearing last Wednesday afternoon on the importance of multi-purpose water management across the country. While conflicts over water resources have existed long-term, federal policies and non-elected government agency staff have exacerbated some of these conflicts and threatened economies, the environment and ways of life. This hearing explored those threats

while focusing on solutions. I testified at the hearing, along with Scott Corwin (Executive Director, Northwest Public Power Association), Martha Guyas (Southeast Fisheries Policy Director, American Sportfishing Association) and Amy Cordalis, a long-time advocate for, and member of, the Yurok Tribe in northern California. My spoken, 5-minute statement focused on: 1) the huge snowpack in California, and the importance of managing that in a way that sends most of it out to the ocean with minimal environmental benefits and NO benefits for human uses; 2) the multi-decade failure of the flow-centric management scheme to “protect” fish on the West coast; and 3) why now is not the time for our government to be taking farmland out of production.

It was Rep. Cliff Bentz's (R-OREGON) first meeting as the new Chair of the WWF Subcommittee. Overall, it was a pretty good hearing, and I would say coastal state fisheries issues received about the same amount of attention as Western water. There were several sorts of random, unexpected questions that came from the Republican side of the dais, but I think some of those folks were spread thin yesterday, as there were other hearings going on.

Lane Dickson and I spent time before the hearing with Chairman Bentz, Kiel Weaver and other Subcommittee staff, and we also had a chance to meet with freshman Representative Harriet Hageman (R-WYOMING), an old friend of Pat O'Toole's, and someone I went to school with at the University of Wyoming. She is very sharp and a huge supporter of irrigated agriculture, and very articulate. After the hearing, we also met with Rep. Jim Costa (D-CALIFORNIA), who asked us to join him in viewing his floor speech that was recorded on C-SPAN earlier in the day. It was amazing how similar his speech was with my oral remarks at the hearing!

I think our water allies in Congress (on both sides of the aisle) are looking to really play up the huge California snowpack (2X normal) in the coming months and point to the need for improved management flexibility and new storage infrastructure. People last week were already expressing fears about the warmer series of "atmospheric rivers" that are now pounding California, some of which is hitting that new snow in the mountains. The state and feds are very concerned about flooding, and it looks like they are already looking for ways to move that water around, prepare reservoirs to safely capture the runoff, and try to end up next month with reservoirs brim full. Mr. Costa -who sits on the House Agriculture Committee -was very interested in our ideas on water provisions - particularly storage projects -to include in the next Farm Bill.

9. FY 2024 Appropriations Process

The Senate Appropriations Committee recently [announced](#) that the committee will again be accepting earmark requests from senators for the FY 2024 appropriations cycle, in addition to posting a list of [subcommittee deadlines](#) for senators to submit FY24 earmark requests back to the Committee, which range from March 30—April 13, 2023. Many Senate offices have now set internal deadlines for public entities to submit FY24 earmark requests to their office (to provide time to vet and approve them), ranging from February 28-March 24. The Committee has sent FY24 earmark guidance directly to all Senate offices—see [here](#) for a copy of the detailed guidance document provided by Senate Majority Leader Chuck Schumer's (D-NY) office. All Senate

earmark accounts that were available for FY23 are, once again, available in FY24 and no new accounts have been added.

The Ferguson Group (TFG) – our advocate in Washington, D.C. – recently prepared an excellent report that outlines detailed information and guidance documents for all eligible earmark accounts utilized in the enacted FY 2022 and FY 2023 omnibus spending packages (which were signed into law on March 15, 2022 and December 29, 2022, respectively). Please let me know if you would like to see the TFG “earmark” report.

10. *Protect the West Act*

Sens. Michael Bennet (D-CO) and John Hickenlooper (D-CO) unveiled legislation two weeks ago, the *Protect the West Act of 2023*, that would create a USDA-managed \$60 billion Outdoor and Watershed Restoration Fund for investments in Western forest and watershed restoration programs. Under the legislation, a new Restoration Fund Advisory Council would allocate the money for various projects in the West. The legislation would assign \$20 billion for direct payments to state and local governments, tribal nations, special districts and nonprofit organizations. The other \$40 billion would go to state and tribal nations to address the wildfire mitigation backlog and other projects. As reported last month, Senator Bennet’s office reached out to us to discuss suggestions to improve the bill from the last Congress. The revised legislation incorporates all of those recommendations. Two weeks ago, we let the Bennet office know we are on board with supporting this legislation.

Wildfire was back on the congressional agenda last week with hearings on forest policy and on the climbing economic costs of blazes associated with climate change. The Senate Budget Committee heard from experts in prescribed fire, climate change and other issues surrounding wildfire policy, while the newly formed House Agriculture Subcommittee on Forestry held its first hearing on the upcoming five-year farm bill. The Senate hearing — entitled “Burning Issue: the Economic Costs of Wildfires” — shed some light on wildfires’ implications for insurance and lending, as well as on-the-ground impacts in places like New Mexico.

11. *House GOP Moving Energy Package to Include Permitting Reform Bill*

We’ve been working with GOP staff at the House Natural Resources Committee for the past year on ways to modernize implementation of NEPA. We are always looking for ways to clarify ambiguous provisions, align NEPA with relevant case law, reflect modern technologies, optimize interagency coordination, and facilitate a more efficient, effective, and timely environmental review process. The NR Committee conducted an oversight hearing two weeks ago on NEPA to hear testimony on how agency implementation of the law is generally mucking things up on the infrastructure front.

On March 9, the House Natural Resources Committee marked up and passed a GOP package of bills called the “*Transparency, Accountability, Permitting and Production of (TAPP) American*

Resources Act," which bundles three pieces of legislation from Chair Bruce Westerman (R-AR), Energy and Mineral Resources Subcommittee Chair Pete Stauber (R-MN), and Rep. Garret Graves (R-LA). The package includes the "*BUILDER Act of 2023*," [legislation](#) from Rep. Graves, which the House Committee on Natural Resources debated at the hearing. The bill would shorten the time allowed to complete environmental reviews and to file lawsuits challenging those reviews under the National Environmental Policy Act (NEPA). The BUILDER Act would limit to one and two years the length of NEPA environmental assessments and impact statements, respectively. It would also place a deadline of 120-days for parties to file lawsuits related to projects.

The "*TAPP Act*" cleared committee on a 24-19 party-line vote but has virtually no chance of passing the Senate. The bill represents Natural Resource Committee Republicans' energy and permitting policy priorities for the 118th Congress. The BUILDER Act could garner bipartisan support as renewable energy as well as traditional energy projects are slowed due to NEPA process delays. Water infrastructure projects are also sometimes delayed by the NEPA process. The GOP package, including the NEPA reforms, was approved by the Committee and will be taken up by the full House later this spring, even though House Democrats on the Natural Resources Committee remain staunchly opposed to the package. The package may also pick up other bills from various House committees in the process.

Federal agencies are pushing harder for investment in projects such as electric transmission lines that connect renewable energy and US critical mineral mining and processing currently dominated by China. Those are crucial to the rollout of the IRA, which could pump more than [\\$350 billion](#) into accelerating renewable energy projects, secure a US-based supply chain, and spur high-paying job creation. Some Senate Democrats believe that faster permitting is one of the few things where the House and Senate could agree upon in this Congress. For example, Sen. Martin Heinrich (D-NEW MEXICO), a member of the Senate Energy and Natural Resources Committee, intends to reintroduce legislation to establish the investment tax credit for transmission lines, which was cut from the IRA's expansive list of tax credits last year. Senator Heinrich also wants more projects to fall under the Federal Permitting Improvement Steering Council, which fast-tracks projects by holding agencies to deadlines and providing oversight on developers.

12. 2023 Farm Bill

The farm bill is an omnibus, multiyear law that is typically renewed about every five years. With enactment of the omnibus spending bill in December 2022, lawmakers laid the groundwork for battles to come in the next farm bill. The current farm bill expires at the end of September. The planning and budgeting process for the 2023 Farm Bill has begun, and Congressional Agriculture committees are starting to outline the next five years' spending for national conservation, food, farm and nutrition programs. With so few bills likely to move this Congress, many advocates are seeking to make the farm bill their tool of choice to advance their agenda. One union, for example, [wants to make the farm bill a labor bill](#). Environmental groups see the farm bill as a cornerstone of any federal climate agenda, such as by making permanent the pandemic cover crop program.

a. Update from Capitol Hill

Politico recently reported that the House leadership chaos of January 2023 may have wide implications for the farm bill — including holding up work on the bill and complicating its eventual path to passage. However, the House and Senate Agriculture Committees are poised to focus on debating a new farm bill after lawmakers used the newly enacted omnibus funding package to clear their to-do lists. House Ag Republicans will make increasing oversight of the Supplemental Nutrition Assistance Program (SNAP) and other nutrition programs a general priority in this Congress. Rep. Dusty Johnson (R-S.D.) and 14 of his fellow Republicans are introducing a bill on Tuesday to tighten work requirements in SNAP. It's the first of what's expected to be a flurry of bills to rework SNAP in the farm bill, foreshadowing a bitter fight over the future of the program (*Politico Weekly Agriculture*). Democrats are still trying to formulate a strategy on SNAP.

