



BOARD OF DIRECTORS MEETING | Agenda

THURSDAY, FEBRUARY 29, 2024

CLOSED SESSION – 8:30 AM • OPEN SESSION – 10:00 AM

VISALIA CONVENTION CENTER 303 E. ACEQUIA 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.

Below is the meeting link for members of the public that would like to access the open session of the Board meeting remotely via Teams at 10:00 a.m.

Join on your computer, mobile or room device

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Meeting ID: 229 587 650 845

Passcode: AcaDmz

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. *NRDC v. Rogers*, U.S. District Court, Eastern District of California (Sacramento Division), Case No. 88-CV-1658-JAM-GGH.
2. *California Natural Resources Agency v. Raimondo*, United States District Court for the Eastern District of California, Case No. 1:20-CV-00426-DAD-EPG.
3. *CDWR Water Operations Cases, Sacramento County Superior Court, Case No. JCCP 5117.*

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

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

D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Government Code section 54956.8)

Property: Friant-Kern Canal facilities and right-of-way

Agency negotiator: CEO, COO, CFO, General Counsel

Negotiating parties: United States (Bureau of Reclamation)

Under negotiation: Middle Reach Capacity Correction Project Cost Share Agreement (price and terms of payment)

RECONVENE INTO OPEN SESSION (10:00 AM) (announce any reportable closed session action.) - (ERICKSON)

PUBLIC COMMENT / PUBLIC PRESENTATIONS – (ERICKSON)

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

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 January 19, 2024. (Erickson)
- B. Ratify January and February 2024 Bills and Accept the Financial Reports for January 2024. (Orvis)
- C. Approval of Previously Budgeted Fuel Management System Upgrade Purchase for Fiscal Year 2024. (Hickernell).

3. ACTION ITEMS (45 MINUTES)

- A. Fiscal Year 2023 Independent Financial Statement Audit (Orvis)
- B. Nominations and Appointment for Vacancy on Finance Committee. (Davis/Erickson)
- C. Third Amendment to Agreement for Conveyance of Water (Restoration Flows) with Banta-Carbona Irrigation District and Fifth Amendment to Agreement for Conveyance of Water (Restoration Flows) with Patterson Irrigation District. (Davis/Buck-Macleod)
- D. Resolution No. 2024-01 Authorizing an Application to the California Department of Water Resources for Grant Funding Under the Flood Diversion Recharge Enhancement Initiative for Friant-Kern Canal Repairs and Finding Such Project Categorically Exempt Under CEQA. (Buck-Macleod/Duncan)

4. GENERAL UPDATES & REPORTS (60 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) (5 minutes)
- F. San Luis & Delta-Mendota Water Authority Update. (Phillips/Orvis) (5 minutes)
- G. CEO Report. (Phillips) (10 minutes)

ADJOURNMENT

PUBLIC PARTICIPATION INFORMATION

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



BOARD OF DIRECTORS MEETING | Minutes

FRIDAY, JANUARY 19, 2024

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

VISALIA CONVENTION CENTER 303 E. ACEQUIA 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 8:31 a.m.

ATTENDANCE:

Directors Present:

| | |
|--------------------|---|
| Edwin Camp | Arvin-Edison W.S.D. (AEWSD) |
| Heoth Wooten | Delano Earlimart Irrigation District (DEID) |
| George Porter | Fresno I.D. (FID) |
| Chris Tantau | Kaweah Delta W.C.D. (KDWCD) |
| Kent Stephens | Kern-Tulare W.D. (KTWD) |
| Michael Brownfield | Lindmore I.D. (LID) |
| Cliff Loeffler | Lindsay-Strathmore I.D. (LSID) |
| Josh Pitigliano | Lower-Tule River I.D. (LTRID) |
| Jim Erickson | Madera I.D. (MID) |
| Arlen Miller | Orange Cove I.D. (OCID) |
| Bill DeGroot | Pixley Irrigation District (PIXID) |
| Brett McCowan | Porterville I.D. (PID) |
| Steven G. Kisling | Saucelito I.D. (SID) |
| Craig Fulwyler | Shafter Wasco Irrigation District (SWID) |
| Matthew Leider | Teapot Dome W.D. (TPWD) |
| Rick Borges | Tulare I.D. (TID) |

Associate Members:

| | |
|---------------|-----------------------------------|
| Keith Cosart | Exeter Irrigation District (EID) |
| Doug Phillips | Ivanhoe Irrigation District (IID) |

Directors Absent:

| | |
|----------------|-------------------------|
| Roger Schuh | Chowchilla W.D. (CWD) |
| Brock Buche | City of Fresno (CofF) |
| Geoff Galloway | Terra Bella I.D. (TBID) |

Associate Members Absent:

| | |
|-------------|--------------------------|
| Loren Booth | Hills Valley I.D. (HVID) |
| John Werner | Stone Corral I.D. (SCID) |

APPROVAL OF THE AGENDA

The Board approved the agenda as presented.

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

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. *NRDC v. Rogers*, U.S. District Court, Eastern District of California (Sacramento Division), Case No. 88-CV-1658-JAM-GGH.
2. *California Natural Resources Agency v. Raimondo*, United States District Court for the Eastern District of California, Case No. 1:20-CV-00426-DAD-EPG
3. *CDWR Water Operations Cases, Sacramento County Superior Court, Case No. JCCP 5117* (Formerly *Tehama Colusa Canal Authority v. California Dept. of Water Resources*)
4. *Sanchez et al. v. Friant Water Authority et al.*, United States District Court for the Eastern District of California (Fresno Division), Case No. 1:23-CV-01-01698-NODJ-SAB

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.

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

RECONVENE INTO OPEN SESSION

(10:39 a.m.) – General Counsel Davis reported the Board unanimously voted to approve a Memorandum of Agreement with the San Luis & Delta-Mendota Water Authority (SLDMWA) that outlines the framework and process for amending the current Memorandum of Understanding and resolving certain disputes between the agencies regarding OM&R costs for the San Luis Unit facilities operated and maintained by SLDMWA. (Roll Call Vote: Ayes – AESWD, DEID, FID, KDWCD, KTWD, LID, LTRID, LSID, MID, OCID, PID, PIXID, SID, SWID, TID, TPWD; Nays – 0; Absent – CWD, Coff, TBID)

PUBLIC COMMENT / PUBLIC PRESENTATIONS

Chairman Loeffler provided the meeting with an invocation at its closing. There was no further public comment.

2. CONSENT CALENDAR

- A. Approval of the Minutes – Board of Directors Meeting of December 8, 2023. (Erickson)
- B. Ratify December 2023 and January 2024 Bills and Accept the Financial Reports for December 2023. (Orvis)
- C. Ratify Purchase Order with UPL Open Ag Environmental Solutions for Endothal Aquatic Herbicide. (Orvis)
- D. Ratify Purchase Order with Builder’s Concrete for Concrete for South Section Panel Replacement. (Orvis)

M/S/C – Motion by Director Loeffler, seconded by Director Camp, to approve the consent calendar as presented with a correction to the minutes referencing Director Loeffler as the past chair of FWA. The motion carried. (Roll Call Vote: Ayes – AESWD, DEID, FID, KDWCD, KTWD, LID, LTRID, LSID, MID, OCID, PID, PIXID, SID, SWID, TID, TPWD; Nays – 0; Absent – CWD, Coff, TBID)

3. ACTION ITEMS

- A. Nominations and Potential Appointment for Vacancy on Finance Committee.
- B. General Counsel Davis advised the Board of the vacancy and noted that the committee also serves as the Human Resources Committee. Committee Chair Josh Pitigliano described the duties of the committee and invited any persons interested in serving on the committee to reach out to him, so that nominations can be made at the next regular board meeting.

4. GENERAL UPDATES & REPORTS

- A. FKC Middle Reach Capacity Correction Project Update - Construction Progress Report and Financial Summary.
Stantec’s Janet Atkinson provided a project update. It was reported that canal

embankment was placed along the entire alignment of the parallel canal, although because the paving machine is not able to run on rainy days, the canal lining work had not been completed. As of the end of December (based on cost) approximately 92 percent of the original contract amount of work has been performed, and the elapsed time was approximately 76.5 percent of the total contract time. There were six change orders this month for a total amount of \$897,773, the canal bifurcation tie-ins had the biggest impact to change order cost.

- B. Water Operations Update. Friant Operations – WRM Buck-Macleod covered water operations as outlined in the agenda report. It was reported December temperatures were generally above average across most of the State, while precipitation was about 50-75% of average for most of the State. The projections generally show that the high carryover storage at most reservoirs will provide a sufficient cushion and some level of water supply for most water users and prevent any danger of a call on Friant this summer. Reclamation declared on January 10 that carryover of 2023 Friant Division Class 1 Friant is to be managed at 17% division wide. Releases to upper sections of the Friant-Kern Canal began in the last week of the year concurrent with Milfoil treatment.
- C. External Affairs Activities– COO/CEA Amaral provided the report on external affairs. In State affairs, Sacramento is very busy in January, especially in the second year of a two-year session. All two-year bills, which are bills that did not pass last year and were held, are allowed to have the month of January to pass again. California is the only state in the nation to do this. So, the practical effect is that several hundred bills are receiving hearings in January and must be dispensed with by January 31st. Amaral also informed the Board that members of the FWA team including Miller, Borges, Fukuda, Ewell are headed to D.C. from February 4th through the 7th. In public affairs, once the parallel canal is completed there will be a ribbon cutting ceremony which all will be invited to (more details follow late March).
- D. O&M Report– General Superintendent Hickernell provided an update on some of the work being done during the canal dewatering. He presented a PowerPoint showing the extensive amount of work being performed this year.
- E. San Joaquin Valley Blueprint Update – Austin Ewell provided the agenda report on San Joaquin Valley Blueprint activities including Urban Water Agency Partnerships. Several meetings took place at ACWA and a request for a letter agreement with Urban Water Agencies has been requested for monetary participation and pursuit of water storage and conveyance opportunities. Additionally, Ewell will be attending from February 21-23, 2024, the Urban Water Institute’s Spring Water Conference in Palm Springs, California.
- F. San Luis & Delta-Mendota Water Authority Update – CFO Orvis provided the agenda report on current activities of SLDMWA. He reported that SLDMWA released their OM&R budget for contractor review and a workshop was held January 17, to review the budget in detail with contractors (including FWA); the budget is now out for the 60-day review. CEO Phillips added that the MOA approved in closed session should lead to an improved MOU with SLDMWA that will allow FWA enhanced participation in OM&R cost decisions and allocations, which are the responsibility of Friant Division Contractors related to the water delivered to the various Settlement Contractors.
- G. CEO Report – CEO Phillips provided an update on staff changes throughout several entities; Ernest Conrad is staying as an advisor to the Commissioner as Karl Strock takes over as

Regional Director. Jeff Payne, formerly with FWA and Reclamation, is now the Assistant General Manager at Westlands Water District. John Watts, after serving 20 years as Senior Water Advisor to Senator Feinstein, is now a Senior Counselor to Commissioner Camille Touton.

ADJOURNMENT

The meeting adjourned at 12:16 p.m.

Jason R. Phillips, Chief Executive Officer
Friant Water Authority

Vivian Felipe, Recording Secretary
Friant Water Authority

OTHERS IN ATTENDANCE:

| | |
|---------------------|----------------------------------|
| Aaron Fukuda | Tulare I.D. |
| Alex Peltzer | Counsel Various Districts |
| Andrew Hart | KTWD |
| Aubrey Mauritsen | Counsel |
| Austin Ewell | California Blueprint |
| Bill Stretch | Fresno I.D. |
| Bill Luce | Luce Consulting |
| Brian Thomas | FWA Consultant |
| Chris Hickernell | FWA |
| Chris Hunter | Lindmore I.D. |
| Craig Wallace | Lindsay-Strathmore I.D. |
| David Cameron | Counsel |
| David Dees | FWA |
| David Wierenga | Delano-Earlimart I.D. |
| Diego Cruz | Unknown |
| Dina Nolan | Madera I.D. |
| Don Davis | FWA Counsel |
| Douglas DeFlicht | Douglas DeFlicht Consulting LLC. |
| Douglas Jackson | Water & Land Solutions |
| Eric Limas | LTIRD, TPDWD, PIXID |
| Eric Quinley | Delano-Earlimart I.D. |
| Fergus Morrissey | OCID |
| Gene Kilgore | EID, IID, SCID |
| Geoff Vanden Heuvel | Milk Producers Council |
| Ian Buck-Macleod | FWA |
| Janet Atkinson | Stantec |
| Jason Phillips | FWA |
| Jeevan Muhar | Arvin-Edison W.S.D. |

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|--------------------|----------------------------|
| Jocelyn Bean | FWA |
| Johnny Amaral | FWA |
| Katie Duncan | FWA |
| Kris Lawrence | SWID |
| Kristin White | USBR |
| Kuyler Crocker | CCM |
| Lisa McEwen | Reporter, SJV Water |
| Maggie Suarez | FWA |
| Mia Swenson | FWA |
| Michael Jackson | USBR |
| Mike Hagman | Lindmore I.D./EKGSA |
| Nick Keller | HVID |
| Rufino Gonzalez | USBR |
| Sean Geivet | SID, PID, Terra Bella I.D. |
| Sebastian Silveira | Gladstone Land Corp. |
| Shane Smith | KDWCD |
| Skye Grass | KTWD |
| Steve Ottemoeller | FWA Consultant |
| Tom Barcellos | LTRID |
| Tom Greci | Madera I.D. |
| Vivian Felipe | FWA |
| Wilson Orvis | FWA |

AGENDA REPORT

AGENDA NO. 2.B.

DATE: February 29, 2024

TO: Board of Directors

FROM: Wilson Orvis, CFO

SUBJECT: Approve Bills for the Month of January (End-of-Month) and February 2024 and Accept the Financial Reports for Month Ending January 31, 2024

SUMMARY:

The Finance Committee met on February 26, 2024 and reviewed the bills for January (end-of-month) and February 2024 and the financial reports for month ending January 31, 2024. There was a quorum at the meeting.

FINANCE COMMITTEE ACTION:

At the February 26, 2024 meeting, the Finance Committee acted to recommend that Board of Directors approve payment of the January (end-of-month) and February 2024 bills in the amount of \$5,052,446.60 and accept the Financial Reports for month ending January 31, 2024.

SUGGESTED MOTION:

I move that the Board of Directors approve payment of the January (end-of-month) and February 2024 bills in the amount of \$5,052,446.60 and accept the Financial Reports for month ending January 31, 2024.

BUDGET IMPACT:

- \$2,260,485.72 (bills) and \$709,771.80 (payroll) is chargeable to the Operations, Maintenance, and Replacement (OM&R) Budget.
- \$118,271.31 (bills) and \$121,526.82 (payroll) is chargeable to the General Membership Budget;
- \$1,593,557.52 is attributable to San Luis & Delta-Mendota Water Authority (SLDMWA) for projected Settlement Contractor deliveries in the months of January and February 2024;
- \$12,162.30 is to be recovered under existing grant agreements; and
- \$236,671.13 is chargeable to Middle Reach Capacity Correction Project, Phase 1.

ATTACHMENTS:

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

BILLS TO BE PAID JANUARY 26, 2024

| NO. | PAYEE | O&M FUND | GM FUND | TOTAL | DESCRIPTION |
|------------|--------------------------------------|---------------------|----------------|--------------|---|
| 83 | A.R.E AUTO PARTS | \$ 223.47 | \$ - | \$ 223.47 | Parts-Delano Shop |
| 84 | ADT COMMERCIAL | 556.53 | - | 556.53 | Alarm Services-Delano & OC Yard |
| 85 | ALLIED CONCRETE PUMPING, LLC | 23,079.00 | - | 23,079.00 | Concrete Pumping |
| 86 | AMAZON CAPITOL SERVICES, INC. | 252.74 | - | 252.74 | Office & Kitchen Supplies |
| 87 | AT&T | 642.83 | - | 642.83 | Utilities-Delano & OC Yard |
| 88 | AUTO ZONE, INC. | 223.21 | - | 223.21 | Parts-Lindsay Shop & Water Ops |
| 89 | BERCHTOLD EQUIPMENT CO | 482.03 | - | 482.03 | Parts Delano Shop-Case 570 |
| 90 | BIG GREEN IT, LLC | 2,164.00 | - | 2,164.00 | IT Services- Microsoft 365, Teams |
| 91 | BLAST COAT SYSTEMS, INC. | 614.11 | - | 614.11 | Parts & Supplies-Delano Yard |
| 92 | CENTRAL VALLEY BUSINESS FORMS INC | 292.95 | 292.95 | 585.90 | Promotional Items-Offsite BOD Meeting |
| 93 | CENTRAL VALLEY TOOLS (SNAP ON) | 20.50 | - | 20.50 | Parts-Lindsay Shop |
| 94 | CINTAS CORPORATION #2 | 1,007.88 | - | 1,007.88 | Uniform Services-OC & Lindsay Yard |
| 95 | CINTAS CORPORATION #3 | 365.48 | - | 365.48 | Uniform Services-Delano Yard |
| 96 | CITY OF LINDSAY | 399.57 | - | 399.57 | Utilities |
| 97 | CITY OF ORANGE COVE | 425.45 | - | 425.45 | Utilities |
| 98 | COASTLINE EQUIPMENT | 553.10 | - | 553.10 | Equipment Rental |
| 99 | COMMUTER INDUSTRIES | 1,382.19 | 3,132.19 | 4,514.38 | Newsletter & Brochures for Offsite Planning |
| 100 | CULLIGAN OF LINDSAY | 129.25 | - | 129.25 | Water Services |
| 101 | DOWNS EQUIPMENT RENTALS, INC. | 22,600.00 | - | 22,600.00 | Excavator Rental-December |
| 102 | ECCO EQUIPMENT CORPORATION | 6,994.23 | - | 6,994.23 | Excavator Rental-January |
| 103 | FASTENAL COMPANY | 182.33 | - | 182.33 | Parts & Supplies-Water Ops |
| 104 | FEDEX | 139.09 | - | 139.09 | Shipping Services |
| 105 | FOOTHILL AUTO TRUCK & AG PARTS, INC. | 3,260.64 | - | 3,260.64 | Parst & Supplies-OC Shop |
| 106 | FRANZEN- HILL CORPORATION | 295.87 | - | 295.87 | Parts Delano Yard |
| 107 | FRONTIER | 963.56 | - | 963.56 | Utilities - Phone Services |
| 108 | FRUIT GROWERS SUPPLY CO | 481.71 | - | 481.71 | Supplies-OC,Water Ops & Delano Yard |
| 109 | FUSION CLOUD SERVICES, LLC | 216.16 | - | 216.16 | Long Distance Phone Service |
| 110 | GREG'S PETROLEUM SERVICE | 183.37 | - | 183.37 | Motor Oil Replacement-Lindsay |
| 111 | GROSSMAYER & ASSOCIATES | 232.50 | - | 232.50 | Great Plains Support |
| 112 | KASEYA US LLC | 2,650.82 | - | 2,650.82 | IT Services- Spam Blocking, Security |
| 113 | LAWSON PRODUCTS | 361.27 | - | 361.27 | Parts & Supplies-Lindsay Shop |
| 114 | LINDSAY TRUE VALUE | 49.51 | - | 49.51 | Parts-Water Ops |
| 115 | MID VALLEY DISPOSAL | 169.05 | - | 169.05 | Trash Service-Lindsay |
| 116 | ODP BUSINESS SOLUTIONS, LLC | 1,025.88 | - | 1,025.88 | Paper Supplies-October, December |
| 117 | PACIFIC GAS & ELECTRIC | 5,850.66 | - | 5,850.66 | Utilities |
| 118 | PACIFIC GAS AND ELECTRIC | 60.38 | - | 60.38 | Utilities |

BILLS TO BE PAID JANUARY 26, 2024

| NO. | PAYEE | O&M FUND | GM FUND | TOTAL | DESCRIPTION |
|-----|---------------------------|---------------|--------------|---------------|--|
| 119 | PAPE KENWORTH | 344.49 | - | 344.49 | Parts & Supplies-OC Shop (1108) |
| 120 | PBW DISTRIBUTOR INC | 1,065.29 | - | 1,065.29 | Parts-Lindsay Shop |
| 121 | PICK-EM UP TRUCK STORE | 180.00 | - | 180.00 | Parts & Service-Lindsay Shop |
| 122 | PROVOST & PRITCHARD INC | 2,105.10 | - | 2,105.10 | Consulting Servcies-November |
| 123 | PSW | 64.92 | - | 64.92 | Shredding Service |
| 124 | QUADIENT FINANCE USA, INC | 61.32 | - | 61.32 | Postage Services |
| 125 | QUILL CORPORATION | 251.87 | - | 251.87 | Office & Kitchen Supplies |
| 126 | ROBERT V. JENSEN, INC. | 20,792.58 | - | 20,792.58 | Unleaded 2600, Diesel 3,100 |
| 127 | SAN JOAQUIN PAINT & GLASS | 1,795.08 | - | 1,795.08 | Paint for Dewatering and Supplies |
| 128 | SAN JOAQUIN PEST CONTROL | 94.00 | - | 94.00 | Pest Conrol-January |
| 129 | SEVIERS AUTO SUPPLY | 404.38 | - | 404.38 | Parts-Delano Shop & Delano Yard |
| 130 | SO CAL GAS | 970.86 | - | 970.86 | Utilities |
| 131 | SOUTHERN TIRE MART | 141.59 | - | 141.59 | Tire Repair Service (2027) |
| 132 | STOP ALARM, INC. | 486.00 | - | 486.00 | Alarm Services-Lindsay Yard |
| 133 | STRR | 103.78 | - | 103.78 | Trash Service-Delano |
| 134 | SUNBELT RENTALS | 3,535.22 | - | 3,535.22 | Manlift Equipment Rental |
| 135 | THE FERGUSON GROUP, LLC | - | 121.17 | 121.17 | Consulting Servcies-November |
| 136 | THE REDESIGN GROUP | 4,284.27 | - | 4,284.27 | IT Help Desk December and Azure Cloud |
| 137 | UNITED RENTALS, INC. | 21,539.90 | - | 21,539.90 | Rammer, Roller, Towable Boom, Compressor, Forklift and Loader Rental |
| 138 | UNWIRED BROADBAND, INC. | 299.98 | - | 299.98 | Internet Service-Delano & OC Yard |
| 139 | VAST NETWORKS | 1,600.00 | - | 1,600.00 | Internet Service-July, December Lindsay |
| 140 | WEISENBERGERS | 20.29 | - | 20.29 | Parts-Lindsay Yard |
| 141 | ZENITH INSURANCE COMPANY | 19,823.00 | - | 19,823.00 | Workers Comp-December & January |
| 142 | ZIX CORPORATION | 280.00 | - | 280.00 | Email Security Software |
| 143 | SUBTOTAL SPENDING | \$ 158,775.24 | \$ 3,546.31 | \$ 162,321.55 | |
| 144 | PAYROLL FWA | 228,309.24 | 40,908.94 | 269,218.18 | End of Month Payroll Estimate |
| 145 | TOTAL OM&R | \$ 387,084.48 | \$ 44,455.25 | \$ 431,539.73 | |

| | | | | | |
|-----|---|---------------|------|---------------|--------------------------------|
| 146 | Middle Reach Capacity Correction Project Phase 1 | | | | |
| 147 | AT&T | \$ 193,669.16 | \$ - | \$ 193,669.16 | MRCCP Lands Utility Relocation |
| 148 | BENDER ROSENTHAL INCORPORATED | 480.00 | - | 480.00 | Consultant Services-December |
| 149 | SUBTOTAL - MRCCP | \$ 194,149.16 | \$ - | \$ 194,149.16 | |

FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, FEBRUARY 2024

BILLS PAID FEBRUARY 12, 2024

| NO. | PAYEE | O&M FUND | GM FUND | TOTAL | DESCRIPTION |
|-----|---------------------------------|------------|----------|------------|---|
| 1 | A.R.E AUTO PARTS | \$ 129.41 | \$ - | \$ 129.41 | Parts & Supplies |
| 2 | ACCO CABLE SPLICING, INC. | 357.23 | - | 357.23 | Gate Maintenance |
| 3 | ACWA / JPIA | 76,432.06 | 6,021.89 | 82,453.95 | Medical, Dental, Vision Insurance |
| 4 | ALLIED CONCRETE PUMPING, LLC | 18,972.73 | - | 18,972.73 | Concrete Pumping |
| 5 | AMAZON CAPITOL SERVICES, INC. | 254.98 | - | 254.98 | Office Supplies, Parts |
| 6 | AT&T | 965.13 | - | 965.13 | Utilities-Telephone |
| 7 | AUTO ZONE, INC. | 187.53 | - | 187.53 | Parts & Supplies-OC and Lindsay Yard |
| 8 | Bank of America | 39,582.10 | - | 39,582.10 | Various Visa Charges |
| 9 | BIG GREEN IT, LLC | 2,182.36 | - | 2,182.36 | IT Microsoft 365, Teams |
| 10 | BRIAN G. THOMAS CONSULTING, LLC | 875.00 | - | 875.00 | Consulting Services-January |
| 11 | BUCK-MACLEOD, IAN T. | 276.42 | 186.19 | 462.61 | Expense Claim Reimbursement |
| 12 | BUILDERS CONCRETE SALES, LLC | 21,842.71 | - | 21,842.71 | Concrete Lining Materials |
| 13 | BURKE, WILLIAMS & SORENSEN, LLP | 37,114.50 | 1,775.00 | 38,889.50 | Consulting Services-December |
| 14 | CENTRAL VALLEY TOOLS (SNAP ON) | 1,082.06 | - | 1,082.06 | Jack Stand-Delano Yard |
| 15 | CHAPAS AUTOMOTIVE | 1,039.82 | - | 1,039.82 | Parts-OC Shop |
| 16 | CINTAS CORPORATION #2 | 1,279.35 | - | 1,279.35 | Uniform Services-OC & Lindsay Yard |
| 17 | CINTAS CORPORATION #3 | 548.22 | - | 548.22 | Uniform Services-Delano Yard |
| 18 | CITY OF DELANO | 148.35 | - | 148.35 | Utilities |
| 19 | CITY OF FRESNO | 283,157.33 | - | 283,157.33 | WY2021 SLDMWA Refund, FY23 FKC Allocation (Reprint Check) |
| 20 | COMMUTER INDUSTRIES | - | 1,200.00 | 1,200.00 | Year-End Newsletter |
| 21 | COSART, KEITH | 160.13 | 160.12 | 320.25 | Room Reimbursement |
| 22 | DACO FARM SUPPLY | 373.59 | - | 373.59 | Parts & Supplies-Delano Yard |
| 23 | DELIZIOSA | 640.00 | - | 640.00 | Catering Employee Appreciation |
| 24 | DINUBA LUMBER COMPANY | 184.51 | - | 184.51 | Parts-OC Yard |
| 25 | DLT SOLUTIONS, LLC | 707.26 | - | 707.26 | AutoCad Subscription Renewal |
| 26 | DONALD M. DAVIS | 8,138.26 | - | 8,138.26 | Expense/Travel Cost Reimbursement |
| 27 | FEDEX | 640.77 | - | 640.77 | Shipping Services |

FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, FEBRUARY 2024

BILLS PAID FEBRUARY 12, 2024

| NO. | PAYEE | O&M FUND | GM FUND | TOTAL | DESCRIPTION |
|-----|--------------------------------------|------------|----------|------------|---|
| 28 | FOOTHILL AUTO TRUCK & AG PARTS, INC. | 825.57 | - | 825.57 | Parts-Water Ops, OC Shop |
| 29 | FRONTIER | 966.33 | - | 966.33 | Utilities - Phone Services |
| 30 | FRUIT GROWERS SUPPLY CO | 403.29 | - | 403.29 | Parts-Water Ops, OC Shop |
| 31 | GRAINGER | 2,927.25 | - | 2,927.25 | Parts-Water Ops, OC Yard |
| 32 | GREG'S PETROLEUM SERVICE | 289.95 | - | 289.95 | Motor Oil-Lindsay Shop |
| 33 | GROSSMAYER & ASSOCIATES | 13,416.39 | - | 13,416.39 | Great Plains Support, Annual GP Update, Payroll |
| 34 | HENDERSON CPAS | 8,500.00 | - | 8,500.00 | Audit Service 2023-December |
| 35 | HOME DEPOT CREDIT SERVICES | 2,078.07 | - | 2,078.07 | Parts & Supplies-OC & Delano Yard |
| 36 | INTELLISITE, LLC | 169,220.49 | - | 169,220.49 | Intellisite Scada Contract Renewal |
| 37 | KAN VENTURES, INC. | - | 8,220.00 | 8,220.00 | Consulting Services-October, January |
| 38 | KASEYA US LLC | 1,056.38 | - | 1,056.38 | IT Security Services |
| 39 | LINCOLN NATIONAL LIFE INSURANCE CO. | 4,107.61 | 390.60 | 4,498.21 | Disability Insurance |
| 40 | MEDALLION SUPPLY COMPANY | 489.52 | - | 489.52 | Supplies-Water Ops |
| 41 | MICRODESK, LLC | 238.00 | - | 238.00 | Bluebeam Subscription Renewal |
| 42 | MOTION INDUSTRIES, INC. | 10,645.99 | - | 10,645.99 | Jseal Supplies, Freight |
| 43 | ORANGE COVE TIRE SERVICE | 1,980.16 | - | 1,980.16 | Tire Repair |
| 44 | OROZCO, FERNANDO | 176.27 | - | 176.27 | Reimbursement: Safety Boots |
| 45 | PACIFIC GAS & ELECTRIC | 59.27 | - | 59.27 | Utilities |
| 46 | PBW DISTRIBUTOR INC | 893.26 | - | 893.26 | Supplies-Lindsay Shop |
| 47 | PORTERVILLE FORD | 630.09 | - | 630.09 | Supplies-Lindsay Shop |
| 48 | PRINCIPAL LIFE INSURANCE COMPANY | - | 1,312.05 | 1,312.05 | Retirement Plan |
| 49 | ROBERT V. JENSEN, INC. | 19,524.90 | - | 19,524.90 | Unleaded 2,315 Gal, 2,772 Diesel Gal |
| 50 | SAN JOAQUIN PAINT & GLASS | 420.11 | - | 420.11 | Paint Supplies-Delano Yard |
| 51 | SAN JOAQUIN PEST CONTROL | 94.00 | - | 94.00 | Pest Control-Lindsay Yard |
| 52 | SEVIERS AUTO SUPPLY | 453.20 | - | 453.20 | Parts-Delano Yard |
| 53 | SMART & FINAL CORP | 111.91 | - | 111.91 | Food Supplies |
| 54 | SO CAL GAS | 885.98 | - | 885.98 | Utilities |
| 55 | SOMACH SIMMONS & DUNN | - | 9,339.92 | 9,339.92 | Consulting Services-December |
| 56 | SOUTHERN CALIF EDISON | 3,069.57 | - | 3,069.57 | Utilities |
| 57 | SOUTHERN TIRE MART | 2,953.88 | - | 2,953.88 | Tire Repair Delano/Lindsay (RTA 3026, 3304, 2048) |

FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, FEBRUARY 2024

BILLS PAID FEBRUARY 12, 2024

| NO. | PAYEE | O&M FUND | GM FUND | TOTAL | DESCRIPTION |
|-----|---|-----------------|---------------|-----------------|--|
| 58 | SPRAYING DEVICES, INC. | 457.34 | - | 457.34 | Parts-Lindsay & Delano Yard |
| 59 | STANDARD INSURANCE CO | 7,547.84 | 1,865.50 | 9,413.34 | Survivors' Life Insurance |
| 60 | STANTEC CONSULTING SERVICES INC. | 18,801.61 | - | 18,801.61 | Consulting Services-December |
| 61 | STOEL RIVES LLP | - | 2,346.75 | 2,346.75 | Professional Services-December |
| 62 | TECHNOFLO SYSTEMS | 11,991.62 | - | 11,991.62 | Meter Calibration |
| 63 | THE FERGUSON GROUP, LLC | - | 4,666.66 | 4,666.66 | Consulting Services-Novemer, December |
| 64 | THE REDESIGN GROUP | 5,613.97 | - | 5,613.97 | IT Help Desk |
| 65 | UNITED RENTALS, INC. | 7,931.48 | - | 7,931.48 | Steer Loader Final |
| 66 | UNWIRED BROADBAND, INC. | 299.98 | - | 299.98 | Internet Services-OC and Delano Yard |
| 67 | VALLEY PACIFIC PETROLEUM SERVICES, INC. | 44,865.87 | - | 44,865.87 | Unleaded 7,850 Gal, 10,104 Diesel Gal |
| 68 | VAST NETWORKS | 800.00 | - | 800.00 | Internet Service-Lindsay Yard |
| 69 | VERIZON WIRELESS | 5,291.90 | - | 5,291.90 | Phone Services, SCADA Mobile to Mobile |
| 70 | VIKING READY MIX SALES, LLC. | 205,791.03 | - | 205,791.03 | Concrete Lining Materials |
| 71 | VILLINES GROUP, LLC | - | 4,000.00 | 4,000.00 | Consulting Services-December |
| 72 | VISALIA CONVENTION CENTER | 1,579.00 | - | 1,579.00 | Board Meeting Room |
| 73 | WATER AND POWER LAW GROUP PC | - | 21,632.15 | 21,632.15 | Special Counsel Services-January |
| 74 | WEISENBERGERS | 760.36 | - | 760.36 | Parts-Water Ops |
| 75 | ZENITH INSURANCE COMPANY | 9,908.00 | - | 9,908.00 | Workers Comp-January |
| 76 | ZIX CORPORATION | 280.00 | - | 280.00 | Email Security Software |
| 77 | ZIX CORPORATION | 280.00 | - | 280.00 | Email Security Software |
| 78 | SUBTOTAL SPENDING | \$ 1,065,889.25 | \$ 63,116.83 | \$ 1,129,006.08 | |
| 79 | PAYROLL FWA | 253,153.32 | 39,708.94 | 292,862.26 | Total Mid-Month Payroll |
| 80 | TOTAL OM&R | \$ 1,319,042.57 | \$ 102,825.77 | \$ 1,421,868.34 | |

FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, FEBRUARY 2024

BILLS PAID FEBRUARY 12, 2024

| NO. | PAYEE | O&M FUND | GM FUND | TOTAL | DESCRIPTION |
|-----|--|-----------------|---------------|-----------------|--|
| 81 | Middle Reach Capacity Correction Project Phase 1 | | | | |
| 82 | BENDER ROSENTHAL INCORPORATED | \$ 3,071.97 | \$ - | \$ 3,071.97 | Lands Soft Cost |
| 83 | BRIAN G. THOMAS CONSULTING, LLC | 3,000.00 | - | 3,000.00 | Consulting Services-January |
| 84 | BURKE, WILLIAMS & SORENSEN, LLP | 450.00 | - | 450.00 | Consulting Services-December |
| 85 | KAN VENTURES, INC. | 12,000.00 | - | 12,000.00 | Consulting Services-October, January |
| 86 | THE FERGUSON GROUP, LLC | 12,000.00 | - | 12,000.00 | Consulting Services-November, December |
| 87 | VILLINES GROUP, LLC | 6,000.00 | - | 6,000.00 | Consulting Services-December |
| 88 | SUBTOTAL - MRCCP | \$ 36,521.97 | \$ - | \$ 36,521.97 | |
| 89 | Pumpback Project | | | | |
| 90 | CDM SMITH | \$ 12,162.37 | \$ - | \$ 12,162.37 | Pumpback Project - Consulting Services |
| 91 | SUBTOTAL - PUMBACK | \$ 12,162.37 | \$ - | \$ 12,162.37 | |
| 92 | TOTAL - MID MONTH | \$ 1,355,564.54 | \$ 102,825.77 | \$ 1,458,390.31 | |