House Agriculture Committee Chair GT Thompson (R-Pa.) and ranking member David Scott (D-Ga.), in a [letter](#) unanimously approved by the committee, asked the Budget Committee for more resources to enact the 2023 farm bill. Thompson and Scott's letter promised they'd write "a fiscally responsible farm bill," but more funds were necessary due to record inflation and supply chain disruptions from Russia's war on Ukraine. Their rationale included a number of programs, such as crop subsidies and trade promotion. Other priorities included strengthening the farm safety net (specifically commodity programs in Title 1 of the farm bill) and the IRA funds for climate-smart agriculture have already set up partisan fights on the committee. It remains to be seen whether the Budget Committee will grant their wish.

b. House Ag Committee Hears from Ag Stakeholders on Farm Bill, Regulations

Republicans on the House Agriculture Committee said during a hearing last week that a new farm bill will deal head-on with federal regulations that they say are hampering production. Committee Chair Thompson didn't hold back in his opening remarks, and said, "this administration continues to promote nonsensical regulations and policies that create needless uncertainty for farmers, ranchers and working families, further limiting our ability to meet the growing food demands of our nation and the world." Chairman Thompson's views, for the most part, appeared to be shared by most of the witnesses at the hearing.

c. Senate Agriculture, Nutrition and Forestry Committee hearing

A hearing held last week featured GOP Senators called for busting red tape, but there was bipartisan agreement on expanding participation in efforts like the Conservation Reserve Program, which pays landowners to remove sensitive lands from agricultural production. Lawmakers from both parties also emphasized the importance of ensuring that carbon sequestration and other climate programs associated with the 2023 farm bill remain voluntary and locally driven. Republicans focused on eliminating regulations they say have hampered farmers ([E&E Daily](#), March 1). Senator Michael Bennet (D-COLORADO) said the severe Western drought should drive a bipartisan effort to get a new farm bill done on time.

d. California Field Hearing

House GOP leaders participated in a field hearing at the Tulare Farm show in California's Central Valley last month, where agricultural groups provided their wish lists. The California Fresh Fruit Association pressed for a permanent disaster fund in the farm bill to reduce the need for ad hoc assistance — which has to pass Congress — when freak weather wrecks crops. Citrus growers asked for at least \$25 million to maintain funding for a trust fund to fight citrus greening disease. And the Farm Bureau Federation urged increased thinning on national forests, overseen by the USDA, to reduce wildfire risks. Freshman Rep. John Duarte (R-CALIFORNIA) is aiming to get more farmers on crop insurance, including specialty crop producers. Duarte says crop insurance and “regulatory relief” are among his top farm bill targets. Duarte, whose district has been hit by the recent flooding and storms in California, wants to ensure the farm bill helps the federal government move away from ad hoc disaster assistance for farmers by instead creating a “more comprehensive” crop insurance program. That could include lifting income caps for some of that assistance given the high costs of farming in California, he said.

e. Family Farm Alliance Farm Bill Priorities

The Alliance throughout 2022 prepared for the next farm bill by engaging with agricultural and conservation partners, developing written testimony for Congressional hearings, and working with its members to prioritize its energies in the farm bill debate. Earlier this year, we put together our Farm Bill “wish lists” for Congressional offices and committees. Once again, the Alliance will work closely on this with its partners in the Western Agriculture and Conservation Alliance (WACC). In light of what could likely be a polarized and unstable environment in the House, it will be interesting to see what legislation is actually enacted by the body. In this divisive political environment, a thoughtful group like the WACC is needed more than ever. Outside of WACC engagement, the Alliance this year will continue to work directly with Congressional agriculture committee staff and Western Members of Congress on the next farm bill. We had key members of the House and Senate Ag committees participate in our “DC Update” panel two weeks ago in Reno, and House Ag Committee Senior Policy Director Josh Maxwell helped lead our “Farm (Bill) to Fork” event on February 24 (*see below*). A large portion of the energies at the Alliance will be devoted to the 2023 Farm Bill conservation title.

The WACC held a conference call last week where we discussed the continued development of our Farm Bill platform. Topics of discussion included 1) Drought Conservation Reserve Enhancement Program; 2) Use of technical assistance dollars; 3) Drought management; 4) The need to address Adjusted Gross Income caps; 5) Grazing; 6) Proper characterization of climate smart conservation practices; and 7) WACC consideration of draft legislation we are developing relative to the Regional Conservation Partnership Program and PL-566.

We are also working with Western Growers and other Western ag groups with the intent working together to push water/drought ideas in the Farm Bill. Senator Bennet from Colorado is working

with several Western colleagues to put together ideas that would help with drought resiliency and water. We've floated some ideas regarding PL-566, forest restoration, and IRA climate dollars to conservation efforts (adaptation to climate change impacts). We will continue to push the need to ensure that conservation dollars – if they are directed at climate – are not solely focused on soil carbon but rather multiple benefits in particular practices that help with water resiliency/drought.

ALLIANCE INITIATIVES

13. 2023 Annual Meeting and Conference

This year's Family Farm Alliance annual meeting and conference took place two weeks ago, February 23-24, 2023, at the Silver Legacy Resort and Casino in Reno, Nevada. The 2023 annual conference theme was, "*A Wake Up` Call for America - Why Farms, Water and Food Matter*". Rep. Cliff Bentz (R-OREGON), the new chair of the House Water, Oceans & Wildlife Subcommittee, Interior Assistant Secretary Tanya Trujillo and Reclamation Commissioner Camille Touton all made the trip to Reno, despite the complications caused by a major winter storm which resulted in over 2,500 flight cancellations from Minneapolis to Denver to Portland to Reno. USDA Under Secretary Robert Bonnie was not able to join us due to the funeral of a close friend that conflicted with his travels.

Despite a slight tick in conference participation due to the weather, we still had the largest audience ever for one of our conferences. Great kudos, all around, including one from a journalist who said our conference featured "the highest level of intellectual discussion" she had ever experienced. [Here is the link to the recently completed 2022 "Activities and Accomplishments" report.](#) Everyone at the conference in Reno received a hard copy of this report. I'm also working with Don Wright on a special post-conference edition of the "Monthly Briefing" that I hope to wrap up in the next week.

14. Colorado River Initiative

The seven states that depend on the Colorado River have not reached consensus on a plan to sharply reduce water use from the river, missing a January 31 deadline set by the Biden Administration. Six of the seven states agreed to a proposal called "consensus-based modeling alternative," outlining a framework for possible water cuts to help prevent Basin reservoirs from falling to dangerously low levels. The six-state agreement outlined an alternative that builds on existing guidelines, deepens water cuts and factors in a large volume of water that's lost through evaporation and conveyance, something that currently is not included in calculating water deliveries. Meanwhile, California released its own plan on how cuts can be made in the Basin more closely following water rights dictated by the "law of the river". California has spent the past two decades successfully working together to resolve intra-state supply and demand imbalances to sustain the Colorado River. Since the signing of the Quantification Settlement Agreement, the largest ag-to-urban water conservation and transfer agreement in U.S. history, IID's water management programs have generated over 7.2 million acre-feet in support of the Colorado River

system. If you're interested the actual proposals themselves, and want to avoid all of the media interpretation, please let me know.

15. Waters of U.S. (WOTUS)

a. Senate to Vote on CRA Resolution Disapproving Biden WOTUS Rule

The Senate is set to vote on a Congressional Review Act (CRA) resolution to kill the Biden Administration's "waters of the U.S." (WOTUS) rule this week. The House passed its own WOTUS disapproval resolution on a 227-198 vote last week. The EPA and Army Corps of Engineers' WOTUS regulation is meant to clarify which waterways are protected by federal law under the Clean Water Act. Sen. Joe Manchin (D-WV) could join Republicans to send it to President Joe Biden's desk, assuming Minority Leader Mitch McConnell (R-KY) returns to the Senate after being hospitalized for a concussion due to a fall last week, and Sens. Fetterman and Feinstein are still out due to health issues. But one Republican absence, including Leader McConnell's, could yield a tie vote for Vice President Kamala Harris to break in Democrats' favor. President Joe Biden has already issued a veto threat for the measure if it passes Congress.

b. Federal Judge Stops Environmental Groups from Joining WOTUS Lawsuit

A federal judge has found that the interests of the National Wildlife Federation and other environmental groups were not "sufficiently distinct" from those of EPA and the Corps, which are defending their WOTUS rule before the U.S. District Court for the Eastern District of Kentucky. The groups had argued that they should be allowed to join the lawsuit in the Eastern District of Kentucky because they raise different arguments from EPA and the Army Corps, namely that the Biden Administration should have issued a much more protective WOTUS rule than it did.

c. Supreme Court Implications

The new WOTUS rule comes as the Supreme Court is already weighing a decision in *Sackett v. EPA*, which deals with the jurisdictional standard for wetlands under the CWA. According to sources, a majority decision expected from the more conservative wing of the high court in *Sackett* could derail much of the final WOTUS rule. In fact, many House and Senate GOP Members and several trade organizations representing those impacted by CWA implementation denounced the rulemaking as overreaching and premature due to the *Sackett* case currently before the court. Over 190 House Republicans in a letter blasted the Biden Administration for its "premature and reckless" WOTUS final rule. The Members demanded that EPA and the Corps rescind the rule and postpone any subsequent agency action on WOTUS to allow the Supreme Court to issue an opinion on *Sackett*. Agriculture and water groups (including the Family Farm Alliance) have asked the justices in an amicus brief to reinterpret the CWA and exclude most wetlands and streams from the definition of WOTUS.

Citing the “major questions” doctrine used in striking down overly broad regulations in *West Virginia v. EPA*, 24 Republican-led states have filed a lawsuit in the U.S. District Court for the District of North Dakota over the new definition of WOTUS. The states are set to ask federal courts to find the new Biden WOTUS rule overly broad and a regulatory overreach by the federal government without the clear direction of Congress. The lawsuit comes on the heels of a legal challenge by the State of Texas over the WOTUS rule as well as a coalition of 18 industry groups challenging in court that the Biden WOTUS regulation is unconstitutional and that EPA and the Army Corps overstepped in finalizing the rule before the Supreme Court makes a decision in *Sackett v. EPA*, in which Idaho landowners have asked the justices to adopt a narrower definition of WOTUS. The Texas and industry WOTUS lawsuits are requesting an injunction until the *Sackett* ruling comes down from the Supreme Court.

JUDICIARY DEVELOPMENTS

16. Rio Grande/Texas v. New Mexico

On February 15, the New Mexico House Appropriations and Finance Committee approved a substitute bill, HB2, which added under the section 5 special appropriations three new provisions to fund Rio Grande water resource efforts by the State Engineer: (1) \$15M to expand middle Rio Grande dynamic fallowing and improvements to the low flow conveyance channel; (2) \$35,000 to “augment the water supply on the lower Rio Grande, including through possible brackish water treatment and aquifer recharge projects, and for continued support of the attorney general in interstate water litigation and settlement under the Colorado River and Rio Grande compacts”; and (3) \$10,000 for “river channel maintenance to improve river flows into Elephant Butte and for habitat restoration, low flow conveyance channel maintenance and flood control projects related to the San Acacia reach of the Rio Grande.” On February 9, Jeff Wechler, the lead attorney representing New Mexico in Texas v. New Mexico and Colorado (U.S. Supreme Court, #22O141), met with members of the New Mexico Senate Conservation Committee. Wechler and state officials told lawmakers “they need more than \$125M over the next five years to address water supply for the Mesilla Aquifer – which feeds Las Cruces – and to reduce pumping in southern New Mexico below Elephant Butte by about 17,000 acre-feet.” The efforts to cut groundwater pumping are part of the settlement and proposed Consent Decree filed by Texas, New Mexico, and Colorado, which is still pending approval by the Special Master and the Supreme Court.

WESTERN WATER “HOT SPOTS”

17. Atmospheric Rivers Continue to Pound California

In response to the catastrophic flooding through the Central Valley in the previous 24 hours, California Governor Newsom last Thursday issued an executive action allowing for recharge opportunities across dairy and agricultural property -waiving any cumbersome requirements previously preventing widespread water saving opportunities. The executive order makes it easier

to capture floodwater to recharge groundwater – temporarily lifting regulations and setting clear conditions for diverting flood stage water without permits to boost groundwater recharge storage. The order suspends regulations and restrictions on permitting to enable water agencies and water users to divert flood stage water for the purpose of boosting groundwater recharge. The order includes wildlife and habitat protections, ensuring that any diversions would not harm water quality or habitat or take away from environmental needs.

The EO specifically targets the Central Valley for recharge opportunities where much of the flooding is currently occurring. As Central Valley rivers continue to rise with increased snow melt, the order affords dairy farmers and agriculture in general, wide latitude to “recharge everywhere” to protect human life and property. Alfalfa fields are good candidates for this recharge, along with any other fields that meet the criteria above. This adjustment will now allow nearly 1.5 million acres of previously un-rechargeable ground, and store up to 10-million-acre feet.

On March 9, 2023, the State Water Resources Control Board Executive Director issued an order modifying a February 21, 2023 Order that approved a temporary urgency change petition to modify requirements included in the water right permits and license for the State Water Project and Central Valley Project for the period of February through March 2023. On March 6 NRDC et al. petitioned the State Water Board to rescind the February Order approving the 2023 TUCP because the approval is arbitrary and capricious, contrary to law, and is not supported by substantial evidence. See [here](#). A coalition of environmental groups, the California Water Impact Network, the California Sportfishing Protection Alliance, and AquAlliance, have submitted a notice of intent to sue the State Water Resources Control Board unless it rescinds an order to suspend water quality and fish protections in California rivers and the Sacramento/San Joaquin Delta.

17. Pacific Coast Salmon Crash?

The usual suspects in the corporate environmental camps are starting to raise hell about a looming salmon crash on the Sacramento River and other areas. I spent nearly a week sparring with a reporter from CALMATTERS who is doing a story, driven by some fishing advocates and environmental groups, trying to put the blame for a looming salmon crash on irrigation diversions. Last week, I rounded up some Central Valley water users who got on the horn with this guy to shine the light of truth on this matter. Some of our San Joaquin Valley members have a graph of South of Delta Ag allocations 2008-2022 and also a more recent graph of fish populations. Both show that as ag allocations have been reducing it has not resulted in better fish conditions or populations.

I honestly think this effort by the greens is related to Governor Newsom's emergency declaration (see above) that loosened up environmental constraints for two months, and should save about 500,000 acre-feet from blowing out to the ocean. The activists are saying it will have a negative effect this year on fish. I personally believe a lot of the "doom and gloom" recent news is propaganda intended to cast doubt on the governor's decision and to throw cold water on efforts to do more of the same. Not much is being reported about NMFS and California Department of Fish

and Wildlife overestimating the abundance of fall-run chinook in 2022. At the same time, commercial trollers caught 3x more fish (about 200,000) than they were supposed to.

Our written testimony prepared for last week's hearing (*See Item 7, above*) has some good stuff in there regarding efforts our members are working on in the Sacramento Valley, Yakima Basin and Central Oregon, intended to help the critters, but also keep water in agriculture.

18. Media "Training"

I had a very interesting call a few weeks ago with staff from the Intermountain West Joint Venture (IWJV) about journalist engagement on flood irrigation and wildlife values in the Colorado River Basin. In the coming months, I'll be working further with IWJV on this initiative, which is very focused, and has proven success, based on the results of a similar venture undertaken in Utah's Bear River watershed.

Also, I've been invited to speak next August at the "Ag Media Summit" (AMS) in Palm Springs (CALIFORNIA). I'll be on a water panel with Mike Wade from California Farm Water Coalition and maybe also someone from the Coachella Valley Water District. The thought is to have a 30,000-foot view of Western water issues, then allow the water district representative to share the more local issues they see. The audience for this event will be a few hundred agricultural communications professionals from around the United States. The event is geared around professional development. Most of those attending are from the Midwest and East Coast. Some will be agricultural writers for various publications. Others will be public relations professionals who work with agricultural clients. This is the first time ever that the AMS event has been held in California.

ADMINISTRATIVE & MISCELLANEOUS

- Gary Esslinger (NEW MEXICO), our long-time chairman of the Advisory Committee, wanted me to share his appreciation for receiving the "Water Warrior" award at our conference last month: "Dan, I can't thank you enough for the award that was presented to me. I was sort of in shock when Pat called me up. I can now recall what FFA did for me almost 13 years ago when FFA grabbed hold of my low head hydro idea. Frickin FERC was born again!" Gary stepped down as Chairman last month; the board appointed Urban Eberhart (WASHINGTON) as the new Chair and Scott Peterson (CALIFORNIA) as the new vice-chair.
- March 1 was the last day at Friant Water Authority for Advisory Committee Member Alex Biering. On March 27, she'll start a new position as the water-focused policy advocate for the California Farm Bureau Federation based in their downtown Sacramento office. Alex came to FWA in mid-2016 when the organization had recently undergone some major changes but was working hard to build a new team. "I felt that coming here was an

enormous opportunity to do really good work for farmers and water managers I respected and admired; it was work to protect the legacy of sustainable farms and communities on the valley's eastside," she said. "It's been an honor to do that for almost seven years." We wish Alex all of the best in her move to CFBF!

- Another one of our fine Advisory Committee members is taking a new position, as well. Shelley Cartwright has accepted a new position in Atlanta and her last working day as Westlands Water District Deputy General Manager – External Affairs is March 21, 2023. "Although life has taken me back to energy work in Atlanta, I will always have a special place in my heart for California water and agriculture," she said. Good luck to you, Shelley!
- The man, the myth, the legend – Mark Limbaugh, the Alliance's representative in Washington, D.C. – was presented in January with the Ted Diehl Award for Meritorious Service by the Idaho Water Users Association. Mark said this was "a great honor for me as I worked with Ted for many years on Idaho water issues." Ted was the former Northside Canal Company general manager for many years. Congrats, Mr. Limbaugh!

I appreciate all the helpful input I have received from many of you in the past month. Please do not hesitate to contact me if you have any questions about this report.



Operations & Maintenance Report

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

February 2023

OPERATION & MAINTENANCE REPORT

SAFETY, EDUCATION & TRAINING

- Operations Department held tailgate safety meetings in the Lindsay yard, and outlying field office staff attended the Canal and Maintenance meeting.
- Friant staff received environmental training on endangered species completing the annual review.
- Delano, Lindsay, and Orange Cove Foremen held tailgate safety meetings discussing safety hazards and precautions associated with employees' work assignments.
- Delano Foreman & crew discussed good housekeeping for in and around maintenance buildings such as reporting/cleaning up oil spills and wet floor, sweeping up shop floors daily and after a major project, promptly reporting/fixing potholes in parking areas, storing boxes and other articles, maintaining a clean and orderly workplace etc.