BILLS TO BE PAID FEBRUARY 29, 2024

| NO. | PAYEE | O&M FUND | GM FUND | TOTAL | DESCRIPTION |
|------------|--|---------------------|----------------|--------------|--|
| 93 | AAA QUALITY SERVICES, INC. | \$ 77.33 | \$ - | \$ 77.33 | Portable Restroom Rental |
| 94 | AECOM TECHNICAL SERVICES, INC. | - | 2,148.72 | 2,148.72 | Consulting Services-January |
| 95 | AIRBORNE SNOW OBSERVATORIES | 354,713.54 | - | 354,713.54 | Snow Monitoring/Flight Survey |
| 96 | ALLEGRETTO VINEYARD RESORT | 6,410.00 | 6,410.00 | 12,820.00 | FY25 Offsite BOD Planning-Deposit |
| 97 | AMARAL, JOHNNY | - | 30.00 | 30.00 | Expense Claim Reimbursement |
| 98 | AMAZON CAPITOL SERVICES, INC. | 755.11 | - | 755.11 | Office & Kitchen Supplies |
| 99 | AUTO ZONE, INC. | 754.48 | - | 754.48 | Supplies-OC Yard |
| 100 | BATTERY SYSTEMS INC. | 136.30 | - | 136.30 | Battery Replacement |
| 101 | BELLO VITA VENUE | 7,095.51 | - | 7,095.51 | BOD Meeting Room December, January |
| 102 | BILL LUCE CONSULTING | 808.50 | 7,507.50 | 8,316.00 | Consulting Services-December, January |
| 103 | BOOT BARN INC. | 584.01 | - | 584.01 | Boots 3 Pairs |
| 104 | CALIF. TURF EQUIPMENT& SUPPLY, INC. | 40.66 | - | 40.66 | Parts-Lindsay Shop |
| 105 | CALIFORNIA ASSOCIATION OF MUTUAL WATER COMPANIES | 500.00 | - | 500.00 | Annual Membership |
| 106 | CEMEX, INC. | 43,232.65 | - | 43,232.65 | Concrete Dewatering |
| 107 | CHEVRON AND TEXACO CARD SERVICES | 563.74 | - | 563.74 | Fueling, November and January |
| 108 | CINTAS CORPORATION #2 | 1,009.32 | - | 1,009.32 | Uniform Services-OC & Lindsay Yard |
| 109 | CINTAS CORPORATION #3 | 182.74 | - | 182.74 | Uniforms-Delano Yard |
| 110 | CITY OF LINDSAY | 319.56 | - | 319.56 | Utilities |
| 111 | CITY OF ORANGE COVE | 425.45 | - | 425.45 | Utilities |
| 112 | CULLIGAN OF LINDSAY | 146.75 | - | 146.75 | Water Services-Lindsay |
| 113 | D H MACHINE, INC. | 728.26 | - | 728.26 | Parts & Supplies-OC Yard |
| 114 | DACO FARM SUPPLY | 781.14 | - | 781.14 | Parts & Supplies-Lindsay & Delano Shop (3104,3016) |
| 115 | DINUBA GLASS CO. | 229.81 | - | 229.81 | Windshield Repair |
| 116 | DINUBA LUMBER COMPANY | 1,308.31 | - | 1,308.31 | Parts & Supplies-OC Yard |
| 117 | DOWNS EQUIPMENT RENTALS, INC. | 3,447.81 | - | 3,447.81 | Excavator Rental Final |
| 118 | DUNCAN, KATIE | 241.69 | 241.70 | 483.39 | Expense Claim Reimbursement |
| 119 | E M THARP INC | 4,481.37 | - | 4,481.37 | Smog Test and ECM Sensor Replacement (3104) |
| 120 | ENVIRONMENTAL SCIENCE ASSOCIATES | 4,577.75 | - | 4,577.75 | Professional Services-October |
| 121 | EXECUTIVE SUITES AT RIVER BLUFF, LP | - | 2,005.00 | 2,005.00 | Office Rent February |
| 122 | FOOTHILL AUTO TRUCK & AG PARTS, INC. | 2,210.62 | - | 2,210.62 | Parts & Supplies-OC Yard |
| 123 | FRESNO COUNTY WATER WORKS | 693.48 | - | 693.48 | WY2021 SLDMWA Refund (Reprint) |
| 124 | FRUIT GROWERS SUPPLY CO | 987.98 | - | 987.98 | Parts & Supplies-Delano & OC Yard |
| 125 | FUSION CLOUD SERVICES, LLC | 230.35 | - | 230.35 | Long Distance Telephone |
| 126 | GEOTECH ENVIRONMENTAL EQUIPMENT, INC. | 25,577.45 | - | 25,577.45 | Transducer & Sondes for Canal |

BILLS TO BE PAID FEBRUARY 29, 2024

| NO. | PAYEE | O&M FUND | GM FUND | TOTAL | DESCRIPTION |
|------------|--|---------------------|----------------|--------------|---|
| 127 | GRAINGER | 3,053.88 | - | 3,053.88 | Parts & Supplies- All Yards |
| 128 | HOME DEPOT CREDIT SERVICES | 3,436.98 | - | 3,436.98 | Parts & Supplies- All Yards |
| 129 | INDUSTRIAL ELECTRICAL CO. | 4,800.00 | - | 4,800.00 | Offsite Pumping Modesto Storages |
| 130 | JACK GRIGGS INC. | 63.93 | - | 63.93 | Propane Fuel |
| 131 | JIM'S STEEL SUPPLY | 428.27 | - | 428.27 | Supplies-Delano Yard |
| 132 | KINGS INDUSTRIAL OCCUPATIONAL MEDICAL CENTER | 1,400.40 | - | 1,400.40 | DOT Physicals |
| 133 | MARTIN TERMITE & PEST CONTROL | 50.00 | - | 50.00 | Pest Control |
| 134 | MBK ENGINEERS | 5,503.00 | - | 5,503.00 | Consulting Services-December |
| 135 | MEDALLION SUPPLY COMPANY | 6,282.16 | - | 6,282.16 | Supplies-Water Ops |
| 136 | MEREDITH BEZDEK | - | 712.50 | 712.50 | Social Media and Communications |
| 137 | MID VALLEY DISPOSAL | 169.05 | - | 169.05 | Trash Service |
| 138 | MONARCH FORD | 453.65 | - | 453.65 | Parts & Service-Delano Shop |
| 139 | MOONLIGHT MAINTENANCE SERVICES | 4,658.78 | - | 4,658.78 | Janitorial- December,January |
| 140 | ORANGE COVE TIRE SERVICE | 20.00 | - | 20.00 | Tire Repair-OC Shop |
| 141 | PACIFIC GAS & ELECTRIC | 128.62 | - | 128.62 | Utilities |
| 142 | PACIFIC GAS AND ELECTRIC | 60.38 | - | 60.38 | Utilites |
| 143 | PATTERSON IRRIGATION DISTRICT | 305,100.00 | - | 305,100.00 | Water Recapture-January |
| 144 | PBW DISTRIBUTOR INC | 41.76 | - | 41.76 | Parts & Supplies-Lindsay Yard |
| 145 | POWER BUSINESS TECHNOLOGY | 15.95 | - | 15.95 | Toner Services |
| 146 | PSW | 64.92 | - | 64.92 | Shredding Service |
| 147 | QUILL CORPORATION | 635.14 | - | 635.14 | Office Supplies |
| 148 | QUINN COMPANY | 4,111.13 | - | 4,111.13 | Parts & Supplies-OC Shop & Lindsay Shop (loader,excavator) |
| 149 | SAN JOAQUIN PAINT & GLASS | 11.09 | - | 11.09 | Supplies-Delano Yard |
| 150 | SAN JOAQUIN PEST CONTROL | 94.00 | - | 94.00 | Pest Control Services |
| 151 | SC INDUSTRIES / CONTEC HOIST& RIGGING | 505.08 | - | 505.08 | Parts-OC Shop |
| 152 | SEVIERS AUTO SUPPLY | 34.62 | - | 34.62 | Parts & Supplies-Delano Yard |
| 153 | SHERWIN WILLIAMS CO. | 405.54 | - | 405.54 | Paint Supplies-Lindsay Yard |
| 154 | SO CAL GAS | 157.51 | - | 157.51 | Utilities |
| 155 | SOLO STOVE | 7,731.98 | - | 7,731.98 | Appreciation EE |
| 156 | SOMACH SIMMONS & DUNN | - | 9,128.00 | 9,128.00 | Consulting Services-January |
| 157 | SOUTHERN TIRE MART | 397.12 | - | 397.12 | Tire Repair-Delano Shop (3207) |
| 158 | SPRAYING DEVICES, INC. | 77.32 | - | 77.32 | Parts & Supplies-Lindsay Yard |
| 159 | STANTEC CONSULTING SERVICES INC. | 43,780.25 | - | 43,780.25 | Consulting Services-January |

BILLS TO BE PAID FEBRUARY 29, 2024

| NO. | PAYEE | O&M FUND | GM FUND | TOTAL | DESCRIPTION |
|------------|--|------------------------|----------------------|------------------------|--------------------------------------|
| 160 | STOEL RIVES LLP | - | 2,424.75 | 2,424.75 | Professional Services-February 2022 |
| 161 | STRR | 212.23 | - | 212.23 | Trash Service |
| 162 | TECHNOFLO SYSTEMS | 2,091.17 | - | 2,091.17 | Meter Repair-December |
| 163 | TOSHIBA FINANCIAL SERVICES | 15.08 | - | 15.08 | Lease Office Equipment-February |
| 164 | UPL NA, INC | 162,335.64 | - | 162,335.64 | Millfoil-Weed & Pest Control |
| 165 | VALLEY PACIFIC PETROLEUM SERVICES, INC. | 11,568.45 | - | 11,568.45 | Unleaded 3,035 Gal |
| 166 | VILLINES GROUP, LLC | - | 4,000.00 | 4,000.00 | Consulting Services-January |
| 167 | WATER AND POWER LAW GROUP PC | - | 17,000.00 | 17,000.00 | Special Counsel Services-December |
| 168 | WEISENBERGERS | 282.05 | - | 282.05 | Parts & Supplies-Lindsay & Water Ops |
| 169 | WHITE CAP, LP | 777.43 | - | 777.43 | Equipment Rental-OC Yard |
| 170 | WIENHOFF DRUG TESTING | 1,615.00 | - | 1,615.00 | Annual Membership |
| 171 | SUBTOTAL SPENDING | \$ 1,035,821.23 | \$ 51,608.17 | \$ 1,087,429.40 | |
| 172 | PAYROLL FWA | 228,309.24 | 40,908.94 | 269,218.18 | End of Month Payroll Estimate |
| 173 | TOTAL OM&R | \$ 1,264,130.47 | \$ 92,517.11 | \$ 1,356,647.58 | |
| | | | | | |
| 174 | Middle Reach Capacity Correction Project Phase 1 | | | | |
| 175 | VILLINES GROUP, LLC | \$ 6,000.00 | \$ - | \$ 6,000.00 | Consulting Services-January |
| 176 | SUBTOTAL - MRCCP | \$ 6,000.00 | \$ - | \$ 6,000.00 | |
| | | | | | |
| 177 | San Luis & Delta-Mendota Canal: | | | | |
| 178 | SLDMWA OM & R CHARGES - PAID VIA WIRE | \$ 1,164,736.10 | \$ - | \$ 1,164,736.10 | March 2024 Estimate |
| 179 | Subtotal - SLDMWA | \$ 1,164,736.10 | \$ - | \$ 1,164,736.10 | |
| | | | | | |
| 180 | TOTAL - END OF MONTH | \$ 2,434,866.57 | \$ 92,517.11 | \$ 2,527,383.68 | |
| 181 | GRAND TOTALS | \$ 3,790,431.11 | \$ 195,342.88 | \$ 3,985,773.99 | |

FRIANT WATER AUTHORITY

CASH ACTIVITY BALANCE MONTH ENDING JANUARY 31, 2024

| | Beginning Balance | Increases | Decreases | Ending Balance |
|------------------------------|----------------------|---------------------|-----------------------|----------------------|
| FKC Operations & Maintenance | \$ 51,662,250 | \$ 3,563,280 | \$ (2,213,136) | \$ 53,012,394 |
| SLDMWA | 2,724,943 | 233,237 | (428,821) | 2,529,358 |
| Total | \$ 54,387,193 | \$ 3,796,517 | \$ (2,641,957) | \$ 55,541,753 |
| General Member | 513,495 | 1,598 | (112,161) | 402,933 |
| | | | Total | \$ 55,944,686 |

BANK ACTIVITY BALANCE MONTH ENDING JANUARY 31, 2024

| | | | | |
|-------------------------------------|------------|-----------|--------------|----------------------|
| Local Agency Investment Fund | \$ 132,923 | \$ 1,335 | - | \$ 134,259 |
| California Asset Management Program | 54,504,068 | 1,658,117 | (400,000) | 55,762,185 |
| Bank of the Sierra | 263,697 | 2,138,663 | (2,354,118) | 48,242 |
| | | | Total | \$ 55,944,686 |

Note:

Most Current Interest Rate: For the month ended January 31, 2024, effective yield 4.012%

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

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

**FRIANT WATER AUTHORITY
O&M FUND
CASH ACTIVITY REPORT
MONTH ENDING JANUARY 31, 2024**

| | <u>Checking & Investments</u> | <u>Payroll Checking</u> | <u>Petty Cash</u> | <u>Total</u> |
|---|---------------------------------------|-----------------------------|-----------------------|----------------------|
| CASH BALANCE DECEMBER 31, 2023 | \$ 54,386,392 | \$ - | \$ 800 | \$ 54,387,192 |
| Increases: | | | | |
| District O&M receipts | 635,719 | | | 635,719 |
| Revenue from MRCCP | 1,332,913 | | | 1,332,913 |
| SLDMWA receipts | 233,237 | | | 233,237 |
| FKC Systemwide Capacity Correction Cost Share MOU | 167,500 | | | 167,500 |
| Recapture | 301,050 | | | 301,050 |
| Conveyance Fee | 279,720 | | | 279,720 |
| Interest Revenue | 257,936 | | | 257,936 |
| Miscellaneous deposits | 69,469 | | | 69,469 |
| Administration Allocation | (11,581) | | | (11,581) |
| Payroll deposits | | 530,555 | | 530,555 |
| Total Increases | <u>\$ 3,265,963</u> | <u>\$ 530,555</u> | <u>\$ -</u> | <u>\$ 3,796,517</u> |
| Decreases: | | | | |
| O&M Routine Expenditures | \$ 406,115 | | | \$ 406,115 |
| Fixed Assets | 221,992 | | | 221,992.47 |
| Dewatering Expenses | 142,677 | | | 142,676.52 |
| MRCCP | 214,794 | | | 214,794 |
| Wire to SLDMWA - O&MR Charges - February Estimate | 428,821 | | | 428,821 |
| FKC Systemwide Capacity Correction Cost Share MOU | 3,774 | | | 3,774 |
| Recapture | 162,675 | | | 162,675 |
| Payroll Cash Outlays | 530,555 | 530,555 | | 1,061,109 |
| Total Decreases | <u>\$ 2,111,403</u> | <u>\$ 530,555</u> | <u>\$ -</u> | <u>\$ 2,641,957</u> |
| CASH BALANCE BEFORE INTERFUND ACTIVITY | <u>\$ 55,540,952</u> | <u>\$ -</u> | <u>\$ 800</u> | <u>\$ 55,541,752</u> |
| Interfund transfer to O&M | - | | | - |
| CASH BALANCE JANUARY 31, 2024 | <u>\$ 55,540,952</u> | <u>\$ -</u> | <u>\$ 800</u> | <u>\$ 55,541,752</u> |

**FRIANT WATER AUTHORITY
GENERAL MEMBERS FUND
CASH ACTIVITY REPORT
MONTH ENDING JANUARY 31, 2024**

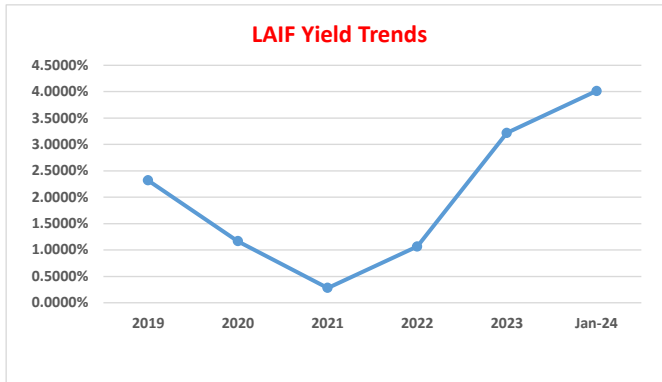
| | | | |
|---|----|----------|---------|
| CASH BALANCE DECEMBER 31, 2023 | | \$ | 513,496 |
| Increases: | | | |
| Member Assessments | \$ | - | |
| Interest Revenue | | 1,598 | 1,598 |
| Decreases: | | | |
| Annual membership dues | \$ | 50,000 | |
| Consulting | | 57,798 | |
| Rent & Facility Expense | | 2,005 | |
| Administrative Service Fees | | 3,425 | |
| Board Retreat | | (9,631) | |
| Meetings | | 4,599 | |
| | \$ | 108,196 | |
| Reimburse O&M: | | | |
| Current Month Payroll & Benefits | | 62,950 | |
| Current Month Payroll & Benefits to O&M | | (47,405) | |
| Administration Allocation | | (11,581) | |
| Less Total Cash Disbursements | | \$ | 112,161 |
| CASH BALANCE BEFORE INTERFUND ACTIVITY | | \$ | 402,933 |
| Interfund transfer to O&M | | | - |
| CASH BALANCE JANUARY 31, 2024 | | \$ | 402,933 |

**FRIANT WATER AUTHORITY
CASH ACTIVITY REPORT
MONTH ENDING JANUARY 31, 2024
LOCAL AGENCY INVESTMENT FUND (L.A.I.F)
(FUNDS ON DEPOSIT WITH STATE OF CALIFORNIA)**

| | | |
|--------------------------------|------------|-------------------|
| CASH BALANCE DECEMBER 31, 2023 | | \$ 132,923 |
| Increases: | | |
| Transfer from checking | - | |
| Interest Revenue | 1,335 | 1,335 |
| Decreases: | | |
| Transfer to checking | - | |
| CASH BALANCE JANUARY 31, 2024 | | <u>\$ 134,259</u> |
| Balance ascribed to: | | |
| O&M Fund | \$ 133,292 | |
| General Member Fund | 967 | |
| | | <u>\$ 134,259</u> |

Note:

*Most Current Interest Rate: For the month ended January 31, 2024, effective yield 4.012%
The Authority's investments are in compliance with its Statement of Investment Policy dated March 3, 2023.
Management believes it is fully able to meet its expenditure requirements for the next six months.*



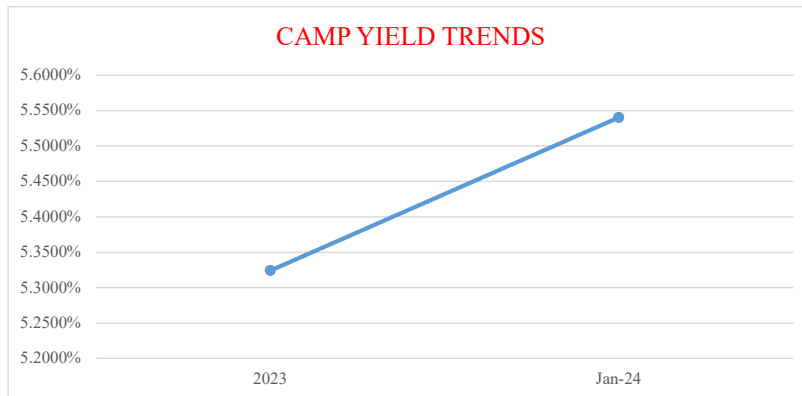
| | |
|--------|---------|
| 2019 | 2.3201% |
| 2020 | 1.1679% |
| 2021 | 0.2837% |
| 2022 | 1.0660% |
| 2023 | 3.2188% |
| Jan-24 | 4.0120% |

**FRIANT WATER AUTHORITY
CASH ACTIVITY REPORT
MONTH ENDING JANUARY 31, 2024
CALIFORNIA ASSET MANAGEMENT PROGRAM (C.A.M.P.)**

| | | |
|--------------------------------|----------------|-----------------------------|
| CASH BALANCE DECEMBER 31, 2023 | | <u>\$ 54,504,067</u> |
| Increases: | | |
| Transfer from checking | \$ 1,400,000 | |
| Interest Revenue | <u>258,117</u> | 1,658,117 |
| Decreases: | | |
| Transfer to checking | (400,000) | |
| CASH BALANCE JANUARY 31, 2024 | | <u><u>\$ 55,762,185</u></u> |
| Balance ascribed to: | | |
| O&M Fund | \$ 55,360,218 | |
| General Member Fund | <u>401,966</u> | |
| | | <u><u>\$ 55,762,185</u></u> |

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

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



| | |
|--------|---------|
| 2023 | 5.3240% |
| Jan-24 | 5.5400% |

Reviewed by:

Edwin Roberts and Patricia Cruz

| Interest Revenue Summary | | | | | |
|---------------------------------|---------------------------------|--------------------------------|----------------------------|---------------------------------------|------------------------|
| | O&M Interest Revenue | SLDMWA Interest Revenue | GM Interest Revenue | MRCCP Phase 1 Interest Revenue | Total |
| CAMP Interests | | | | | |
| Oct-23 | \$ 29,727.51 | \$ 9,374.61 | \$ 1,110.36 | \$ 200,212.25 | \$ 240,424.73 |
| Nov-23 | \$ 33,274.39 | \$ 12,152.68 | \$ 2,793.36 | \$ 214,451.28 | \$ 262,671.71 |
| Dec-23 | \$ 35,189.70 | \$ 13,057.40 | \$ 2,448.11 | \$ 212,377.46 | \$ 263,072.67 |
| Jan-24 | \$ 34,201.13 | \$ 11,724.33 | \$ 1,586.89 | \$ 210,604.90 | \$ 258,117.25 |
| Subtotal-CAMP | \$ 132,392.73 | \$ 46,309.02 | \$ 7,938.72 | \$ 837,645.89 | \$ 1,024,286.36 |
| LAIF Interests | | | | | |
| Oct-23 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Nov-23 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Dec-23 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Jan-24 | \$ 170.88 | \$ 60.02 | \$ 10.97 | \$ 1,093.55 | \$ 1,335.42 |
| Subtotal-LAIF | \$ 170.88 | \$ 60.02 | \$ 10.97 | \$ 1,093.55 | \$ 1,335.42 |
| Bank Interests | | | | | |
| Oct-23 | \$ 10.33 | \$ 3.26 | \$ 0.39 | \$ 69.58 | \$ 83.55 |
| Nov-23 | \$ 10.40 | \$ 3.80 | \$ 0.87 | \$ 67.03 | \$ 82.10 |
| Dec-23 | \$ 21.36 | \$ 7.92 | \$ 1.49 | \$ 128.87 | \$ 159.64 |
| Jan-24 | \$ 10.86 | \$ 3.72 | \$ 0.50 | \$ 66.90 | \$ 81.98 |
| Subtotal-Bank | \$ 52.95 | \$ 18.70 | \$ 3.25 | \$ 332.38 | \$ 407.27 |
| Grand Total | \$ 132,616.56 | \$ 46,387.74 | \$ 7,952.94 | \$ 839,071.82 | \$ 1,026,029.05 |

FWA Revenue Presentation

FY 2024

Budget year: **33.3%** Completed

| Operations & Maintenance | FY 2024 Budget | 01/31/2024 Year to Date | Budget Remaining | Budget Spent % |
|---------------------------------------|-------------------|----------------------------|---------------------|-------------------|
| Revenue | | | | |
| Interest Income | - | 132,617 | (132,617) | |
| Miscellaneous Income | - | 8,384 | (8,384) | |
| Reverse Pumping Fee | - | - | - | |
| Conveyance Fees | - | 279,720 | (279,720) | |
| FKC System-Wide MOU | 481,888 | 167,500 | 314,388 | 34.8% |
| O & M Revenue | 12,441,625 | 4,147,208 | 8,294,416 | 33.3% |
| Water Supply Cord./Monitoring Revenue | - | 160,114 | (160,114) | |
| Total Revenue | 12,923,512 | 4,895,542 | 8,027,970 | 37.9% |
| Expenses | | | | |
| Total Operations | 1,884,374 | 682,934 | 1,201,440 | 36.2% |
| Total Maintenance | 7,647,865 | 2,962,767 | 4,685,098 | 38.7% |
| Administration Costs | 2,317,956 | 1,011,186 | 1,306,770 | 43.6% |
| Special Projects | 1,073,317 | 226,479 | 846,839 | 21.1% |
| Total OM&R Expenses | 12,923,513 | 4,883,366 | 8,040,147 | 37.8% |

FWA Budget Presentation

FY 2024

Budget year: **33.3%** Completed

| Operations & Maintenance | FY 2024 Budget | 01/31/2024 Year to Date | Budget Remaining | Budget Spent % |
|---|-------------------|----------------------------|---------------------|-------------------|
| Operations Dept | | | | |
| Employee Salaries/Pay | 930,728 | 287,514 | 643,214 | 30.9% |
| Employee Benefits | 471,067 | 148,963 | 322,105 | 31.6% |
| Supplies & Services | 482,579 | 246,458 | 236,121 | 51.1% |
| Total Operations | 1,884,374 | 682,934 | 1,201,440 | 36.2% |
| Maintenance Dept | | | | |
| Employee Salaries/Pay | 2,940,772 | 1,090,067 | 1,850,705 | 37.1% |
| Employee Benefits | 1,379,988 | 475,014 | 904,974 | 34.4% |
| Supplies & Services | 3,327,105 | 1,397,686 | 1,929,419 | 42.0% |
| Total Maintenance | 7,647,865 | 2,962,767 | 4,685,098 | 38.7% |
| Administration Costs | 2,488,413 | 1,033,472 | 1,454,941 | 41.5% |
| Administration Costs allocated to GM | (170,456) | (22,286) | (148,171) | 13.1% |
| Total Operations & Maintenance | 11,850,196 | 4,656,887 | 7,193,308 | 39.3% |
| Special Projects | | | | |
| Cost Recovery | - | - | - | |
| Spending | 1,073,317 | 226,479 | 846,839 | 21.1% |
| Total Special Projects | 1,073,317 | 226,479 | 846,839 | 21.1% |
| Total OM&R | 12,923,513 | 4,883,366 | 8,040,147 | 37.8% |

Friant Water Authority
 Budget vs Actual Expenses
 YTD - 01/31/2024

Budget year: 33.3% 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 | \$ 620,505 | \$ 254,982 | 41.1% | \$ 365,523 | \$ 192,525 | \$ 83,304 | 43.3% | \$ 109,221 | \$ 427,980 | \$ 171,678 | 40.1% | \$ 256,302 |
| 2 Maintenance Supervision | 431,905 | 106,102 | 24.6% | 325,803 | 265,227 | 100,227 | 37.8% | 165,000 | 166,678 | 5,875 | 3.5% | 160,804 |
| 3 Right-of-Way Management | 57,024 | 20,231 | 35.5% | 36,793 | 57,024 | 20,231 | 35.5% | 36,793 | - | - | 0.0% | - |
| 4 Weed & Pest Control | 984,850 | 149,514 | 15.2% | 835,335 | 321,807 | 23,378 | 7.3% | 298,429 | 663,043 | 126,136 | 19.0% | 536,907 |
| 5 Implem Biol. Opinion | 22,000 | 8,106 | 36.8% | 13,894 | - | - | 0.0% | - | 22,000 | 8,106 | 36.8% | 13,894 |
| 6 Road Maintenance | 67,702 | 17,378 | 25.7% | 50,323 | 30,763 | 10,635 | 34.6% | 20,128 | 36,939 | 6,744 | 18.3% | 30,195 |
| 7 Yard & Building Maintenance | 327,915 | 59,562 | 18.2% | 268,354 | 151,600 | 16,159 | 10.7% | 135,441 | 176,316 | 43,403 | 24.6% | 132,913 |
| 8 Structure & Gate Maintenance | 524,135 | 188,489 | 36.0% | 335,646 | 352,577 | 143,116 | 40.6% | 209,461 | 171,558 | 45,373 | 26.4% | 126,185 |
| 9 Cleaning Right-of-Way | 74,263 | 1,599 | 2.2% | 72,664 | 74,263 | 1,599 | 2.2% | 72,664 | - | - | 0.0% | - |
| 10 Bargate & Guardrail Maint | 45,531 | 3,422 | 7.5% | 42,109 | 15,036 | 3,450 | 22.9% | 11,587 | 30,495 | (27) | -0.1% | 30,522 |
| 11 Embankment Maintenance | 73,446 | 8,954 | 12.2% | 64,492 | 61,930 | 8,406 | 13.6% | 53,524 | 11,516 | 548 | 4.8% | 10,968 |
| 12 Bridge Maintenance | 67,459 | 4,851 | 7.2% | 62,608 | 26,158 | 4,851 | 18.5% | 21,307 | 41,301 | - | 0.0% | 41,301 |
| 13 Concrete Lining Maintenance | 870,141 | 621,030 | 71.4% | 249,111 | 308,145 | 387,120 | 125.6% | (78,975) | 561,996 | 233,910 | 41.6% | 328,086 |
| 14 Draineditch & Channel Maint. | 129,124 | 60,874 | 47.1% | 68,250 | 79,516 | 60,874 | 76.6% | 18,642 | 49,608 | - | 0.0% | 49,608 |
| 15 Fence Maintenance | 86,643 | 6,251 | 7.2% | 80,393 | 63,071 | 6,043 | 9.6% | 57,027 | 23,573 | 207 | 0.9% | 23,366 |
| 16 Mudjacking | 23,462 | 8,854 | 37.7% | 14,608 | 21,404 | - | 0.0% | 21,404 | 2,059 | 8,854 | 430.1% | (6,796) |
| 17 Painting | 34,668 | 1,022 | 2.9% | 33,645 | 21,209 | 245 | 1.2% | 20,965 | 13,459 | 778 | 5.8% | 12,681 |
| 18 Sump Pump Maintenance | 2,029 | - | 0.0% | 2,029 | 1,152 | - | 0.0% | 1,152 | 877 | - | 0.0% | 877 |
| 19 Cross Drainage Structure Mtce | 1,152 | 712 | 61.8% | 441 | 1,152 | 712 | 61.8% | 441 | - | - | 0.0% | - |
| 20 Rip-Rapping | 2,721 | - | 0.0% | 2,721 | 2,721 | - | 0.0% | 2,721 | - | - | 0.0% | - |
| 21 Operations Reports | - | 410 | 0.0% | (410) | - | 410 | 0.0% | (410) | - | - | 0.0% | - |
| 22 Operations Supervision | 54,906 | 14,323 | 26.1% | 40,583 | 54,906 | 14,323 | 26.1% | 40,583 | - | - | 0.0% | - |
| 23 Water supply coordination & monitoring | 632,215 | 571,711 | 90.4% | 60,504 | 186,607 | 57,220 | 30.7% | 129,387 | 445,608 | 514,491 | 115.5% | (68,883) |
| 24 Legal Expense - Direct | 101,500 | 19,955 | 19.7% | 81,545 | - | - | 0.0% | - | 101,500 | 19,955 | 19.7% | 81,545 |
| 25 Safety & First Aid Training | 33,663 | 9,627 | 28.6% | 24,036 | 14,978 | 2,694 | 18.0% | 12,284 | 18,684 | 6,932 | 37.1% | 11,752 |
| 26 Office Admin (Typing etc.) | 8,631 | 1,017 | 11.8% | 7,614 | 8,631 | 1,017 | 11.8% | 7,614 | - | - | 0.0% | - |
| 27 Payroll Preparation | 4,557 | 690 | 15.1% | 3,867 | 4,557 | 690 | 15.1% | 3,867 | - | - | 0.0% | - |
| 28 Meetings | 275,209 | 153,118 | 55.6% | 108,355 | 73,839 | 55,468 | 75.1% | 18,371 | 201,370 | 97,650 | 48.5% | 103,719 |
| 29 Education & Training | 46,443 | 2,443 | 5.3% | 44,000 | 23,760 | 2,203 | 9.3% | 21,557 | 22,683 | 240 | 1.1% | 22,443 |
| 30 Procurement | 20,826 | 4,395 | 21.1% | 16,430 | 20,826 | 4,395 | 21.1% | 16,430 | - | - | 0.0% | - |
| 31 Inventory & Property Mgt. | 1,439 | - | 0.0% | 1,439 | 1,439 | - | 0.0% | 1,439 | - | - | 0.0% | - |
| 32 Employee Benefits | 1,379,988 | 475,014 | 34.4% | 906,555 | 321,531 | 146,435 | 45.5% | 175,096 | 1,058,457 | 326,997 | 30.9% | 731,459 |
| 33 Personnel Administration | 115,881 | 79,368 | 68.5% | 36,513 | 115,881 | 79,368 | 68.5% | 36,513 | - | - | 0.0% | - |
| 34 Workers Comp. Insurance | 82,980 | 27,246 | 32.8% | 55,735 | - | - | 0.0% | - | 82,980 | 27,246 | 32.8% | 55,735 |
| 35 Utilities | 101,219 | 48,586 | 48.0% | 52,633 | - | - | 0.0% | - | 101,219 | 48,586 | 48.0% | 52,633 |
| 36 Dues & Subscriptions | 9,795 | 707 | 7.2% | 9,087 | - | - | 0.0% | - | 9,795 | 707 | 7.2% | 9,087 |
| 37 Budget Preparation | 3,800 | - | 0.0% | 3,800 | 3,800 | - | 0.0% | 3,800 | - | - | 0.0% | - |
| 38 Archiving & Data Storage | 2,877 | - | 0.0% | 2,877 | 2,877 | - | 0.0% | 2,877 | - | - | 0.0% | - |
| 39 Vehicle & Equipment Acquisition | 325,260 | 31,669 | 9.7% | 293,591 | - | - | 0.0% | - | 325,260 | 31,669 | 9.7% | 293,591 |
| 40 Outside Service - DEID | - | 1,928 | 0.0% | (1,928) | - | 1,928 | 0.0% | (1,928) | - | - | 0.0% | - |
| 41 TOTAL EXPENSES: MAINTENANCE | 7,647,865 | 2,962,767 | 38.7% | 4,685,098 | 2,940,772 | 1,236,503 | 42.0% | 1,704,270 | 4,707,093 | 1,726,265 | 36.7% | 2,980,828 |