ACCIDENTS & INJURIES

- Friant staff has worked 2318 days without a lost-time injury accident.
- Friant staff has worked 384 days without a liability accident.

MAINTENANCE SUPERVISION

GENERAL SUPERINTENDENT REPORT

SUBSIDENCE

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

PERSONNEL ITEMS

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

CONSTRUCTION & MAINTENANCE

FOREMEN REPORTS: DELANO, LINDSAY, & ORANGE COVE MAINTENANCE

WEED & PEST CONTROL

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

PRODUCTS	UNITS	MAINTENANCE YARD USAGE			TOTAL USAGE	END OF MONTH ON-HAND
		Delano	Lindsay	Orange Cove		
Cleartraxx	Gal	0	0	0	0	0
Copper Sulfate - Old Bridge	Lbs.	0	0	0	0	21,987
Copper Sulfate - Chem One	Lbs.	0	0	0	0	80,000
Argos Copper	Gal	0	0	0	0	0
Captain XTR	Gal	0	0	0	0	0
Deploy	Gal	0	0	0	0	0
Diphacinone	Lbs.	0	0	0	16	128
Diuron 4L - Loveland	Gal	0	0	241	241	0
Diuron 4L - Drexel	Gal	0	0	0	0	1,890
Dimension 2EW	Oz	0	10	0	10	0
Weather Guard Complete	Oz	0	0	0	0	67.00
Finale	Oz	0	0	0	0	0
Milestone VM	Oz	0	0	0	0	156
Roundup - Custom	Gal	4	57	0	61	666.50
Roundup - Pro Conc	Gal	4	87	43	134	1505.50
Forfeit 280	Oz	0	0	0	0	0
Sonar Genesis	Gal	0	0	0	0	2.00
Cheetah	OZ	0	0	0	0	2,020
Liberate Lecitech	OZ	0	0	0	0	438

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

CANAL & DIVERSION STRUCTURES



Lindsay maintenance staff relieved buoy lines of aquatic weed and trash built up at siphons throughout FKC.

- Lindsay maintenance staff due to heavy rainfall and severe flooding, all drains had to be cleared repeatedly due to trash and debris.
- Delano maintenance staff continues their structure gate maintenance for the year; Repairs Radial and Slide gates such as oil leaks, gearboxes, motor couplers, wire rope inspection, etc. Staff will Lubed all grease points and wire ropes, repair all metalwork, security fence repairs, deck cleaning, touch-up painting, Buoy ball and wire rope replacement, and debris removal.



Due to heavy rainfall and severe flooding all drains had to be clear repeatedly due to trash and debris by Lindsay maintenance.

- Orange Cove maintenance staff continued to clean silt and debris out of several cross drainages that were filled after heavy rain.
- Orange Cove maintenance staff completed construction of the measuring structure.
- Orange Cove staff continued structure inspections and annual maintenance.
- Orange Cove staff continued road patching activities.



Lindsay maintenance staff placed 1400 sandbags between Rd 208 and Ave 88 to help prevent overflow in the subsidence area during high elevation flow in the FKC.

- Orange Cove staff began hauling materials off the embankment from the recent desilt project.
- Lindsay maintenance staff repaired plumbing on a sump pump to divert flood water into the FKC.
- Delano staff continues embankment maintenance to upper and lower Embankments and around structures such as blockhouses, turnouts, bridge abutments, utility tractors, motor graders, and earth moving equipment. By backfilling eroded areas, compacting, and grading materials. Embankment maintenance will prevent erosion to the inside/outside banks, roads, gate structures, and concrete liners.
- Lindsay maintenance staff removed trash illegally dumped on several locations along FKC.
- Orange Cove staff continued bridge maintenance activities.

O&M ROADS

- Staff completes panel replacement and liner sealant repairs; 2.5 panels were replaced due to separation and erosion at MP144 and MP128.
- Lindsay maintenance staff filled potholes at various locations along FKC.

YARD & BUILDING

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

RIGHT-OF-WAY MAINTENANCE

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

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

DELANO, LINDSAY, & ORANGE COVE	TYPE	QUANTITY
In-House Inspections	B – Semi-annual	8
	C - Annual	5
	E - Equipment	0
	BIT - 90-Day Heavy Equipment	7
Outside Inspections	B – Semi-Annual	0
	C - Annual	0
	Smog Test	0
	Smoke Test	0
DELANO, LINDSAY, & ORANGE COVE	TYPE	QUANTITY
In-House Repairs	Light Vehicles	12
	Trucks	9
	Heavy Equipment	3
	Utility Equipment	0
Outside Repairs	Light Vehicles	0
	Trucks	0
	Heavy Equipment	0

ENGINEERING ACTIVITIES

ENGINEER AND ENGINEER TECHNICIAN REPORT

February

RIGHT OF WAY

- Staff continues to work with USBR to ensure ROW boundaries are maintained.
- Staff continues to respond to developers and consultants to ensure the FKC and ROW is maintained.
- Staff reviewed and supplied comments to the 50% plan set for the proposed Lewis Creek Recharge Project.

OPERATIONS ACTIVITIES

OPERATIONS SUPERVISOR REPORTS

Operations Staff during the month of January delivered 201,905 acre-feet. Total water diverted year-to-date to FKC Contractors is 556,187 acre-feet.

Reported sump pump deliveries of 264 acre-feet and a year-to-date total of 376 acre-feet.

- Staff completed and sent out the ROWD's for the month of February.
- Staff completed doppler meter measurements at the measuring bridge and DCTRA.
- Staff replaced 2 transmitters at SWID #1.
- Staff installed a transmitter at 40 West.
- Staff repaired the Honeywell Recorder at Kern Tulare #3.
- Staff checked and calibrated 17 transmitters.

ELECTRICAL

- Staff checked sump pumps at Avenue 216, downstream of TID, and OC #2 pump.
- Staff checked the number 2 gate at SWID #1.
- Staff met with PG&E line crew at Shafter Check to review the site for the pump over.
- Staff checked the actuators at the Arvin Edison turnout for electrical issues.
- Staff manually raised the gate #2 at SWID #1 to meet demand from that site.
- Staff completed PMs at Rocky Hill, Kaweah, Dodge, White River, and the Reservoir.

SCADA

- Staff worked that Epic IO installing their new equipment at all 14 Checks.
- Staff replaced UPS battery at White River.
- Staff replaced the rotational gate opening sensor at Kern River gate 2.
- Staff measured the flow at the DCTRA and 24 West using the ADCP.
- Staff installed flow meter at the Measuring Bridge.
- Staff installed new back up batteries at Casa Blanca and Wood Central turnouts.
- Continued to make improvements in Geo Scada HMI. Added the Midnight AF reading to the trends at all the turnouts and started to standardize the look of the HMI.
- Staff worked on a timing issue at Shafter Wasco 1 between the Honeywell recorder and SCADA.
- Staff assisted Instrument Tech with getting meters online and pulling meters for accuracy testing.
- Staff took water orders while the water resource tech was out.
- Staff worked to support the first of fourteen Uig installations and multiple cameras with Intellisite/Epic 6IO at the Rocky Hill check structure.

INFORMATION TECHNOLOGY

February

- Staff collaborated with Barracuda to close multiple support tickets.
- Staff worked with Frontier to restore Friant's office phones following an outage.
- Staff coordinated support with Grossmayer & Associates to permanently resolve a reoccurring issue with errors when running the Trial Balance in Great Plains.

- Staff is working to limit/block phishing/spam attempts. Barracuda blocked 2,019 incoming phishing/spam emails for the month of December. 7,685 emails were Quarantined.
- Graphus deleted 127 unsafe emails that made it through Barracuda.
- Staff is continuing work on the Dropbox to SharePoint for migration of files. Staff anticipate completion in April 2023.
- Staff worked with Zix to implement additional notifications to the System Administrator when emails are sent through Zix's portal, and upon delivery to the recipient.
- Staff and Redesign worked to implement several network changes needed to move to Intellisite's new platform.
- Staff and Redesign recovered and reactivated Friant's Meraki Wi-Fi portal with Cisco.
- Staff worked with Vast Friant's ISP to assign new static IP's for the cradle point router and switch required for Intellisite's new platform. Staff installed the new cradle point router and switch at the Lindsay office.
- Staff worked to support the remainder of the fourteen Uig installations and multiple cameras with Intellisite/Epic IO at Little Dry, Kings River, San Creek, Dodge Ave, Kaweah River, Fifth Ave, Tule River, Deer Creek, White River, Reservoir Check, Poso Creek, Shafter Creek, & Kern Check.