Friant Water Authority
 Budget vs Actual Expenses
 YTD - 01/31/2024

Budget year: 33.3% Completed

| | Total | | | | Labor | | | | Materials | | | |
|---|---------------------|-------------------|--------------|---------------------|-------------------|-------------------|---------------------|-------------------|-------------------|---------------------|--------------|-------------------|
| | Annual Budget | YTD Actual | % Of Bud | Projected Remaining | Budget | YTD Actual | Projected Remaining | Budget | YTD Actual | Projected Remaining | | |
| OPERATIONS | | | | | | | | | | | | |
| 42 Vehicle & Equipment Service | \$ 2,000 | \$ 1,279 | 63.95% | \$ 721 | \$ - | \$ - | 0.00% | \$ - | \$ 2,000 | \$ 1,279 | 63.95% | \$ 721 |
| 43 Yard & Building Maintenance | 62,374 | 25,458 | 40.81% | 36,916 | 25,427 | 6,823 | 26.83% | 18,604 | 36,947 | 18,635 | 50.44% | 18,312 |
| 44 Structure & Gate Maintenance | 219,196 | 229,056 | 104.50% | (9,860) | 79,070 | 99,256 | 125.53% | (20,186) | 140,126 | 129,799 | 92.63% | 10,326 |
| 45 Cleaning Right-of-Way | 1,456 | 8 | 0.57% | 1,448 | 656 | - | 0.00% | 656 | 800 | 8 | 1.04% | 792 |
| 46 Bargate & Guardrail Maint | 2,200 | - | 0.00% | 2,200 | - | - | 0.00% | - | 2,200 | - | 0.00% | 2,200 |
| 47 Reverse Flow Pump | - | - | 0.00% | - | - | - | 0.00% | - | - | - | 0.00% | - |
| 48 Draineditch & Channel Mtce - Desilting | - | 9,447 | 0.00% | (9,447) | - | 9,447 | 0.00% | (9,447) | - | - | 0.00% | - |
| 49 Sump Pump Maintenance | 27,560 | 2,294 | 8.32% | 25,267 | - | - | 0.00% | - | 27,560 | 2,294 | 8.32% | 25,267 |
| 50 Finance Charge | - | - | 0.00% | - | - | - | 0.00% | - | - | - | 0.00% | - |
| 51 C. & I. Maint (ESI Equipment) | 280,991 | 23,447 | 8.34% | 257,543 | 44,292 | 13,448 | 30.36% | 30,844 | 236,698 | 9,999 | 4.22% | 226,699 |
| 52 Meter Repair | 125,702 | 65,995 | 52.50% | 59,706 | 50,854 | 11,737 | 23.08% | 39,117 | 74,848 | 54,258 | 72.49% | 20,589 |
| 53 Canal Patrol | 383,080 | 75,232 | 19.64% | 307,848 | 382,423 | 75,038 | 19.62% | 307,385 | 656 | 194 | 29.55% | 462 |
| 54 Operations Reports | 116,801 | 38,370 | 32.85% | 78,430 | 116,472 | 38,370 | 32.94% | 78,102 | 328 | - | 0.00% | 328 |
| 55 Operations Supervision | 89,601 | 27,665 | 30.88% | 61,936 | 89,601 | 27,665 | 30.88% | 61,936 | - | - | 0.00% | - |
| 56 Water Measurement | 3,937 | 5,987 | 152.05% | (2,049) | 2,625 | 525 | 20.02% | 2,099 | 1,312 | 5,461 | 416.12% | (4,149) |
| 57 Safety & First Aid Training | 3,500 | 1,425 | 40.73% | 2,074 | 1,312 | 1,425 | 108.61% | (113) | 2,187 | - | 0.00% | 2,187 |
| 58 Meetings | 9,187 | 2,994 | 32.59% | 6,192 | 9,187 | 2,994 | 32.59% | 6,192 | - | - | 0.00% | - |
| 59 Education & Training | 5,687 | 99 | 1.73% | 5,589 | 1,312 | - | 0.00% | 1,312 | 4,375 | 99 | 2.25% | 4,276 |
| 60 Retirement, Health Ins, PR Taxes | 343,572 | 102,472 | 29.8% | 241,100 | - | - | 0.0% | - | 343,572 | 102,472 | 29.8% | 241,100 |
| 61 Employee Benefits | 471,067 | 148,963 | 31.62% | 322,105 | 127,496 | 46,490 | 36.46% | 81,005 | 343,572 | 102,472 | 29.83% | 241,100 |
| 62 Workers Comp. Insurance | 36,505 | 10,219 | 27.99% | 26,287 | - | - | 0.00% | - | 36,505 | 10,219 | 27.99% | 26,287 |
| 63 Utilities | 35,832 | 8,978 | 25.06% | 26,854 | - | - | 0.00% | - | 35,832 | 8,978 | 25.06% | 26,854 |
| 64 Vehicle & Equipment Acquisition | 7,700 | - | 0.00% | 7,700 | - | - | 0.00% | - | 7,700 | - | 0.00% | 7,700 |
| 65 Services for outside contracts - Kern-Tulare | - | 6,019 | 0.00% | (6,019) | - | 785 | 0.00% | (785) | - | 5,235 | 0.00% | (5,235) |
| 66 TOTAL EXPENSES: WATER OPERATIONS | \$ 1,884,374 | \$ 682,934 | 36.2% | \$ 1,201,440 | \$ 930,728 | \$ 334,004 | 35.9% | \$ 596,724 | \$ 953,646 | \$ 348,930 | 36.6% | \$ 604,717 |

Friant Water Authority
 Budget vs Actual Expenses
 YTD - 01/31/2024

Budget year: 33.3% Completed

| | Total | | | | Labor | | | | Materials | | | |
|---|---------------------|---------------------|--------------|---------------------|-------------------|-------------------|---------------------|-------------------|---------------------|---------------------|--------------|-------------------|
| | Annual Budget | YTD Actual | % Of Bud | Projected Remaining | Budget | YTD Actual | Projected Remaining | Budget | YTD Actual | Projected Remaining | | |
| ADMINISTRATION | | | | | | | | | | | | |
| 67 Water supply coordination & monitoring | \$ 84,209 | \$ 37,022 | 43.96% | \$ 47,187 | \$ 74,855 | \$ 33,279 | 44.46% | \$ 41,576 | \$ 9,354 | \$ 3,743 | 40.01% | \$ 5,611 |
| 68 Safety & First Aid Training | 97,767 | 10,800 | 11.05% | 86,968 | 7,844 | 2,291 | 29.20% | 5,553 | 89,923 | 8,509 | 9.46% | 81,414 |
| 69 Office Admin (Typing etc.) | 120,704 | 38,337 | 31.76% | 82,367 | 120,704 | 38,328 | 31.75% | 82,376 | - | 9 | 0.00% | (9) |
| 70 Payroll Preparation | 17,216 | 6,349 | 36.88% | 10,867 | 17,216 | 6,349 | 36.88% | 10,867 | - | - | 0.00% | - |
| 71 Meetings | 73,497 | 10,495 | 14.28% | 63,001 | 69,097 | 8,590 | 12.43% | 60,507 | 4,400 | 1,905 | 43.31% | 2,495 |
| 72 Education & Training | 83,490 | 7,179 | 8.60% | 76,310 | 25,691 | 1,921 | 7.48% | 23,770 | 57,799 | 5,258 | 9.10% | 52,541 |
| 73 Inventory & Property Mgt. | 4,921 | 391 | 7.95% | 4,530 | 4,921 | 391 | 7.95% | 4,530 | - | - | 0.00% | - |
| 74 Employee Benefits | 501,787 | 175,269 | 34.93% | 326,518 | 128,376 | 61,690 | 48.05% | 66,686 | 373,412 | 113,579 | 30.42% | 259,833 |
| 75 Data Processing | 286,149 | 120,133 | 41.98% | 166,016 | 48,949 | 23,342 | 47.69% | 25,607 | 237,200 | 96,791 | 40.81% | 140,409 |
| 76 Travel | 42,067 | 5,687 | 13.52% | 36,381 | - | - | 0.00% | - | 42,067 | 5,687 | 13.52% | 36,381 |
| 77 Accounting & Auditing | 493,589 | 151,059 | 30.60% | 342,530 | 393,716 | 149,819 | 38.05% | 243,897 | 99,873 | 1,240 | 1.24% | 98,633 |
| 78 Personnel Administration | 104,417 | 28,201 | 27.01% | 76,216 | 71,638 | 26,781 | 37.38% | 44,857 | 32,779 | 1,420 | 4.33% | 31,359 |
| 79 Liability Insurance | 164,248 | 163,595 | 99.60% | 653 | - | - | 0.00% | - | 164,248 | 163,595 | 99.60% | 653 |
| 80 Workers Compensation Insurance | 3,655 | 975 | 26.67% | 2,680 | - | - | 0.00% | - | 3,655 | 975 | 26.67% | 2,680 |
| 81 Finance Charge | - | 63 | 0.00% | (63) | - | - | 0.00% | - | - | 63 | 0.00% | (63) |
| 82 Utilities | 72,307 | 17,180 | 23.76% | 55,128 | - | - | 0.00% | - | 72,307 | 17,180 | 23.76% | 55,128 |
| 83 Office Supplies | 29,288 | 12,258 | 41.85% | 17,030 | - | - | 0.00% | - | 29,288 | 12,258 | 41.85% | 17,030 |
| 84 Postage | 7,747 | 3,185 | 41.11% | 4,562 | - | - | 0.00% | - | 7,747 | 3,185 | 41.11% | 4,562 |
| 85 Dues & Subscriptions | 11,614 | - | 0.00% | 11,614 | - | - | 0.00% | - | 11,614 | - | 0.00% | 11,614 |
| 86 Budget Preparation | 21,918 | 384 | 1.75% | 21,534 | 21,918 | 384 | 1.75% | 21,534 | - | - | 0.00% | - |
| 87 Lease office equipment | 34,122 | 21,152 | 61.99% | 12,970 | - | - | 0.00% | - | 34,122 | 21,152 | 61.99% | 12,970 |
| 88 Vehicle & Equipment Acquisition | 233,701 | 223,679 | 95.71% | 10,022 | - | - | 0.00% | - | 233,701 | 223,679 | 95.71% | 10,022 |
| 89 Admin Reimb - GM Fund - see Note #1 | (170,456) | (22,286) | 13.07% | (148,171) | - | - | 0.00% | - | (170,456) | (22,286) | 13.07% | (148,171) |
| 90 TOTAL EXPENSES: ADMINISTRATION | \$ 2,317,956 | \$ 1,011,186 | 43.6% | \$ 1,306,770 | \$ 984,923 | \$ 353,165 | 35.9% | \$ 631,758 | \$ 1,333,034 | \$ 658,022 | 49.4% | \$ 675,012 |

| | | | | |
|----|----------------|----------------|-------------|---------------------|
| 91 | Note #1 | O&M | 98% | \$ 1,011,186 |
| 92 | | GM | 2% | \$ 22,286 |
| | | | 100% | \$ 1,033,472 |

Friant Water Authority
 Budget vs Actual Expenses
 YTD - 01/31/2024

Budget year: 33.3% Completed

| | | Total | | | | Labor | | | | Materials | | | |
|-------------------------|---|--------------------|----------------|--------------|---------------------|------------------|-----------------|---------------------|------------------|------------------|---------------------|--------------|------------------|
| | | Annual Budget | YTD Actual | % Of Bud | Projected Remaining | Budget | YTD Actual | Projected Remaining | Budget | YTD Actual | Projected Remaining | | |
| SPECIAL PROJECTS | | | | | | | | | | | | | |
| 93 | Subsidence - System Wide | 149,914 | 8,559 | 5.7% | 141,355 | 1,833 | 4,082 | 222.7% | (2,249) | 148,081 | 4,477 | 3.0% | 143,604 |
| 94 | FKC System-wide Capacity Correction Project MOU | 481,888 | 92,500 | 19.2% | 389,388 | 14,570 | 13,608 | 93.4% | 962 | 467,318 | 78,892 | 16.9% | 388,426 |
| 95 | GSA Engagement - East | 297,399 | 103,449 | 34.8% | 193,950 | 96,168 | 10,160 | 10.6% | 86,008 | 201,231 | 93,289 | 46.4% | 107,942 |
| 96 | GSA Engagement - West | 102,464 | 3,136 | 3.1% | 99,328 | 36,376 | 3,136 | 8.6% | 33,240 | 66,088 | - | 0.0% | 66,088 |
| 97 | Water Quality | 41,652 | 12,911 | 31.0% | 28,741 | 102,340 | 11,204 | 10.9% | 91,136 | (60,688) | 1,707 | -2.8% | (62,395) |
| 98 | Pump Back Project | - | 5,924 | 0.0% | (5,924) | - | 5,924 | 0.0% | (5,924) | - | - | 0.0% | - |
| 99 | TOTAL EXPENSES: SPECIAL PROJECTS | \$1,073,317 | 226,479 | 21.1% | \$846,839 | \$488,012 | \$48,114 | 9.9% | \$439,898 | \$585,305 | \$178,365 | 30.5% | \$406,940 |

CARRY OVER ITEMS FY 2023

| <u>SEE NOTE</u> | | Budget | Actual | Variance |
|-----------------|---------------------------------------|------------------|-----------------|------------------|
| 100 | CSO Operations Pickup | 27,100 | 31,835 | (4,735) |
| 101 | Crane/Boom Truck | 198,138 | - | 198,138 |
| 102 | Mechanic Service Bed | 10,000 | 3,214 | 6,786 |
| 103 | TOTAL CARRY OVER ITEMS FY 2023 | \$235,238 | \$35,049 | \$200,189 |

BUDGET TO ACTUALS REPORT

| | FY 2024 Approved Budget | FY 2024 Actuals | Surplus /(Shortage) | % of Budget YTD 33.33% |
|---|----------------------------|--------------------|------------------------|------------------------------|
| Consultants | | | | |
| General Counsel | | | | |
| <i>Burke, Williams & Sorenson, LLC</i> | 3,000 | - | 3,000 | |
| Special Counsel | | | | |
| <i>Water & Power Law Group</i> | 230,000 | 44,529 | 185,472 | 19.36% |
| <i>Burke, Williams & Sorensen, LLC</i> | 39,000 | 925 | 38,075 | 2.37% |
| <i>Somach, Simmons, & Dunn</i> | 136,750 | 40,711 | 96,039 | 29.77% |
| <i>Kaplan & Kirsch</i> | 260,000 | - | 260,000 | |
| <i>CEQA Litigation (Stoel Rives)</i> | 100,000 | 4,050 | 95,950 | 4.05% |
| Special Counsel Subtotal | 765,750 | 90,214 | 675,536 | 11.78% |
| Professional Support - Operations | | | | |
| <i>General Consulting - as needed (Bill Luce, Steve O. & MBK)</i> | 104,770 | 17,825 | 86,945 | 17.01% |
| <i>AECOM</i> | 150,000 | 45,998 | 104,002 | 30.67% |
| Professional Support - Operations Subtotal | 254,770 | 63,823 | 190,947 | 25.05% |
| Professional Support - Communications & Outreach | | | | |
| <i>Kan Ventures</i> | 61,100 | 9,131 | 51,969 | 14.94% |
| <i>External Affairs - Federal (Ferguson Group)</i> | 60,000 | 3,691 | 56,309 | 6.15% |
| <i>External Affairs - State (Villines)</i> | 61,100 | 4,000 | 57,100 | 6.55% |
| <i>Media & Materials - (Commuter Industries)</i> | 30,000 | 3,132 | 26,868 | 10.44% |
| <i>Communication Activities</i> | 36,000 | 1,425 | | 3.96% |
| Professional Support - Comm. & Outreach Subtotal | 248,200 | 21,378 | 192,247 | 8.61% |
| Consultants Subtotal | 1,271,720 | 175,415 | 1,096,305 | 13.79% |
| Staff | | | | |
| Leadership | | | | |
| | 583,962 | 167,569 | 416,393 | 28.70% |
| Staff Subtotal | 583,962 | 167,569 | 416,393 | 28.70% |
| Other Activities | | | | |
| <i>CDTFA - State Water Resources Control Board</i> | 85,000 | 82,499 | 2,501 | 97.06% |
| <i>Family Farm Alliance</i> | 15,000 | - | 15,000 | |
| <i>CVPWA dues</i> | 45,000 | 45,000 | 0 | 100.00% |
| <i>SJV Blueprint</i> | 15,000 | - | 15,000 | |
| <i>Public Policy Institute of California</i> | 10,000 | - | 10,000 | |
| <i>Cal-Farm Water Coalition</i> | 5,000 | 5,000 | | 100.00% |
| <i>Misc Organizational Contributions</i> | 10,000 | 1,700 | 8,300 | 17.00% |
| Dues & Fees Subtotal | 185,000 | 134,199 | 50,801 | 72.54% |
| Other Supplies & Services | | | | |
| <i>Travel</i> | 60,000 | 2,378 | 57,622 | 3.96% |
| <i>Hotel</i> | 37,500 | 1,871 | 35,629 | 4.99% |
| <i>Meals</i> | 45,000 | 378 | 44,622 | 0.84% |
| <i>Miscellaneous visa receipts</i> | 10,000 | 268 | 9,732 | 2.68% |
| <i>Annual Meeting</i> | 11,000 | - | | |
| <i>Promotional Items</i> | 5,500 | - | | |
| <i>Meeting expenses -</i> | 45,000 | 37,246 | 7,754 | 82.77% |
| Other Supplies & Services Subtotal | 214,000 | 42,141 | 155,359 | 19.69% |
| Admin Allocation | 170,456 | 22,286 | 148,170 | 13.07% |
| Direct Expenses (including rent, mileage) | | | | |
| <i>Mileage</i> | 14,400 | 4,800 | 9,600 | 33.33% |
| <i>Rent</i> | 24,360 | 8,020 | 16,340 | 32.92% |
| <i>Office Supplies</i> | 5,000 | 31 | 4,969 | 0.61% |
| Direct Expenses Subtotal | 43,760 | 12,851 | 30,909 | 29.37% |
| Other Activities Subtotal | 613,216 | 211,476 | 385,240 | 34.49% |
| Subtotal Base Budgets | 2,468,898 | 554,461 | 1,897,937 | 22.46% |
| Special Projects | | | | |
| <i>Regulatory Engagement & Advocacy</i> | 200,000 | | 200,000 | 0.00% |
| Total Special Projects | 200,000 | 0 | 200,000 | 0.00% |
| Total Budgets | 2,668,898 | 554,461 | 2,097,937 | 20.77% |