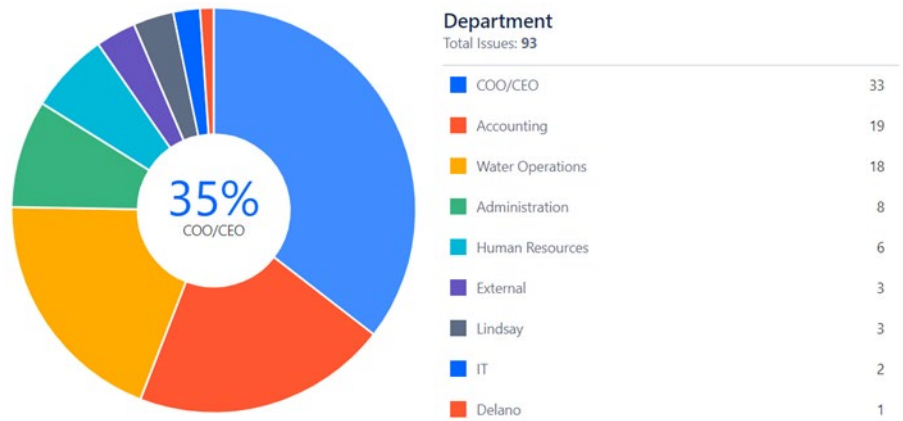


Old Cradle points and cameras



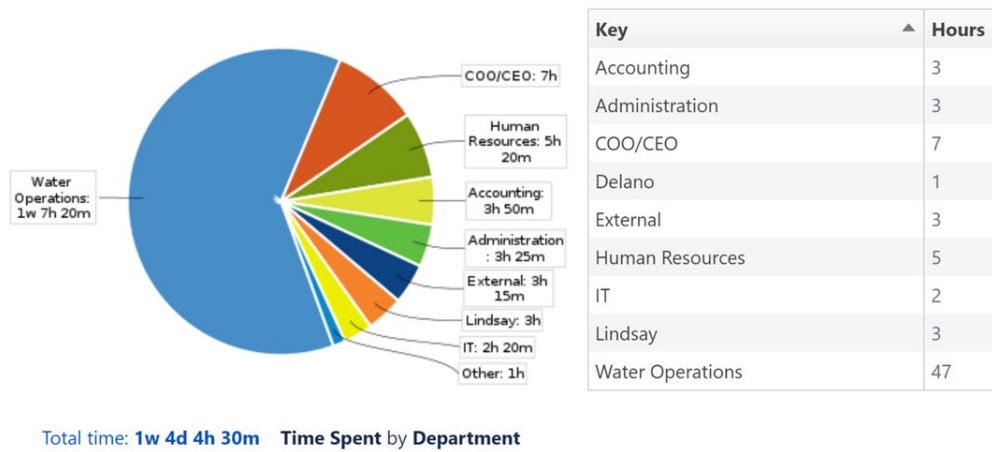
Little Dry

- Staff received 93 Helpdesk tickets in February.



Number of resolved Tickets submitted by Department.

Workload Pie: February



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

Agenda Report

No. 4.E.

DATE: March 23, 2023
TO: Board of Directors
FROM: Austin Ewell
SUBJECT: Water Blueprint for the SJV

SUMMARY:

The Water Blueprint for the San Joaquin Valley (Blueprint) is a non-profit group of stakeholders, working to better understand our shared goals for water solutions that support environmental stewardship with the needs of communities and industries throughout the San Joaquin Valley.

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

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

Large Group Meeting – March 15th – Tulare Ag Center (Approx. 100 attended)

Speakers included Ellen Hanak, vice president and director of the PPIC Water Policy Center who presented their policy brief "The Future of Agriculture in the SJV"; Senator Melissa Hurtado spoke virtually about her priorities and efforts on water, and Michelle Canales, policy analyst for Senator Caballero spoke virtually. Congressman Jim Costa also attended and spoke to the group.

Committees:

Executive/Budget/Personnel: Hallmark began its management/executive services March 1st and Providence will be assisting with the transition. The Board placed an initial cap on expenditures until a progress report is provided and additional approval for the Tasks are voted on. Hallmark has requested the Board identify 3 specific priorities to be pursued and accomplished.

Advocacy/Communications: Communications committee is utilizing its operation plan for creating and disseminating Blueprint communications. Advocacy committee is meeting and establishing a list of priorities and plan for future Advocacy and will coordinate with the Communications committee.

SJV/Delta Water Leaders' Summit

Blueprint coordinated and invited a select group of agricultural and water leaders from the San Joaquin Valley and the Delta region to meet and tour the Delta and SJ Valley. Due to the high flood risk in the Delta, the Planning Committee rescheduled the Summit meetings to ensure that full attention is given to protecting life and property. Because of the unknown timeframe of the flood risk, we will reschedule the Summit meetings for later this year, perhaps after harvest. The purpose of this gathering is to foster a better understanding of the challenges each region faces and open a line of communication to discuss collective thoughts about the future of water and agriculture.

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

The partners for the feasibility study are focused on reviewing study criteria for recharge projects in Fresno County encompassing the Friant Place of Use boundaries. FID, TID & SWID have contributed details about ongoing recharge projects. The group is focused on multi-benefits for recharge with a focus on drinking water with measurable results.

SJV Water Collaborative Action Program (SJVWCAP):

A list of priorities for Phase 2, budget and management are being reviewed and crafted by the Steering Committee were approved by the Plenary Group. Work Groups are beginning to meet and discuss priorities and drafting for their respective areas, Safe Drinking Water; Sustainable Water Supplies; Ecosystem Health; Land Use, Demand Reduction, Land Repurposing; Implementation.

RECOMMENDED ACTION:

There is no recommended action at this time. The Board gave initial direction to pursue this collective effort and report back on its status.



Prioritization of Blueprint Resiliency Projects Draft for Discussion 3/14/2023

Introduction

The Water Blueprint has identified 10 Resiliency Projects, more accurately groups of projects, that if implemented, could make a major contribution to resolving the water crisis in California. For the Blueprint to use its limited resources most effectively, there is a need to prioritize the use of our resources to these projects which means thinking about what our role should be, if any, in advancing these projects. It is important to identify the projects that are most important to the Valley and that are receiving no, or insufficient attention from others. There is also a need to recognize the logical sequence in which projects can be implemented; for example, a water source for a recharge project should be identified/developed before the recharge project itself.

This prioritization is intended as an internal management tool for the Water Blueprint. All of the projects are a critical element of a state solution. The intent of the prioritization is not to suggest that some projects are more important than others but rather to identify how the Water Blueprint should prioritize the use of its resources, given the efforts of others. The prioritization could also be helpful when soliciting state and federal funding.

This exercise is conducted here at the highest level. Each Resilience Project is typically a combination of projects, in some cases hundreds of smaller projects. The larger need is comprised of many smaller needs. The intent here is to communicate that larger need.

This document is intended to supplement the Blueprint's documented goals¹. Those goals are not repeated here. The purpose, benefits and contributions towards a state water solution of each of the ten Resiliency Projects have been identified in a separate document².

High Priority

- Delta Water Supply Projects - Increase water deliveries from the Delta during periods of surplus³ flows enabling increased conveyance and storage of water to help achieve groundwater sustainability and improve water resiliency within the state. Designated as high priority because the Blueprint has concluded that increased supplies from the Delta are essential to avoid some of the severe social

¹ Water Blueprint 2022-2025 Strategic Plan.

² The Water Resiliency Projects – Delivering the Promise, Blueprint Paper #25, December 17, 2022

³ The term "surplus flows" is intended to mean "uncaptured" water as defined by PPIC (2017) which is water in excess of that needed to meet identified needs.

and economic consequences associated with achieving groundwater sustainability under SGMA.

- Modernize Regulations to ensure they provide the intended ecological benefits without undue water cost,
- Develop and implement environmentally friendly water diversions in the Delta to improve water supplies and water quality while protecting fish.
- Inter-regional planning - to develop and advance a solution to the state water crisis that is consistent with the Governor's water initiatives⁴ and Blueprint goals¹. Designated as high priority because IRWM Plans and GSPs were focused on regional planning, but inter-regional planning is also needed to resolve Valley water shortages. No other agencies appear to be focused on developing such a plan.
- Locally lead Valley Projects- Promote and support necessary funding for:
 - GSP Implementation Projects and Human Right to Water – to advance projects that help achieve groundwater sustainability and assure safe, reliable water supplies for communities.
 - Conveyance restoration and enhancement– restoration of capacity in existing canals (prioritizing those with the worst subsidence) and construction of new interties to increase opportunities to move water more effectively.
 - Urban Water Initiatives in the Valley – development of recycling and storm water capture in urban areas.

While local agencies will be instrumental in developing and implementing these projects, the Blueprint has a role to play in advocating for state and federal support for these types of projects on behalf of all Valley residents.

Medium Priority

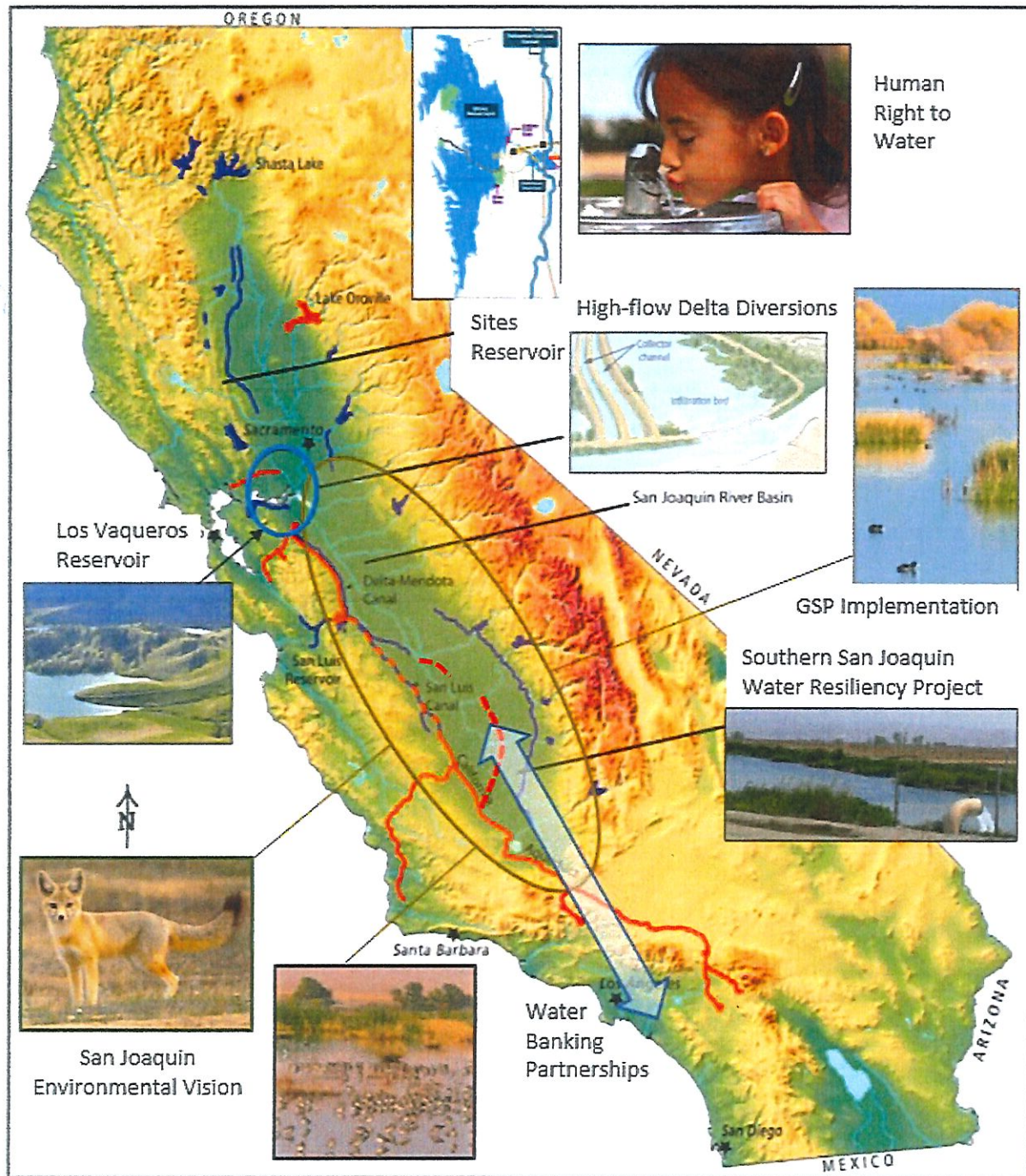
- Southern San Joaquin Water Resiliency Project – plan and develop new conveyance facilities to interconnect existing infrastructure, to improve the ability to recharge high flow water and achieve groundwater sustainability. Designated as medium priority because the success of this project is contingent on the high priority project of increased water supplies from the Delta.
- San Joaquin Environmental Vision - restoration and enhancement of historic ecosystems by strategically retiring and restoring agricultural land to improve air quality, provide permanent protections for endangered species, and restore the functionality of floodplains to improve the productivity of fish habitat. Designated as medium priority because environmental organizations, rather than the Blueprint, are better suited to lead this effort.

⁴ The Governor's Water Resilience Portfolio and the Water Strategy

Lower Priority

- Urban water initiatives outside the Valley - developing reliable supplies through water recycling and desalination, and enhancement of groundwater supplies through storm water capture – all part of the Governor’s water strategy. Designated as low priority because state and local water agencies will be leading this effort.
- Water banking partnerships throughout the state provide the means by which California can withstand long periods of drought by enabling long-term groundwater storage and recovery.–. Designated as low priority because the success of this project is contingent on the high priority project of increased water supplies from the Delta and the medium priority project of the Southern San Joaquin water Resiliency Project. Even when such projects are completed, development of water banking projects will be locally controlled and managed.
- Environmental Reservoirs Project – provides environmental water managers with water supplies that can be managed to meet specific environmental purposes and help reduce conflict over management of existing reservoirs that were built and financed for other purposes. Designated as low priority Designated as a low priority project because other groups have been organized to advance each of these surface reservoir projects and the Blueprint has no unique expertise to offer.

General Depiction of the Water Blueprint Recommended Resiliency Projects



ACWA Fall Conference - PPT

AGENDA REPORT

NO. 4.F.

DATE: March 23, 2023

TO: Board of Directors

FROM: Wilson Orvis, Chief Financial Officer, Don Davis, General Counsel, and Ian Buck-Macleod, Water Resources Manager

SUBJECT: San Luis & Delta Mendota Water Authority Update

SUMMARY:

Friant Water Authority staff engaged with San Luis & Delta-Mendota Water Authority (SLDMWA) via the Finance and Administration Committee (FAC) meeting on March 6, 2023 and the Board of Directors' (BOD) Meeting on March 9, 2023, a Special Workshop on March 13th, as well as additional meetings throughout the month.

There were four items associated with SLDMWA over the last month that pertain to FWA operations: (1) San Joaquin River Releases to Mendota Pool and (2) Water Year (WY) 2023 Operations, Maintenance, and Replacement Rates, (3) Workshop(s) regarding Minimum Participation in Ratesetting Procedures, and (4) Draft Environmental Assessment / Initial Study for the Delta-Mendota Canal Subsidence Correction Project.

San Joaquin River Releases to Mendota Pool:

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

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

- SLDMWA approved initial WY 2023 rates at the February 9, 2023 meeting based upon the approved OM&R Budget, an assumed 10% South-of-Delta Agriculture allocation, 60% Municipal and Industrial (M&I) allocation, 100% Refuge allocation, and 100% Exchange / Water Rights Contractor allocation.
- Subsequent to SLDMWA's February 9, 2023 Board of Directors meeting, Reclamation announced the WY 2023 initial allocations which provided for a 35% South-of-Delta Agriculture allocation. The SLDMWA Board of Directors approved updated rates for WY 2023 at their March 9, 2023 meeting. The details regarding the rate are **Attachment 1**. FWA will be updating the contractor cost projection model to reflect these changes and will be sharing with the District General Managers soon.

Workshop(s) regarding Minimum Participation in Ratesetting Procedures:

- FWA has been bringing up a long, unresolved issue pertaining to SLDWMA's practices regarding calculating minimum participation for the purposes of cost recovery. At issue is SLDMWA's practice of including and billing 25% minimum participation amounts for South-of-Delta Agricultural Contractors only during the final accountings for each water year (which usually takes place 2 years after the water year is concluded) and not including those amounts in the rates established during the water year. The impact has been in dry and critical years that ratepayers (including FWA) end up paying higher rates than they otherwise should pay based upon SLDMWA's Cost Recovery Policy. SLDMWA held a workshop in March 13, 2023 to discuss this issue and walk through the language in the Cost Recovery Policy, the procedures used by staff in previous years, and the potential impact of inclusion in the rates to SLDWMA's cash flow needs during the year. FWA is hopeful that this and future workshops will resolve this outstanding issue appropriately.

Draft Environmental Assessment / Initial Study for the Delta-Mendota Canal Subsidence Correction Project:

- On February 13, 2023, the Bureau of Reclamation and the SLDMWA released the "Draft Environmental Assessment/Initial Study (EA/IS) for the Delta Mendota Canal Subsidence Correction Project" for 30-day public review. FWA, as single largest OM&R rate-payer of the SLDMWA, has a vested interest in understanding the scope, beneficiaries, and impacts of this project to FWA costs and water operations. FWA's review comments identified various areas of concern requiring further analysis including: (1) assumptions regarding future subsidence impacts to the Delta Mendota Canal (DMC); and (2) potential impacts to Settlement Contractor deliveries during construction due to draw downs or possible dewatering of the DMC, which in turn could result in a call on Friant water supplies as well as impacts to the San Joaquin River Restoration Program if releases from Friant Dam were required during construction. Please see **Attachment 2** for the full comment letter, which includes a detailed description of the proposed construction activities.

ATTACHMENTS

1. SLDMWA Water Year 2023 rates, revised March 10, 2023.
2. FWA Comment Letter - Draft Environmental Assessment / Initial Study for the Delta-Mendota Canal Subsidence Correction Project, March 14, 2023.