Middle Reach Capacity Correction Project, Phase 1
Bureau of Reclamation and Friant Water Authority
Monthly Financial Status Report - Budget to Actual Spending
Expenditures through January 31, 2024

| Sources of Funds | Federal Funding | | FWA Spending Plan Funds | Friant Water Authority Funding | | | | | Total FWA funds |
|--------------------------------|-----------------|----------------|---|--------------------------------|------------------|---------------|-------------------|---------------|-----------------|
| | SJRRP funds | WIIN funds | Advance Payments for Construction Costs | FWA Contractors | Eastern Tule GSA | Pixley GSA | State Funding-DWR | Misc. Revenue | |
| Anticipated Funding | \$41M-\$46.9M | \$ 210,550,000 | \$ 118,645,000 | \$ 50,000,000 | \$125M-\$200M | \$ 11,000,000 | \$ 74,480,000 | \$ - | |
| Funds Secured/Received to date | \$ 41,900,000 | \$ 208,100,000 | \$ 79,118,000 | \$ 49,902,252 | \$ 15,165,624 | \$ 11,000,000 | \$ 67,032,000 | \$ 2,253,424 | \$ 145,353,299 |
| Expenditures to date | | | \$ (78,690,004) | (37,360,974) | (14,046,101) | (11,000,000) | (34,990,343) | (480,815) | (97,878,233) |
| Remaining Funding Available | \$ 41,900,000 | \$ 208,100,000 | \$ 427,996 | \$ 12,541,278 | 1,119,523 | \$ - | \$ 32,041,657 | \$ 1,772,609 | \$ 47,475,066 |

| Project Cost Category | Budget Estimate (2023) | | | Prior Period Expenditures (Cumulative) | | January 31, 2024 Expenditures | | Total Expenditures through January 31, 2024 | | 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) | \$ 19,025,114 | \$ 3,525,733 | \$ 22,550,847 | \$ 19,025,114 | \$ 3,525,733 | \$ - | \$ - | \$ 19,025,114 | \$ 3,525,733 | \$ - | \$ (0) |
| ROW & Land Acquisition | \$ 6,704,604 | \$ 15,276,761 | \$ 21,981,365 | \$ 6,567,225 | \$ 13,808,577 | \$ 1,949 | \$ 194,149 | \$ 6,569,174 | \$ 14,002,726 | \$ 135,430 | \$ 1,274,035 |
| Legal & Administration (Facilitating Services) & IT Services | \$ 51,251 | \$ 863,646 | \$ 914,897 | \$ 888 | \$ 598,582 | \$ 62 | \$ 18,270 | \$ 949 | \$ 616,852 | \$ 50,302 | \$ 246,793 |
| Permitting, NEPA/CEQA, Cultural Resources, & Environmental Monitoring | \$ 822,997 | \$ 501,908 | \$ 1,324,905 | \$ 695,867 | \$ 101,908 | \$ 3,636 | | \$ 699,503 | \$ 101,908 | \$ 123,494 | \$ 400,000 |
| Project Management | \$ 2,970,519 | \$ 1,668,595 | \$ 4,639,114 | \$ 1,029,990 | \$ 490,811 | \$ 35,410 | \$ 6,426 | \$ 1,065,400 | \$ 497,237 | \$ 1,905,120 | \$ 1,171,358 |
| Construction Management | \$ 14,938,075 | \$ - | \$ 14,938,075 | \$ 8,802,802 | \$ - | \$ 478,942 | | \$ 9,281,744 | \$ - | \$ 5,656,331 | \$ - |
| Design & Specifications | \$ 729,148 | \$ - | \$ 729,148 | \$ 801,500 | \$ - | \$ 9,623 | | \$ 811,124 | \$ - | \$ (81,976) | \$ - |
| Construction Contract & Contingency | \$ 95,182,187 | \$ 141,465,439 | \$ 236,647,626 | \$ 79,990,439 | \$ 79,118,000 | \$ 6,232,251 | \$ - | \$ 86,222,690 | \$ 79,118,000 | \$ 8,959,497 | \$ 62,347,439 |
| Construction Support | \$ 22,890,288 | \$ 12,102 | \$ 22,902,390 | \$ 12,292,278 | \$ 15,776 | \$ 474,412 | \$ - | \$ 12,766,690 | \$ 15,776 | \$ 10,123,598 | \$ (3,675) |
| Total | \$ 163,314,183 | \$ 163,314,183 | \$ 326,628,366 | \$ 129,206,102 | \$ 97,659,388 | \$ 7,236,285 | \$ 218,846 | \$ 136,442,387 | \$ 97,878,233 | \$ 26,871,796 | \$ 65,435,950 |

% Cost-Share **50%** **50%**

58% **42%**

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

FWA Master List

Key Vendors (Consultant/Legal/Misc)

Last Updated of Sept 19, 2023

| Vendor Name | Type of Support | Principal Vendor POC | Key Support Activities |
|--|-----------------|----------------------------|---|
| AECOM | Consultant | Brian Person | Support for San Joaquin River Restoration Program Activities |
| Bender, Rosenthal, and Inc. | Consultant | Lindy lee | Right of way acquisition & real property appraisal services in support of the Subsidence Correction Project. |
| Bill Luce Consulting | Consultant | Bill Luce | Represent FWA Restoration goal of the settlement of the litigation entitled NRDC, et al. v. Rogers et al. & implementation of the terms of the settlement occurring thru the SJRRP, San Joaquin River Restoration Program. As-needed support for CVP policy issues. |
| Burke Williams & Sorenson | General Counsel | Don Davis | General Counsel for FWA - direct support for Board, Subcommittee meetings, Brown Act compliance, reviews proposed contracts as to form, and various legal support for FWA operations on both O&M and GM activities. Legal support (environmental, land acquisition, etc.) for extraordinary maintenance / special projects, as needed. |
| CDM Smith, Inc | Consultant | Chris Park | Environmental compliance support for Reverse Flow Pump-Back Project EIS/R. |
| Commuter Industries | Graphic Design | Robert Maurer, Glen Warren | Website design and maintenance, branding, informational material design, newsletter, podcast support |
| Environmental Science Associates | Consultant | Cathy McEfee | Environmental compliance services for the Friant-Kern Canal (FKC) Water Quality Guidelines Program (Guidelines). |
| Gordon, Thomas, Honeywell, Malanca | Facilitator | Jim Waldo | Facilitation services for MOU Negotiation |
| Hudson, Henderson, & Co. | Auditor | Brian Henderson | Annual Independent Financial Statement Audit services |
| Kan Ventures, Inc. DBA Ewell Group, Consultant | Consultant | Austin Ewell | Advocacy on behalf of FWA with local, State & Federal governmental relations, legislative affairs, management, operations & policy matters. Lead support of San Joaquin Valley Blueprint initiative. |
| Kaplan Kirsch | Special Counsel | Matt Adams | Special Counsel for BiOps litigation. |
| MBK Engineers | Consultant | Walter Bourez | Perform weekly tracking and reporting of current and projected water project operations; tracking precipitation forecasts, river flows, snow pack & runoff forecasts, reservoir storage levels, potential flood operations, in-basin usage, delta conditions, fish monitoring & salvage, and other water supply forecasts. In addition tracking regulatory requirements, operations agreements & fishery actions. |
| Ottomoeller Consulting | Consultant | Steve Ottomoeller | Represent FWA for Water Management Goal(s) of the settlement of the litigation, entitled NRDC, et al v. Rogers et al. as well as, implementation of terms of settlement of San Joaquin River Restoration Program. Supports weekly water supply outlook reporting, monitoring, and forecasting, as needed. |

| Vendor Name | Type of Support | Principal Vendor POC | Key Support Activities |
|-----------------------------|---------------------------------------|---|--|
| Provost & Pritchard | Architecture & Engineering Consultant | Alex Collins | (1) Engineering, design, and cost estimating support for the Reverse Flow Pump-Back Project. As-needed survey support for various other canal projects. (2) Engineering/Water Consulting Support for the Groundwater Sustainability Agency Engagement - East-Side |
| Rego Consulting | IT Consultant | Jocelyn Bean | IT Consultant supporting FWA on developing PowerApps applications to streamline and make more efficient internal processes such as purchasing, payroll, etc. |
| Somach, Simmons, & Dunn | Special Counsel | Ali Stevens, Ramsey Kropf | Represent/advise FWA on water law, water rights, water supply, and related environmental and regulatory issues; track and monitor water rights proceedings as requested. |
| Stantec Consulting Services | Architecture & Engineering Consultant | Janet Atkinson, Bill Swanson, Jamil Ibrahim | (1) Engineering, Environmental Compliance, and Project Management support for various FWA initiatives including: design and cost-estimation; water quality modeling and policy support; economic modeling; and water resources tracking, reporting, and forecasting. Planning, design, and construction management services on behalf of the subsidence correction project. (2) Engineering/Design/Study support for the FKC Capacity Correction Project Phase 2+ Recon Study |
| Stoel Rives | Special Counsel | Tim Taylor | CEQA litigation related to State of CA's Incidental Take Permit for SWP operations. |
| The Ferguson Group | Lobbyist | Mark Limbaugh | Advocacy on behalf of FWA with Federal legislative & regulatory activities that may affect Friant Division interests, including repairing the Friant-Kern Canal and the quantity, quality, reliability & cost of Friant water supplies. |
| The Villines Group | Lobbyist | Mike Villines | Advocacy, monitoring, and strategic planning for State legislative affairs, including running bills and scheduling/holding meetings with Legislators, Gov's Office, and executive officials. |
| Water & Power Law Group | Special Counsel | John Bezdek | Special Counsel for FWA with legal services focused on Supply, Tracking, Policies, and Defense for Friant Supply, Delta Operations, and San Joaquin River Restoration Program. |

DATE: February 29, 2024
TO: Board of Directors
FROM: Chris Hickernell, General Superintendent
SUBJECT: Purchase of Previously Budgeted Fuel Management System from CoenCorp

SUMMARY

In the FY 2024 O&M Budget is a line item of \$128,000.00 the purchase of four (4) fuel management stations to manage inventory, provide more real time and accurate data and usage for accounting purposes, and more streamlined fleet management for Friant Water Authority. Staff have inquired vendors to participate in the selection of tank probes, terminals, and vehicle identification systems for the Authority fleet and has solicited bids from three qualified companies, CeonCorp, E J Ward, and Franzen Hill and has selected CoenCorp as the best value for Friant Water Authority. CoenCorp will deliver fuel monitoring tank probes for gasoline and diesel fuel, four distribution terminals, computer software, smart fuel rings and auto vehicle identification terminals as part of the overall package. The idea for a fuel management system is to streamline reconciliation, inventory tracking, fleet management and a 24/7 monitoring process for leakage of products and a dashboard that will keep the Authority’s fuel usage in order. Staff are recommending that the purchase order be awarded to CoenCorp, as their solution will deliver more value to FWA than the other companies that were contacted.

| CoenCorp | EJ Ward | Franzen Hill |
|--------------|--------------|--------------|
| \$113,709.60 | \$177,000.00 | \$146,000.60 |

FINANCE COMMITTEE RECOMMENDATION:

At the February 26, 2024 meeting, the Finance Committee voted to recommend that the Board of Directors approve the purchase order to CoenCorp for the fuel management system upgrade.

SUGGESTED MOTION:

I move that the Board of Directors approve the purchase order to CoenCorp for the fuel management system upgrade.

BUDGET IMPACT:

There is no adverse impact on the budget. The final quoted price of the apparent low bidder (CoenCorp) is approximately \$15,000 less than the budgeted amount in the FY 2024 budget for the fuel management system project.

ATTACHMENTS:

- CoenCorp Fuel Management System Quote



SM2 Fuel Management System Proposal

Created by:

Reza Tavassoli
Coencorp

Prepared for:

Chris Hickernell
Friant Water Authority

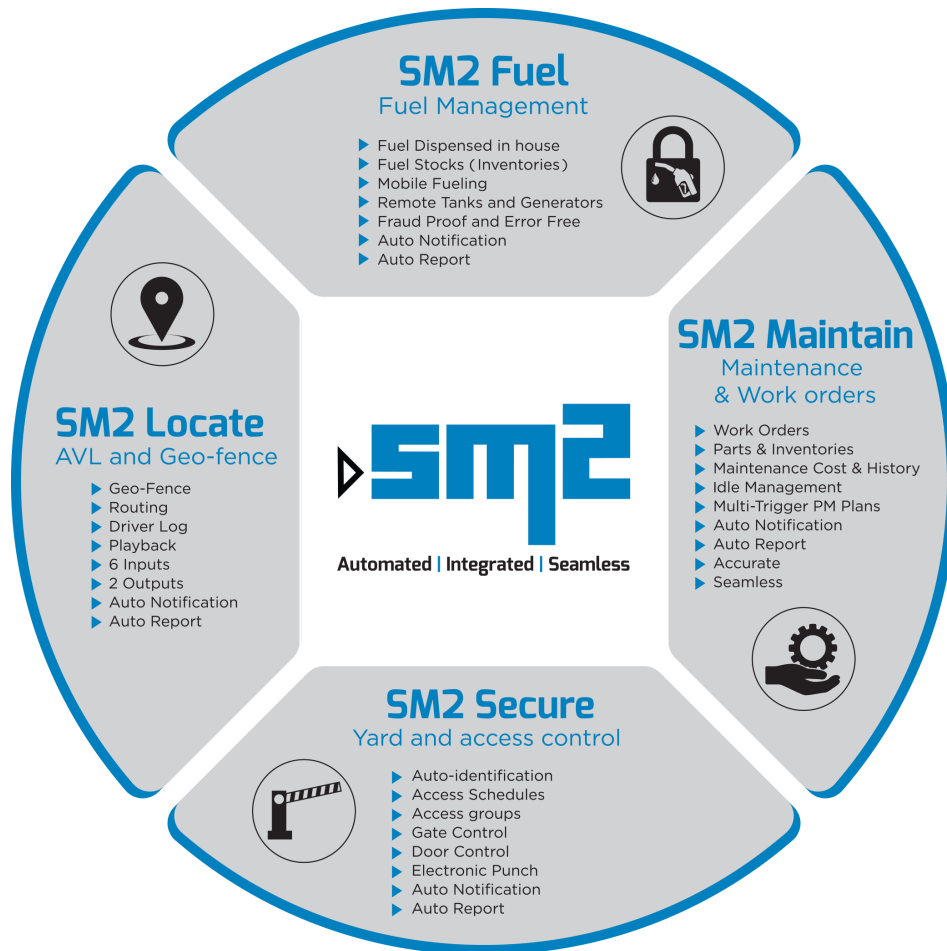
The SM2 Platform

SM2 is a powerful platform with a variety of software and hardware peripherals, modules, and functionalities designed to help fleet owners run their fleet at an optimal level.

These functionalities range from automated fuel management to maintenance planning and work order management, idle management, and tracking of all fuel cost, maintenance parts and labor costs, and other consumables such as engine oil, transmission oil, etc. at the department, cost center, and vehicle levels.

Thanks to SM2's modular architecture, you can deploy any combination of modules and peripherals at any number of sites, thus substantially increasing an already great return on your investment. Please refer to the enclosed corporate catalog and brochure for more details

One software to learn, one database to set up, and one supplier for all after-sale service; and that is only the tip of the iceberg!



Tech Support: Live, Direct, Unparalleled



We Strive to Make Every Client a Client for Life

Our live support team has a stellar track record because they know our products intimately and have decades of experience helping organizations like yours get the most out of their investment.

We understand that even the best systems aren't so great if you don't get the support you need, when you need it.

We pledge to never source out our tech support, as it is a core component of the relationships with our clients and the evolution of the SM2 platform.

Our goal is to make every client a client for life. We take pride in our greater than 95% retention rate and the fact that our very first clients are still with us—30 years and 4 system generations later.

From Software to Hardware, You're Fully Covered

- Get live on-boarding and additional training on your schedule and at your convenience
- Get training and support in setting up your system or supply us information and let us do it for you
- Enjoy unlimited support calls and emails
- Talk to us about your needs and we'll create custom dashboards, views, and notifications to address them
- On-site training and service available
- 24/7 live support available
- Support Level Agreement (SLA) available

SM2-FUEL: Distribution Management



Managing your fuel sites has never been easier. With **SM2-FUEL**'s Distribution sub-module combined with its **SM2-FUEL** hardware peripherals, the control and monitoring of your pumps becomes as automated as you need it to be. Once fueling ends, a transaction is recorded in **SM2**'s database with an accurate record of:

- Time and date
- Vehicle number
- Driver ID (optional)
- Volume of fuel dispensed
- Type of fuel dispensed
- Pump no.
- Odometer reading
- Engine hour reading
- Etc.



Rugged, Reliable System Hardware is the Foundation

You have better things to do than dealing with emergencies created by equipment failure. Even the best systems are inept without rock solid hardware components to run on. From the biting cold of the Great White North to the scorching heat of Florida and Texas, SM2-FUEL has a proven track record of reliability you can trust.

- Industrial strength Fuel Island Terminal
- Weatherized steel construction
- Steel keypad
- Wide temperature range operation
- Industrial grade control electronics
- Robust surge protection

SM2-FUEL: Inventory Management



Tend to less tedious tasks while SM2-FUEL gathers the data you need to reconcile fuel consumed with purchases and inventory.

SM2-FUEL's single-click reconciliation report matches consumption to inventory at any time you need—as often as daily if you wish—enabling you to catch discrepancies or shrinkage early enough that small problems don't turn into big ones.

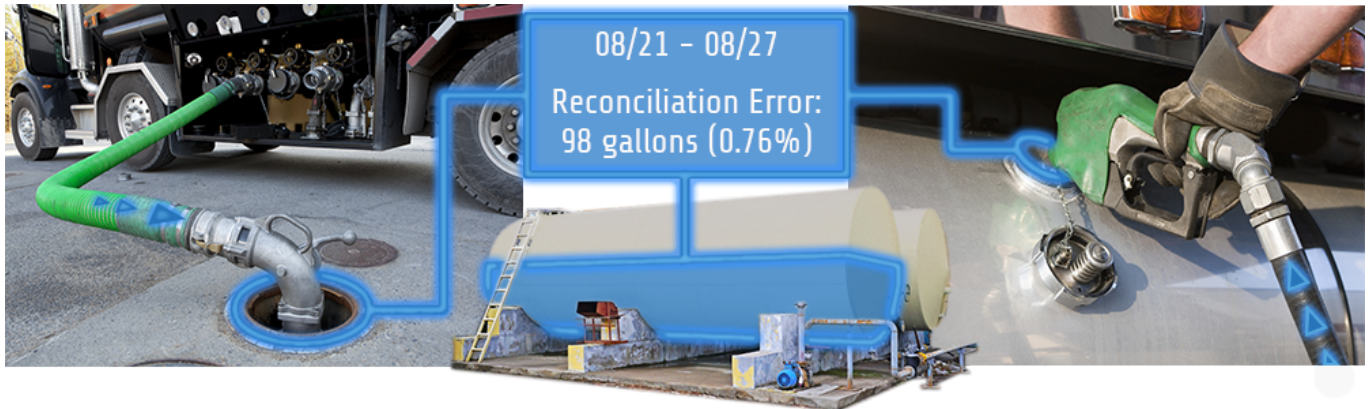
SM2-FUEL also monitors your storage tanks 24/7 and notifies you immediately of any leaks, potentially saving your hundreds of thousands in cleanup costs and environmental damage.

You will always be in full compliance of environmental regulations, able to produce the required reports in the exact format needed with a single click.

- Automatic gauging of storage tanks
- Automatic recording of fuel drops
- 24/7 monitoring and notification of leaks and reorder levels
- Single click reconciliation of consumption to purchases and inventories
- Accurate records needed for full compliance with environmental regulations
- Compliance reports in the exact format needed
- Accountability for all types of consumables: gasoline, diesel, LNG, engine oil, etc.

- Track even fuel dispensed to jerrycans!

Remember: Cleaning up a fuel spill is always more expensive than automatic inventory management.



Always be on top of your inventory reconciliation regardless of schedules, staff restrictions, and holidays.

SM2-FUEL's fully automated inventory management delivers peace of mind. It enables you to easily manage your fuel tanks while adhering to government regulations.

Single-click reconciliation is so quick and easy that you can even balance your inventories daily—instead of weekly or monthly—empowering you to catch any deviation virtually on the spot.

- Auto-captured data from tank probes, pump totalizers, and deliveries are integrated into single-click reports
- Clearly laid out reports that let you easily trace the source of inventory discrepancies
- Reports can be tailored to match the exact format mandated by regulatory agencies relevant to you



Rugged, Reliable System Hardware is the Foundation

Stop chasing the data you need to manage your tanks and inventories. Do away with data cleansing chores. Reap the benefits of full and reliable automation.

SM2-FUEL's Tank Monitoring Unit simplifies your life by automatically capturing—from sites near and far— tank levels, deliveries, and totalizer readings.

What you get is error-free, real-time data fed to automated reports. Because we know you have more important tasks to attend to.

- Easy and flexible installation: cabled, RF, or cellular connectivity
- Rugged and reliable: made to withstand the harshest environments
- Versatile and practical: use it to manage bulk storage tanks, mobile tanks big and small, and tanks near and far
- Manage fuel and beyond: diesel, gasoline, engine oil, water, etc.

Inventory Reconciliation

Period: 5/1/2014 00:00 - 5/31/2014 23:59

Site: S007 - NTC

Report can be run for any period, including daily.

Fluid: 01 - Diesel

Consumption calculated using inventory variations

| Tank # | First Gauging (L) | Last Gauging (L) | Deliveries (L) | Consumption (L) |
|--------|-------------------|------------------|----------------|-----------------|
| 01 | 19,492.80 | 22,021.10 | 148,126.00 | 145,597.70 |
| 02 | 18,270.20 | 20,912.10 | 138,958.00 | 136,316.10 |

Total Consumption:

281,913.80

Consumption as captured by the tank gauging system. This is used as the reference amount.

Consumption calculated using fuelling transactions

Tank #: 01;02

| Gasbay # | Pump # | Consumption (L) | % Deviation |
|----------|--------|-----------------|-------------|
| 1 | 1 | 156,302.40 | |
| 2 | 2 | 123,234.30 | |

Consumption Sub-total:

279,536.70

-0.8 %

Total Consumption:

279,536.70

-0.8 %

Consumption based on fuel dispensed at your pumps; quantities captured manually or automatically with SM2-FUEL.

Deviation relative to the reference amount in the first section. This is the main item on this report as it indicates whether or not there is a potential issue.

Consumption calculated using pump totalizer readings

Tank #: 01;02

| Gasbay # | Pump # | First Totalizer(L) | Last Totalizer(L) | First Totalizer(Adjusted,L) | Last Totalizer(Adjusted,L) | Consumption(L) | % Deviation |
|----------|--------|--------------------|-------------------|-----------------------------|----------------------------|----------------|-------------|
| 1 | 1 | 8,923,519.00 | 9,079,819.60 | 8,923,519.00 | 9,079,819.60 | 156,300.60 | |
| 2 | 2 | 6,817,267.40 | 6,940,514.90 | 6,817,267.40 | 6,940,514.90 | 123,247.50 | |

Consumption Sub-total:

279,548.10

-0.8 %

Total Consumption:

279,548.10

-0.8 %

Consumption based on pump totalizer readings; input manually or captured automatically by SM2-FUEL.

Nip small problems in the bud before they become big ones.

So powerful yet simple to use, you can run this single-click report daily and catch problems nearly in real-time. You can also run it automatically.

To learn more about SM2-FUEL's inventory management, please visit our product page:

<https://www.coencorp.com/sm2-advanced-fleet-fuel-inventory-management-system#SM2-FuelForm>

Periodic Inventory Report

Period: 5/1/2014 00:00 - 5/31/2014 23:59

Site: S007 - NTC

Tank: 01L (Diesel)

Total Capacity: 92,400.00 L

Pump totalizer readings; input manually or captured automatically by SM2-FUEL.

Tank levels measured with dipstick or captured automatically by SM2-FUEL.

| DATE | (Distribution) | | C DISPENSED QUANTITY | D MEASURE YESTERDAY | E DELIVERIES | F MEASURE TODAY | G = D + E - C ESTIMATED QUANTITY | H = F - G DEVIATION |
|-------|--------------------------|----------------------|-------------------------|------------------------|-----------------|--------------------|-------------------------------------|------------------------|
| | A YESTERDAY TOTALIZER | B TODAY TOTALIZER | | | | | | |
| 05/01 | 15,738,825.20 | 15,748,915.20 | 10,089.30 | 39,746.30 | 0.00 | 29,485.10 | 29,657.00 | -171.90 |
| 05/02 | 15,748,915.20 | 15,759,055.20 | 10,139.50 | 29,485.10 | 48,568.00 | 67,713.70 | 67,913.60 | -199.90 |
| 05/03 | 15,759,055.20 | 15,767,137.20 | 8,081.60 | 67,713.70 | 0.00 | 59,712.10 | 59,632.10 | 80.00 |
| 05/04 | 15,767,137.20 | 15,774,903.50 | 7,765.90 | 59,712.10 | 0.00 | 51,945.40 | 51,946.20 | -0.80 |
| 05/05 | 15,774,903.50 | 15,783,610.30 | 8,706.00 | 51,945.40 | 0.00 | 43,167.90 | 43,239.40 | -71.50 |
| 05/06 | 15,783,610.30 | 15,793,744.60 | 10,133.30 | 43,167.90 | 0.00 | 32,906.80 | 33,034.60 | -127.80 |
| 05/07 | 15,793,744.60 | 15,803,724.00 | 9,978.30 | 32,906.80 | 46,267.00 | 68,883.20 | 69,195.50 | -312.30 |
| 05/08 | 15,803,724.00 | 15,814,084.60 | 10,357.50 | 68,883.20 | 0.00 | 58,625.90 | 58,525.70 | 100.20 |
| 05/09 | 15,814,084.60 | 15,824,121.50 | 10,035.20 | 58,625.90 | 0.00 | 48,580.50 | 48,590.70 | -10.20 |
| 05/10 | 15,824,121.50 | 15,831,615.40 | 7,492.90 | 48,580.50 | 0.00 | 41,021.90 | 41,087.60 | -65.70 |
| 05/11 | 15,831,615.40 | 15,839,365.20 | 7,750.20 | 41,021.90 | 0.00 | 33,186.80 | 33,271.70 | -84.90 |
| 05/12 | 15,839,365.20 | 15,847,784.30 | 8,418.90 | 33,186.80 | 47,565.00 | 71,729.50 | 72,332.90 | -603.40 |
| 05/13 | 15,847,784.30 | 15,857,783.70 | 9,999.50 | 71,729.50 | 0.00 | 61,862.00 | 61,730.00 | 132.00 |
| 05/14 | 15,857,783.70 | 15,867,874.60 | 10,090.80 | 61,862.00 | 0.00 | 51,794.00 | 51,771.20 | 22.80 |
| 05/15 | 15,867,874.60 | 15,878,198.10 | 10,322.80 | 51,794.00 | 0.00 | 41,400.40 | 41,471.20 | -70.80 |
| 05/16 | 15,878,198.10 | 15,887,789.70 | 9,591.80 | 41,400.40 | 0.00 | 31,684.30 | 31,808.60 | -124.30 |
| 05/17 | 15,887,789.70 | 15,895,381.70 | 7,591.90 | 31,684.30 | 48,298.00 | 72,096.60 | 72,390.40 | -293.80 |
| 05/18 | 15,895,381.70 | 15,903,127.30 | 7,745.70 | 72,096.60 | 0.00 | 64,485.10 | 64,350.90 | 134.20 |
| 05/19 | 15,903,127.30 | 15,909,754.20 | 6,811.70 | 64,485.10 | 0.00 | 57,903.00 | 57,673.40 | 229.60 |
| 05/20 | 15,909,754.20 | 15,918,293.70 | 8,540.30 | 57,903.00 | 0.00 | 49,371.60 | 49,362.70 | 8.90 |
| 05/21 | 15,918,293.70 | 15,928,406.50 | 10,112.40 | 49,371.60 | 0.00 | 39,178.50 | 39,259.20 | -80.70 |
| 05/22 | 15,928,406.50 | 15,938,495.00 | 10,088.30 | 39,178.50 | 0.00 | 28,959.00 | 29,090.20 | -131.20 |
| 05/23 | 15,938,495.00 | 15,948,383.70 | 9,888.70 | 28,959.00 | 47,910.00 | 66,839.30 | 66,980.30 | -141.00 |
| 05/24 | 15,948,383.70 | 15,955,954.40 | 7,570.00 | 66,839.30 | 0.00 | 59,360.20 | 59,269.30 | 90.90 |
| 05/25 | 15,955,954.40 | 15,963,757.60 | 7,804.40 | 59,360.20 | 0.00 | 51,574.40 | 51,555.80 | 18.60 |
| 05/26 | 15,963,757.60 | 15,972,635.00 | 8,877.30 | 51,574.40 | 0.00 | 42,645.60 | 42,697.10 | -51.50 |
| 05/27 | 15,972,635.00 | 15,982,788.70 | 10,153.50 | 42,645.60 | 0.00 | 32,376.90 | 32,492.10 | -115.20 |
| 05/28 | 15,982,788.70 | 15,992,840.80 | 10,050.50 | 32,376.90 | 48,476.00 | 70,336.70 | 70,802.40 | -465.70 |
| 05/29 | 15,992,840.80 | 16,003,171.10 | 10,330.20 | 70,336.70 | 0.00 | 60,132.30 | 60,006.50 | 125.80 |
| 05/30 | 16,003,171.10 | 16,012,745.60 | 9,574.80 | 60,132.30 | 0.00 | 50,567.60 | 50,557.50 | 10.10 |
| 05/31 | 16,012,745.60 | 16,020,762.10 | 8,016.40 | 50,567.60 | 0.00 | 42,501.80 | 42,551.20 | -49.40 |

| | | | | | |
|--------------------------------------|-------------------|-----------------------------------|-------------------|-----------------------------|------------------|
| Total Dispensed Quantity (C): | 282,109.60 | Total Deliveries (E): | 287,084.00 | Total Deviation (H): | -2,218.90 |
| | | Days of loss (H < 0): | | | 20 |
| | | % Deviation (H / C * 100): | | | 0.787 % |

Maximum Water Levels:

| | | |
|---------|----------|------------------|
| Week 1: | 188.8 cm | 5/2/2014 7:23 AM |
| Week 2: | 0.0 cm | |
| Week 3: | 0.0 cm | |
| Week 4: | 0.0 cm | |
| Week 5: | 0.0 cm | |

NUMBER OF DAYS LOSS:

More than 15 days of loss

FLUID LOSS (PERCENT):

Losses of more than 0.5% of the amount pumped(C)

EXCESSIVE WATER:

Water levels exceed 15 cm

QUOTE



Maintain • Locate • Secure
Your Fleet and Fuel

SQE 1375

Created on 11 / 02 / 2023

Valid until 05 / 05 / 2024

Client: Friant Water Authority

BILL TO

854 North Harvard Avenue
Lindsay, CA, 93247

SHIP TO

, ,

ATTENTION OF

Chris Hickernell · 559-562-6305 · chickernell@friantwater.org

Quote prepared by: Reza Tavassoli · 866-263-6267 · reza@coencorp.com

In reference to:

Management of Pumps at 3 Sites

| | |
|---|--------------------------|
| SM2-FUEL Fuel Yard Package, IoT Edition | Price \$7,527.00 |
| SKU: UPH-PKG-3863 Manage your fuel yard with extreme accuracy and less time. | |
| Quantity 4 | Total \$30,108.00 |
| <hr/> | |
| INCLUDED | |
| SM2-FUEL Fuel Island Terminal (TCP/IP and 900 MHz) | |
| SM2-FUEL Pedestal for Fuel Island Terminal | |
| SM2-FUEL Corded RFID Reader | |
| Cellular Modem for Remote Support Access | |
| Commissioning (daily, provisional) | Price \$1,500.00 |
| SKU: USH-TEC-3834-PRO | |
| Quantity 3 | Total \$4,500.00 |

| | |
|---|----------------------------------|
| SM2-FUEL Consumables Distribution Management Seat (annual fee) SKU: USH-SAS-3815 <ul style="list-style-type: none"> Track consumption by employee, asset, department, cost center, and more Automated recurring reports and exports Set consumption limits by asset class | Price \$1,060.00 per year |
| Quantity 2 | Total \$2,120.00 per year |
| Pulsar SKU: UGL-FZ-HS-001-01 Provisional line item for pulsars; actual models to be provided at a later time. | Price \$500.00 |
| Quantity 7 | Total \$3,500.00 |

One-time subtotal \$38,608.00

Recurring subtotal \$8,788.00 per year

Section total \$47,396.00

Provision for On-site Coencorp Technician (if required)

| | |
|---|-------------------------|
| Service Call (hourly, provisional) Provision for 32 hours of Coencorp field tech (16 hours on-site and 16 hours travel time), if required. Actual time spent will be charged. | |
| Quantity 32 | Total \$4,368.00 |
| Travel and Living Expenses | |
| Quantity 250 | Total \$2,500.00 |

Section total \$4,807.60

Fuel Inventory Management (storage tanks)

| | |
|--|---|
| <p>SM2-FUEL Tank Monitoring Unit (IoT)</p> <p>SKU: UGH-FGD-02410-ET</p> <ul style="list-style-type: none"> • Monitor your fuel stocks from a central dashboard • Get notified of reorder levels and potential abuse • Track fuel trucks and allow dispensing only in designated locations <p>Quantity 4</p> | <p>Price \$2,755.00</p> <p>Total \$11,020.00</p> |
| <p>Rigid mag probes, including mounting kit (Sanki)</p> <p>SKU: UGL-MOD-09145-30</p> <p>Quantity 7</p> | <p>Price \$2,789.00</p> <p>Total \$19,523.00</p> |
| <p>SM2 Data Plan: IoT Standard (annual fee/device, US/Canada)</p> <p>SKU: USH-DAP-3804</p> <p>IoT at a standard data volume anywhere in the US and Canada</p> <p>Quantity 4</p> | <p>Price \$239.00 per year</p> <p>Total \$956.00 per year</p> |
| <p>SM2-FUEL Tank Telemetry (per tank monitoring unit, annual fee)</p> <p>SKU: USH-SAS-3814</p> <p>Get advanced inventory automations:</p> <ul style="list-style-type: none"> • Tank level gauging and deliveries • Probe alarms (with capable hardware) • Fuel reorder notifications <p>Quantity 4</p> | <p>Price \$500.00 per year</p> <p>Total \$2,000.00 per year</p> |
| <p>SM2-FUEL Inventory Management Seat (annual fee)</p> <p>SKU: USH-SAS-3816</p> <ul style="list-style-type: none"> • Record levels and deliveries for all storage tanks • Connect to any tank probe: automatically record levels, deliveries, and leak alarms • Single-click reconciliation of tank levels vs deliveries and consumption <p>Quantity 2</p> | <p>Price \$1,060.00 per year</p> <p>Total \$2,120.00 per year</p> |

One-time subtotal \$30,543.00

Recurring subtotal \$5,076.00 per year

Section total \$35,619.00

One-time subtotal \$76,019.00

Recurring subtotal \$13,864.00 per year

Subtotal \$87,822.60

Total \$87,822.60

Automatic Vehicle ID and Engine Data Capture



Never again worry about bad vehicle data or fuel theft.

Automatically identify authorized company vehicles, capture crucial maintenance data—all while speeding up refueling.

Just fuel up and go: great for drivers, great for fleet managers, great for financial controllers.



- Automatic capture of vehicle data including meters, engine fault codes, and idling
- Self-contained, passive nozzle gear: no wires or batteries to replace
- Drive-by capture of vehicle data at non fuel locations without recurring fees

- Theft-proof by design: fuel flows if and only if nozzle remains inserted in an authorized vehicle
- Plug-and-play installation of vehicle unit saves you a radical amount of time

OPTION: Automated Vehicle Data Capture and Automatic ID at Pumps

| | |
|--|--------------------------|
| Drive-by Telemetry Data Collector (North-America) | Price \$415.00 |
| SKU: UGH-FGD-00582 | |
| <ul style="list-style-type: none">• Mount this weatherproof unit anywhere• Capture data transparently whenever vehicles drive by• Watch as collected data appears in real-time in your central database | |
| Quantity 3 | Total \$1,245.00 |
| IoT Point of Presence assembly | Price \$977.00 |
| SKU: UGM-FGD-00836 | |
| <ul style="list-style-type: none">• Enjoy faster tech support through remote access to the SiteController• Benefit from automatic SiteController updates• Save on IT resources by removing your SM2 system from your company's network | |
| Quantity 3 | Total \$2,931.00 |
| SM2-FUEL Passive Nozzle Tag (splash-guard form factor) | Price \$99.00 |
| SKU: UGH-FUZ-HW-023-CV | |
| <ul style="list-style-type: none">• Validate product compatibility by automatically identifying hose and product• Weatherproof and resistant to abuse• Passive, requires no battery or wires | |
| Quantity 6 | Total \$594.00 |
| SM2 Vehicle Data Unit (J1939, J1708, OBDII, and VSS, North-American RF) | Price \$225.00 |
| SKU: UGH-FGD-01043-09 | |
| <ul style="list-style-type: none">• Eliminate manual data entry: data straight from the vehicle computer• Deploy it in minutes thanks to plug-and-play technology• No per-vehicle recurring fee | |
| Quantity 60 | Total \$13,500.00 |
| Antenna for VDU (windshield-mount) | Price \$12.50 |
| SKU: UGL-MOD-00796 | |
| Quantity 60 | Total \$750.00 |

| | |
|--|--|
| <p>SM2 Cable for VDU, J1939 with 9-pin Connector (type 2)</p> <p>SKU: UGM-CAB-02461-05</p> <p>Quantity 20</p> | <p>Price \$45.00</p> <p>Total \$900.00</p> |
| <p>SM2 Cable for VDU, OBD2 (standard)</p> <p>SKU: UGM-CAB-01001</p> <p>Quantity 20</p> | <p>Price \$49.00</p> <p>Total \$980.00</p> |
| <p>SM2 Cable for VDU (VSS vehicle interface)</p> <p>SKU: UGM-CAB-00544-02</p> <p>Quantity 20</p> | <p>Price \$17.00</p> <p>Total \$340.00</p> |
| <p>SM2-FUEL Fully Automated Fueling Ring 2.5 in.</p> <p>SKU: UGH-MOD-00574-02-01</p> <ul style="list-style-type: none"> • Fuel only flows if the nozzle is inserted in an authorized vehicle • Works through mud, grime, snow, etc. • Speed up fueling: vehicle is ID'd automatically—just fuel up and go <p>Quantity 20</p> | <p>Price \$26.70</p> <p>Total \$534.00</p> |
| <p>SM2-FUEL Fully Automated Fueling Ring 5 in.</p> <p>SKU: UGH-MOD-00574-03</p> <ul style="list-style-type: none"> • Fuel only flows if the nozzle is inserted in an authorized vehicle • Works through mud, grime, snow, etc. • Speed up fueling: vehicle is ID'd automatically—just fuel up and go <p>Quantity 20</p> | <p>Price \$26.70</p> <p>Total \$534.00</p> |
| <p>SM2-FUEL Fully Automated Fueling Ring 3.75 in.</p> <p>SKU: UGH-MOD-00574-02</p> <ul style="list-style-type: none"> • Fuel only flows if the nozzle is inserted in an authorized vehicle • Works through mud, grime, snow, etc. • Speed up fueling: vehicle is ID'd automatically—just fuel up and go <p>Quantity 20</p> | <p>Price \$26.70</p> <p>Total \$534.00</p> |

SM2-MAINTAIN Drive-by Vehicle Telemetry (annual fee per collector unit)

Price **\$995.00 per year**

SKU: USH-SAS-3819

- Capture engine data as vehicles drive by
- Eliminate data entry errors
- Optimize your fleet's maintenance

Quantity 3

Total \$2,985.00 per year

One-time subtotal \$22,842.00

Recurring subtotal \$2,985.00 per year

Section total \$25,827.00

One-time subtotal \$22,842.00

Recurring subtotal \$2,985.00 per year

Subtotal \$25,827.00

Total \$25,827.00

Agenda Report

No. 3.A.