SLDMWA Recalculated **WY 2023** SELF-FUNDING O&M WATER RATES (FY 3/1/23 - 2/29/24)

Rates based on the following
WY23 Supply Assumptions:

AG **35%**
M & I **75%**
Refuge **100%**
Exchange/Water Rights **100%**

Adjustments to Base Supplies Include:
Rescheduled Water
Transfers
Exchanges
Pump Ins

TOTAL RATE PER ACRE FOOT - BY DELIVERY AREA		
Upper DMC	\$15.89	A+Aa+B+F+G+H+I+J
Upper DMC - Exchange/Water Rights Only	\$15.20	A+B+F+G+H+I
Lower DMC/Pool	\$18.32	A+Aa+B+D+F+G+H+I+J
Lower DMC/Pool - Exchange/Water Rights Only	\$17.63	A+B+D+F+G+H+I
San Felipe	\$21.40	A+Aa+B+E+G+H+I+J
San Luis Canal Above Dos Amigos	\$38.61	A+Aa+B+E+G+H+I+K
San Luis Canal Below Dos Amigos	\$50.28	A+Aa+B+E+G+H+I+J+K+L+M
Volta Wells	\$29.14	c
San Luis Drain	\$0.36	

COST POOLS	SLDMWA ANNUAL O&M and POWER							SLDMWA	SLDMWA	SLDMWA	SLDMWA	SLJU			TOTAL
	UPPER Upper DMC/ JPP	UPPER Intertie (Temporary Cost Pool)	JPP PWR	VOLTA WELLS	LOWER Lower DMC/ Mendota Pool	O'NEILL P/G O'Neill O&M		RESERVES	RESERVES Unit 6 Rewind BOR Repayment	RESERVES Unit 5 Rewind BOR Repayment	RESERVES Two Rewind Units 2021A Bonds	DWR COSTS		POWER	
PARTICIPANTS	All Users	All Users Excludes Exchange Cont. and Water Rights	All Users (Actual Pumping Only)	DPWD SLWD	Lower DMC & MP Users	All Users "Direct"	All Users "Storage"	All Users	All Users	All Users	All Users (Excludes Exchange Cont. and Water Rights)	All SLJU Users	Dos Amigos Users	Dos Amigos Users	\$61,193,831
COSTS TO BE ALLOCATED	\$10,329,519	\$472,900	\$13,742,380	\$69,935	\$3,327,038	\$4,887,614	\$604,087	\$6,690,391	\$380,441	\$282,305	\$448,227	\$12,242,258	\$3,472,766	\$4,243,970	
ACRE FEET	2,132,340	1,293,609	2,102,564	2,400	1,371,354	820,246	1,362,766	% of 10 Yr Historical Use	% of 10 Yr Historical Use	% of 10 Yr Historical Use	% of 10 Yr Historical Use	711,390	661,593	661,593	
RATE PER AF	\$4.85	\$0.37	\$6.54	\$29.14	\$2.43	\$5.96	\$0.45	\$3.06	\$0.17	\$0.13	\$0.32	\$17.21	\$5.25	\$6.42	
A Aa B C D E F G H I J K L M															

Approved By Board Action
March 9, 2023



Jim Erickson
Madera I.D.
Chairman of the Board

Rick Borges
Tulare I.D.
Vice Chairman

Josh Pitigliano
Lower Tule River I.D.
Secretary-Treasurer

Edwin Camp
Arvin-Edison W.S.D.

Roger Schuh
Chowchilla W.D.

Jerry Dyer
City of Fresno

George Porter
Fresno I.D.

Loren Booth
Hills Valley I.D.

Chris Tantau
Kaweah Delta W.C.D.

Michael Brownfield
Lindmore I.D.

Cliff Loeffler
Lindsay-Strathmore I.D.

Kent H. Stephens
Kern-Tulare W.D.

Arlen Miller
Orange Cove I.D.

Eric Borba
Porterville I.D.

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March 14, 2023

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**RE: COMMENTS ON DRAFT ENVIRONMENTAL ASSESSMENT/INITIAL STUDY
FOR THE DELTA MENDOTA CANAL SUBSIDENCE CORRECTION PROJECT**

Dear Ms. Emerson and Mr. Arroyave,

The Friant Water Authority respectfully submits these comments on the Draft Environmental Assessment/Initial Study (EA/IS) for the Delta Mendota Canal Subsidence Correction Project (Project) that was released for public review on February 13, 2023. We understand that the Draft EA/IS was prepared jointly by the U.S. Department of the Interior, Bureau of Reclamation (Reclamation), and the San Luis & Delta-Mendota Water Authority (SLDMWA), which is the operating non-federal entity for the Delta Mendota Canal (DMC).

Background on FWA and Areas of Interest

As Reclamation and SLDMWA are well aware, the Friant Water Authority (FWA) is the operating non-federal entity for the Friant-Kern Canal (FKC) pursuant to Transfer Agreement Contract No. 8-07-20-X0356-X with Reclamation. As a joint powers authority whose membership consists of water agencies with long-term water supply contracts with Reclamation for water from the Friant Division (Friant Division Contractors), FWA also has an interest in and is authorized to protect the water supplies and water rights of Friant Division Contractors.

The FKC, like the subject DMC, is a significant feature of the Central Valley Project (CVP). As acknowledged in the Draft EA/IS, although the FKC and DMC are not physically connected conveyance facilities, there is a significant interrelationship to their operations by virtue of the United States' contractual obligations to supply CVP water to the Exchange Contractors and Settlement

Contractors¹ primarily through the DMC, but under certain conditions, as prescribed in various underlying contracts, Reclamation may, in limited circumstances, make releases of San Joaquin River water from Friant Dam (a call on Friant), which, along with Millerton Lake, are facilities of the Friant Division of the CVP. Because of conditions unrelated to any reduction in the conveyance capacity of the DMC, Reclamation has made calls on Friant in 2014, 2015, 2016 (via exchanges), 2021 (via exchanges), and 2022. These calls on Friant have impacted the water supplies of irrigation, and municipal and industrial (M&I) users supplied by Friant Division Contractors, and during the worst of the drought years and most significant calls on Friant (i.e., 2014 and 2015) caused significant and long-term damage to crops, orchards, and other farm land.

Calls on Friant also impact the San Joaquin River Restoration Program (SJRRP), which is a comprehensive, long-term effort managed by various federal and state agencies to restore flows to the San Joaquin River from Friant Dam to the confluence of Merced River and restore a self-sustaining Chinook salmon fishery in the river while reducing or avoiding adverse water supply impacts, primarily to Friant Division Contractors, from the release of restoration flows. In particular, calls on Friant reduce available water supplies and the cold-water pool in Millerton Lake, and disconnects the river, which in turn impacts the timing, temperature, and amount of restoration flows, and migration in the San Joaquin River, which can cause potentially significant impacts to the fish populations.

Overview of FWA Concerns and Comments

FWA acknowledges and for the reasons set forth above supports the primary goal of the Proposed Project, which as set forth in Section 1.2.2² is to “restore the long-term reliability and quantity of CVP supplies delivered to south-of-Delta contractors dependent on the DMC currently affected by the reduced deliveries limited by the canal’s reduced conveyance capacity.” However, FWA, does have concerns with potential impacts to Friant Division water supplies in the event there is a call on Friant as a result of the protracted construction of the Proposed Project which references periodic “drawdowns” of the DMC, but based on the construction activities associated with the Proposed Project would appear to potentially necessitate dewatering of the DMC in segments, which could result in a call on Friant or could potentially occur during a call on Friant for reasons unrelated to construction activities. The Draft EA/IS does not adequately address the potential impacts on Friant Division Contractors and the SJRRP during the construction period which may either result in a call on Friant or occur during a call on Friant, thereby exacerbating impacts.

¹ Unless otherwise defined in this letter, all initially capitalized terms have the definition set forth in the Draft EA/IS.

² All Section references are to the Draft EA/IS or applicable Appendix.

Summary of Proposed Project Construction Activities that Could Result in a Call on Friant or Could Occur During a Call on Friant Thereby Impacting Friant Division Contractors and the San Joaquin River Restoration Program

We understand that the Proposed Project is the “Raise Deficient Structures Alternative” generally described in Section 2.2, with further details regarding the Proposed Project and the construction methods and locations described in Appendices C and G. The proposed construction activities would occur over at least a seven-and-a-half-year period with work occurring every day, all year. Specific construction activities that will or could impede the conveyance of water in the DMC during construction include the following:

- Raising deficient canal concrete lining by installing new concrete lining above the existing lining along approximately 80 miles of the DMC.
- Raising the earthen embankment at deficient bank segments of the canal by adding fill material from existing borrow sites along 50 miles of canal right-of-way (ROW).
- Stabilizing the canal banks along the 18-mile earthen-lined segment of the canal (MP 98.64 to 116.59), which requires lowering the water depth in the earthen-lined segment of the canal by up to six feet during construction.
- Repairing distressed concrete lining above and below the water’s surface.
- Replacing 45 impacted vehicle bridges and 36 impacted pipeline crossings.
- Modifying 17 check structures and wasteways and 82 turnouts.
- Modifying drainage structures.

Comments on the EA/IS

1.1 Project Background and History

... Regional groundwater use is anticipated to allow for an additional two feet of inelastic subsidence until full implementation of the Sustainable Groundwater Management Act (SGMA) in 2040 with residual subsidence forecast to continue through the year 2070, the design life of the DMC.

Comment: *There is no citation to any reference document in support of this statement regarding the anticipated two feet of subsidence in EA/IS or in Appendix B where a similar statement is made. There is also no clear correlation between the proposed repairs to the DMC and this anticipated level of subsidence. The Groundwater Sustainability Plan for the Delta-Mendota Subbasin has been deemed incomplete by the Department of Water Resources subsequent to the release of the EA/IS. At minimum, further analysis must be prepared to support the assumption of only two additional feet of subsidence impacts through 2040. In addition, there is no effort to quantify the amount of potential residual subsidence after 2040 and how that undefined amount will be addressed as part of the Proposed Project. Finally, to the extent additional subsidence is reasonably foreseeable (which appears to be more likely than not), revised*

construction work, schedules, timelines, and impact analyses, particularly with respect to water supply impacts during construction must be prepared.

2.2.2.1 Operations During Construction

Some drawdowns of the canal water surface would be needed to support the low-flow construction activities; however, no outages would be required, thus providing flexibility in completing construction activities while minimizing impacts to water deliveries.

Comment: This description appears to be inconsistent with the Project Description and information provided in Appendices C and G regarding construction. For example, the Proposed Project includes repairs to the concrete lining “below the water’s surface.” The more detailed description of this work provided in Section C.2.2.2.1 states that: “Damaged concrete lining and material distorting the canal would be removed with underwater operations, and a grouted mattress would be installed and grouted with cement underwater at applicable locations.” FWA requests detailed confirmation that absolutely no dewatering of the DMC will be required during Project construction. Alternatively, if dewatering will potentially be required, there should be a description of the work and the proposed duration. Moreover, as discussed below, whether there is dewatering or simply reductions in DMC flows, the potential impacts of such flow reductions on the water supplies of the Friant Division Contractors as well as restorations flows and fisheries-related impacts for the SJRRP must be analyzed.

4.1.2 Significance Criteria (Surface Water Supply)

Comment: We note the following statement for reference to our comments below: “If water supply delivery changes are a reduction of five percent or greater, water supply impacts would be considered significant.” (Emphasis added.)

4.1.3 Environmental Consequences/Impacts of the No Action Alternative

... The reduced capacity of the DMC could limit the ability of Reclamation to meet CVP Exchange Contractor delivery requirements, which could result in a further reduction in deliveries to other south-of-Delta CVP contractors or require the release of water from Friant Dam to meet these senior water right deliveries.

Comment: FWA is uncertain if current and projected reduced capacity of the DMC could limit the ability of Reclamation to meet CVP Exchange Contractor delivery requirements from the DMC. It is unclear from the CalSim modeling (referred to in Appendix D) if simulated demands of the Exchange Contractors reflect current and future practices of transferring their substitute supplies. Exchange Contractors transfer up to 150 TAF of their substitute supply to other SOD contractors under their 2014-2038 Water Transfer Program depending on the year type. Modeling should be updated to reflect this

practice as current results overstate the DMC capacity constraints during peak summer months.

With respect to any releases of water from Friant Dam to meet Exchange Contractor requirements, such releases are based on “contract rights” under the Exchange Contract and not on any senior water rights. More importantly, this statement only appears in the No Action Alternative, and, as discussed below, no analysis of reduced DMC capacity during construction or the potential for a call on Friant is provided.

4.1.4.1 Construction of the Proposed Action

Construction of the Proposed Action is expected to last approximately seven and a half years. Some drawdowns of the canal water surface are needed to support construction activities; however, no partial outages are required, thus providing flexibility in completing construction activities without adversely impacting water supply deliveries. During construction, the Intertie Pumping Plant could be used to maintain CVP deliveries consistent with normal operations, in coordination with California Department of Water Resources (DWR). It is anticipated that because no outages would be needed, impacts to CVP water supply deliveries during construction of the Proposed Action would be minimal. In addition, Reclamation and SLDMWA would coordinate water delivery schedules during construction times to adjust water delivery as needed. **Therefore, construction of the Proposed Action would have a less than significant impact on CVP deliveries.**

Comment: *The assertion that absolutely no outage or dewatering of the DMC during the seven or more years of project construction is questionable as noted above. Putting that aside, the Project Description notes that there will be “drawdowns” of flows in the canal, but the above section contains no analysis of the impacts of such drawdowns, including whether or not at any time there could be a water supply delivery change of five percent or greater, which is deemed significant. Moreover, the Intertie is located at the northern end of the DMC and would not provide any alternative means of conveyance (as opposed to pumping) for virtually all of the DMC, which is located below the Intertie. Accordingly, the conclusion in Section 4.1.4.1 that construction of the Proposed Project would have a less than significant impact of CVP deliveries is wholly unsupported. A full analysis of potential water supply impacts from the numerous months and years where flows in the DMC will be reduced during construction of the Proposed Project must be prepared, and the revised analyses and any resulting changes to the EA/IS, including necessary mitigation measures must be made available for public review.*

COMMENTS ON THE EA/IS APPENDICES

Appendix C: Project Description

Figure C-1. Design Flows, Reduction in Flow, and Actual Flow Capacities in the DMC For Current and Future (With Future Subsidence) Conditions

Comment: *This figure displays potential future DMC capacity due to subsidence; however, nowhere in the document is their supporting analysis to justify the projections. There are references to a 2021 “Feasibility Study of the Structural Alternatives”; however, it is not listed in the references section nor is it easily found online and may not have been made available for public review.*

Table C-7. Assumptions for the Proposed Action Schedule Development

Comment: *This table provides a breakdown on the proposed construction activities, the “season designation” along with the duration of the construction work. For example, the work on the concrete lining is designated “low-flow work” but the applicable time period is (October – May) and the work is going to take over four years. The months of April and May are considered “critical” irrigation times under the Exchange Contract that governs Reclamation’s delivery obligations to the Exchange Contractors and have some of the highest monthly water delivery demands of the year. These months are clearly not “low-flow work” periods and could have a significant impact on deliveries through the DMC to the Exchange Contractors during construction, which in turn could impact the water supplies of Friant Division Contractors by either resulting in a call on Friant, or if the reduced DMC flows were to occur during a call on Friant, additional demands may be made on San Joaquin River water affecting not only Friant Division Contractors but the restorations flows of the SJRRP.*

Appendix D: CalSim Modeling Technical Report

Comment: *It is unclear from the CalSim modeling if simulated demands of the Exchange Contractors reflect current and future practices of transferring their substitute supplies. Exchange Contractors transfer up to 150 TAF of their substitute supply to other SOD contractors under their 2014-2038 Water Transfer Program depending on the year type. Modeling should be updated to reflect this practice as current results overstate the DMC capacity constraints during peak summer months.*

Appendix G: Water Supply Technical Appendix

G.1.1 Water in California

...The study area captures the CVP and SWP contractors that may be impacted by changes to the operation of the DMC and evaluates the water supply impacts that the construction and operation of the DMC Subsidence Correction Project (Project) would have on deliveries to the entirety of the study area.

G.1.3.2 Friant Division Contractors

Friant Division contractors, located on the east side of the San Joaquin Valley, receive water stored behind Friant Dam and delivered through the Friant-Kern and Madera Canals. In years in which Reclamation is otherwise unable to make contracted deliveries to Exchange Contractors, Reclamation can make a call on water stored in Millerton Reservoir, thereby requiring releases from Friant Dam (U.S. Congressional Research Service [CRS] 2022).

Comment: *As discussed below, despite the acknowledgement that reductions in south-of Delta deliveries to the Exchange Contractors and the Settlement Contractors (see G.1.3.3) through the DMC can result in calls on Friant and thus impacts to Friant Division Contractors (and the SJRRP), the water supply impact analysis in Appendix G fails to fully discuss such potential impacts.*

G.4.2.1 Impact WS-1: Would construction of the alternative change CVP deliveries to CVP contractors?

Construction of the Proposed Action is expected to last approximately seven and a half years. Some drawdowns of the canal water surface are needed to support construction activities, however no partial outages are required, thus providing flexibility in completing construction activities. During construction, the Intertie Pumping Plant could be used to maintain CVP deliveries consistent with existing operations, in coordination with DWR. It is anticipated that because no outages would be needed, impacts to water supply deliveries during construction of the Proposed Action would be minimal. **Construction of the Proposed Action would have a less than significant impact on CVP deliveries.**

Comment: *This analysis of construction impacts to water supply is cursory, the statement no “outages are required” seems suspect in light of the scope and types of construction activities, and as noted above, makes no attempt to quantify the amount or timing of “drawdowns”. Moreover, there is no mention of water supply impacts to Friant Division Contractors, and no mention anywhere in the EA/IS of water supply and biological resources impacts to the SJRRP. Accordingly, the document is deficient, an appropriate analysis must be prepared, and the revised document/applicable sections reposted for public comment.*

G.4.2.2 Impact WS-2: Would operation of the alternative change CVP deliveries to CVP contractors?

Comment: *This section contains no analysis of water supply impacts on Friant Division Contractors or the SJRRP. Accordingly, the document is deficient, an appropriate analysis must be prepared, and the revised document/applicable sections reposted for public comment.*

G.4.3 Mitigation Measures

No mitigation measures would be necessary to reduce impacts of the Proposed Action to the less than significant level.

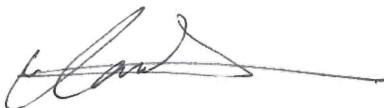
Comment: *Because there is no analysis of water supply impacts of the Proposed Project/Action during construction or arising from operation of the Proposed Project on Friant Division Contractors or the SJRRP, there is no substantial evidence to support this finding. The requisite analysis must be prepared, determinations made as to the level of significance of any impact, and depending on such determination, appropriate mitigation may be required, and if the impact cannot be reduced to less than significant, an EIR may be required and potentially a statement of overriding considerations adopted if impacts cannot be mitigated to less than significant.*

Comment: *Neither Appendix G nor M (Biological Survey Report) address potential water supply and related biological resources impacts on the San Joaquin River Restoration Program that may be affected by a call on Friant resulting from any temporary or permanent interruption or reduction in deliveries of substitute water to the Exchange Contractors and Settlement Contractors through the DMC. The requisite analysis must be prepared, determinations made as to the level of significance of any impact, and depending on such determination, appropriate mitigation may be required, and if the impact cannot be reduced to less than significant, an EIR may be required and potentially a statement of overriding considerations adopted if impacts cannot be mitigated to less than significant.*

Respectfully Submitted,



Donald M. Davis
General Counsel



Ian Buck-Macleod
Water Resources Manager



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