DATE: February 29, 2024

TO: Board of Directors

FROM: Wilson Orvis, CFO

SUBJECT: Financial Statements and Independent Audit Report for Fiscal Year (FY) Ending September 30, 2023

SUMMARY:

Friant Water Authority (FWA) contracted with Hudson, Henderson, & Company (HH&C) in May 2021. HH&C has now completed their audit of the Friant Water Authority Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2023 and are presenting them to the Finance Committee and Board of Directors for review and acceptance.

In accordance with FWA's O&M Fund Cost Recovery and Reserve Policy (April 2007) and based upon the audited financial statements, Friant staff will be refunding, as stipulated in the audited report for the Fiscal Year Ending September 30, 2022, \$1,247,710 to FKC Contractors using the cost allocation that was in place in FY 2023.

DISCUSSION

Hudson, Henderson, & Co. (HH&C), Certified Public Accountants, performed the audit of the Financial Statements (FYE 2023) and have expressed the opinion that the Financial Statements present fairly, in all material respects, the financial position of the Friant Water Authority (FWA). In FY 2023, FWA did not exceed the Single Audit threshold of \$750,000 in expenses under Federal programs, therefore HH&C did not audit FWA's compliance with requirements under Federal grants. However, in FY 2022, HH&C had found that FWA complied, in all material aspects, with the compliance requirements under those agreements. In the process of testing, no material weaknesses or significant deficiencies were identified, all previous years' findings were found to be fully implemented.

FINANCE COMMITTEE RECOMMENDATION:

At the February 26, 2024 meeting, the Finance Committee voted to recommend that the Board of Directors accept the Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2023.

SUGGESTED MOTION:

I move that the Board of Directors accept the Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2023.

BUDGET IMPACT:

There is no impact to the budget.

ATTACHMENTS:

- 1) SAS 114 – Auditor’s Communication Letter
- 2) DRAFT Friant Water Authority’s Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2023

February 26, 2024

To the Board of Directors
Friant Water Authority

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Friant Water Authority (the Authority), for the year ended September 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 9, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. During 2023, no new significant account policies were changed or implemented. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 26, 2024.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

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

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

Restriction on Use

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

Very truly yours,

HENDERSON CPAs, INC.

A handwritten signature in black ink that reads "Henderson CPAs". The signature is written in a cursive, slightly slanted style.

By: Brian Henderson, CPA

FRIANT WATER AUTHORITY

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Friant Water Authority

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities and each major fund of the Friant Water Authority (the Authority) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Authority, as of and for the year ended September 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinions.

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's financial statements. The budgetary comparison schedule-enterprise fund is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2024, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

HENDERSON CPAs, INC.

A handwritten signature in black ink that reads "Henderson CPAs". The letters are cursive and somewhat stylized, with the "H" and "C" being particularly prominent.

Fresno, California
February 26, 2024

FRIANT WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

The following management discussion and analysis is the result of Friant Water Authority (Authority) implementing Governmental Accounting Standards Board (GASB) Statement No. 34. GASB No. 34 establishes financial reporting standards for state and local governments, including special districts such as the Authority. Our discussion and analysis of the Authority's financial performance provides an overview of the Authority's financial activities for the fiscal year ended September 30, 2023. Please read this discussion and analysis in conjunction with the Authority's audited financial statements and the accompanying notes.

OVERALL PROGRAM HIGHLIGHTS

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

FINANCIAL HIGHLIGHTS

- The Authority's total net position decreased by \$1,869,771 as a result of this year's operations. Net position of our business-type activities decreased by \$2,613,444 and net position of our governmental activities increased by \$743,673. Operating expenses were \$72,064,714, an increase of \$4,838,701 from the prior year.
- For the year, the Authority's governmental activities total expenditures of \$1,751,757 (see page 7, "Statements of Activities") were less than revenues by \$743,673. Last year, the expenditures exceeded revenues by \$1,218,931.
- Total liabilities are \$2,654,684, a decrease of \$4,066,446 from the prior year.
- In the Authority's business-type activities, the total expenses were \$70,312,957 (see page 7, "Statements of Activities"). Operating expenses exceeded revenues by \$2,613,444. Last year, operating revenues exceeded expenses by \$17,716,694. The Authority had a \$1,247,710 payable representing refunds due to Friant water service contractors on September 30th consisting of Friant-Kern Canal revenues in excess of costs and San Luis & Delta Mendota Water Authority (SLDMWA) interest revenue.
- Total cost (expenditures/expenses) of the Authority's programs for the year increased from last year by \$4,838,701 (7.20 percent).

OVERVIEW OF FINANCIAL STATEMENTS

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

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Reporting on the Authority as a Whole

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

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

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

Reporting on the Authority's Fund Financial Statements

The fund financial statements begin on page 12 and provide detailed information about the most significant funds as opposed to the Authority as a whole. The Authority's two kinds of funds—governmental and enterprise—use different accounting approaches.

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

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

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

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Analysis of Overall Financial Position and Results of Operation

The following analysis presents financial information for the years ended September 30, 2023 and 2022.

Statements of Net Position

| | 2023 | | | 2022 |
|----------------------------------|----------------------------|-----------------------------|-----------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | Total | Total Government |
| ASSETS | | | | |
| Cash and investments | \$ 434,368 | \$ 40,226,537 | \$ 40,660,905 | \$ 5,962,149 |
| Restricted cash and investments | - | 1,499,094 | 1,499,094 | 27,780,071 |
| Receivables and deposits | 5,318 | 14,920,661 | 14,925,979 | 21,738,496 |
| ETGSA receivable | - | 113,149,774 | 113,149,774 | 120,127,324 |
| Prepays | 7,500 | 766,938 | 774,438 | 1,285,729 |
| Right-to-use asset | - | 110,942 | 110,942 | 139,268 |
| Capital assets | - | 3,058,818 | 3,058,818 | 3,553,497 |
| Total Assets | 447,186 | 173,732,764 | 174,179,950 | 180,586,534 |
| LIABILITIES | | | | |
| Accounts payable | 101,902 | 465,447 | 567,349 | 4,380,074 |
| Overdrawn cash balance | - | - | - | 181,425 |
| Payroll liabilities | 1,990 | 6,381 | 8,371 | 21,081 |
| Compensated absences | 154,473 | 564,275 | 718,748 | 659,196 |
| Lease liability | - | 112,506 | 112,506 | 139,368 |
| OM&R refund liability | - | 1,247,710 | 1,247,710 | 1,339,986 |
| Total Liabilities | 258,365 | 2,396,319 | 2,654,684 | 6,721,130 |
| DEFERRED INFLOWS | | | | |
| Advanced Receipts | - | 4,572,786 | 4,572,786 | 5,043,153 |
| NET POSITION | | | | |
| Net investment in capital assets | - | 3,057,254 | 3,057,254 | 3,553,397 |
| Restricted | - | 114,648,868 | 114,648,868 | 147,907,395 |
| Unrestricted | 188,821 | 49,057,537 | 49,246,358 | 17,361,459 |
| Total Net Position | \$ 188,821 | \$ 166,763,659 | \$ 166,952,480 | \$ 168,822,251 |

The Authority's combined net position from one year ago, decreased by \$1,869,771, from \$168,822,251 to \$166,952,480. Last year's net position increased by \$14,644,918. Looking at the net position of the governmental and business-type activities individually, however, provides a better understanding of how each activity impacts the combined net position. Our analysis that follows focuses separately on the net position and changes in net position of the Authority's governmental and business-type activities.

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Net position of the Authority's governmental activities increased from \$(554,852) in 2022 to \$188,821 in 2023. The increase is due to increase of Membership assessments for the fiscal year.

The net position of business-type activities decreased from \$169,377,103 in 2022 to \$166,763,659 in 2023. Any change in net position is primarily affected by the Authority's policy to refund any revenues in excess of costs after taking into account necessary reserve balances and cash flow adjustments (see Notes, page 22, 'OM&R Revenue Refunds'). The refund amount due to Friant Division Contractors as of 2023 is \$1,247,710 due to savings from budgeted projects and purchases, special projects carried over to fiscal year 2023, and additional revenues collected principally from temporary contract water deliveries. Spending in both fiscal years was below the budgeted dollars.

Statements of Activities

| | 2023 | | | 2022 |
|----------------------------------|----------------------------|-----------------------------|-----------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | Total Government | Total Government |
| REVENUES | | | | |
| Membership assessments | \$ 2,484,897 | \$ - | \$ 2,484,897 | \$ 624,219 |
| OM&R charges | - | 23,761,206 | 23,761,206 | 53,256,603 |
| Capital grants and contributions | - | 41,905,703 | 41,905,703 | 28,449,455 |
| General revenues | | | | |
| Investment earnings (loss) | 10,533 | 2,032,604 | 2,043,137 | (459,346) |
| MRCCP settlement revenue | - | - | - | - |
| Total Revenues | 2,495,430 | 67,699,513 | 70,194,943 | 81,870,931 |
| EXPENSES | | | | |
| General Member | 1,751,757 | - | 1,751,757 | 1,896,663 |
| OM&R | - | 69,065,247 | 69,065,247 | 63,989,364 |
| OM&R reimbursement | - | 1,247,710 | 1,247,710 | 1,339,986 |
| Total Expenses | 1,751,757 | 70,312,957 | 72,064,714 | 67,226,013 |
| Net Change in Net Position | 743,673 | (2,613,444) | (1,869,771) | 14,644,918 |
| Net Position, Beginning of Year | (554,852) | 169,377,103 | 168,822,251 | 154,177,333 |
| Net Position, End of Year | <u>\$ 188,821</u> | <u>\$ 166,763,659</u> | <u>\$ 166,952,480</u> | <u>\$ 168,822,251</u> |

The table above, changes in net position, shows the Authority's total revenues for the year decreased by \$11,675,988 (14.26 percent), largely due to the decrease in OM&R charges compared to prior year. The total cost of all activities increased by \$4,838,701 (7.20 percent). Net position decreased by \$1,869,771 and our analysis below separately considers the operations of governmental and business-type activities and the primary reasons that led to this year's decrease in net position.

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

Governmental Activities

Revenues for the governmental activities were higher in 2023 as compared to 2022 with total revenues increasing by \$1,817,698 or 268.2 percent. In 2022, revenues decreased due to reduction of budget expenditures in general membership special projects as well as a reduction in quarterly calls for funds from members to reduce the overall cash balance held by FWA but in 2023 call for funds were not reduced.

Business-type Activities

Operating revenues of the Authority's business-type activities decreased by 16.6 percent, \$67,699,513 (FYE 2023) compared to \$81,193,199 (FYE 2022). The business-type activities fluctuate from year to year based on the expenditures of the fund. The decrease is due to a decrease in project funding received from DWR.

For the current fiscal year, these activities reported total expenses of \$70,312,957. The total expenses showed an increase of 7.62 percent compared to FY 2022.

The Authority's Funds

The Authority's governmental fund balance (as presented in the Balance Sheet on page 12) is \$343,294 at the end of the fiscal year 2023. This is an increase from last year's total fund balance of \$(400,458). The primary reason for the General Fund's increase is an increase in collections to support General Member activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Authority's governmental fund had original budgeted expenditures of \$2,484,897 and actual expenditures \$1,751,678 were less than original budgeted amounts. An annual budget is also adopted for the Enterprise – OM&R Fund, on a GAAP basis. The Budget and Actual for the Enterprise – OM&R Fund is in the supplementary information on pages 31-34. Formal budgetary integration is employed as a management control device during the year for the Enterprise - OM&R Fund. Annually the board of directors approves, by resolution, budget appropriations for the fiscal year commencing the following October 1. Expenses are controlled by normal internal control processes and user rate review.

CAPITAL ASSETS

As of September 30, 2023, the Authority had \$3,058,818 in capital assets, net of depreciation. Capital assets decreased by \$494,679

| | <u>2023</u> | <u>2022</u> | <u>Net Increase/ (Decrease)</u> |
|----------------------------------|-------------------------|-------------------------|-------------------------------------|
| Business-type Activities | | | |
| Construction in progress | \$ 172,745 | \$ 1,565,784 | \$ (1,393,039) |
| Heavy machinery & light vehicles | 4,132,399 | 3,072,168 | 1,060,231 |
| Tools and other equipment | 3,413,246 | 4,085,603 | (672,357) |
| Accumulated depreciation | <u>(4,659,572)</u> | <u>(5,170,058)</u> | <u>510,486</u> |
| Total Capital Assets | <u>\$ 3,058,818</u> | <u>\$ 3,553,497</u> | <u>\$ (494,679)</u> |

Additions consisted of machines, trailers, loaders, and various tools. There were dispositions of vehicles and various tools.

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In developing the budget for the 2023/2024 fiscal year, the staff and the Board of Directors took into account the factors that had significant potential to affect the budgeted figures.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

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

FRIANT WATER AUTHORITY

FINANCIAL STATEMENTS

**FRIANT WATER AUTHORITY
STATEMENT OF NET POSITION
SEPTEMBER 30, 2023**

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|-----------------------|
| ASSETS | | | |
| Cash and investments | \$ 434,368 | \$ 40,226,537 | \$ 40,660,905 |
| Restricted cash and investments | - | 1,499,094 | 1,499,094 |
| Accounts receivable | - | 14,734,508 | 14,734,508 |
| ETGSA receivable | - | 113,149,774 | 113,149,774 |
| Interest receivable | 1,918 | 186,153 | 188,071 |
| Prepaid expenses | 7,500 | 766,938 | 774,438 |
| Deposits | 3,400 | - | 3,400 |
| Right-to-use asset (net of accumulated amortization) | - | 110,942 | 110,942 |
| Capital assets (not being depreciated) | - | 172,745 | 172,745 |
| Capital assets (net of accumulated depreciation) | - | 2,886,073 | 2,886,073 |
| Total Assets | 447,186 | 173,732,764 | 174,179,950 |
| LIABILITIES | | | |
| Accounts payable | 101,902 | 465,447 | 567,349 |
| Payroll related liabilities | 1,990 | 6,381 | 8,371 |
| OM&R refund liability | - | 1,247,710 | 1,247,710 |
| Compensated absences | | | |
| Due within one year | 154,473 | 445,394 | 599,867 |
| Due in more than one year | - | 118,881 | 118,881 |
| Lease liability | | | |
| Due within one year | - | 26,916 | 26,916 |
| Due in more than one year | - | 85,590 | 85,590 |
| Total Liabilities | 258,365 | 2,396,319 | 2,654,684 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Advanced receipts | - | 4,572,786 | 4,572,786 |
| NET POSITION | | | |
| Net investment in capital assets | - | 3,057,254 | 3,057,254 |
| Restricted | - | 114,648,868 | 114,648,868 |
| Unrestricted | 188,821 | 49,057,537 | 49,246,358 |
| Total Net Position | \$ 188,821 | \$ 166,763,659 | \$ 166,952,480 |

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

**FRIANT WATER AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---------------------------------|---------------|----------------------|----------------------------------|----------------------------------|---|--------------------------|----------------|
| | | Charges for Services | Operating Grants & Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Governmental Activities: | | | | | | | |
| General member activities | \$ 1,751,757 | \$ - | \$ 2,484,897 | \$ - | \$ 733,140 | \$ - | \$ 733,140 |
| Total Governmental Activities | 1,751,757 | - | 2,484,897 | - | 733,140 | - | 733,140 |
| Business-Type Activities: | | | | | | | |
| OM&R activities | 70,312,957 | 23,761,206 | - | 41,905,703 | - | (4,646,048) | (4,646,048) |
| Total Business-Type Activities | 70,312,957 | 23,761,206 | - | 41,905,703 | - | (4,646,048) | (4,646,048) |
| Total Primary Government | \$ 72,064,714 | \$ 23,761,206 | \$ 2,484,897 | \$ 41,905,703 | 733,140 | (4,646,048) | (3,912,908) |
| General Revenues: | | | | | | | |
| Investment earnings | | | | | 10,533 | 2,032,604 | 2,043,137 |
| Total General Revenues | | | | | 10,533 | 2,032,604 | 2,043,137 |
| Change in Net Position | | | | | 743,673 | (2,613,444) | (1,869,771) |
| Net Position, Beginning of Year | | | | | (554,852) | 169,377,103 | 168,822,251 |
| Net Position, End of Year | | | | | \$ 188,821 | \$ 166,763,659 | \$ 166,952,480 |

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

**FRIANT WATER AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUND
SEPTEMBER 30, 2023**

| | General Fund |
|---|--------------|
| ASSETS | |
| Cash and investments | \$ 434,368 |
| Interest receivable | 1,918 |
| Prepaid expenses | 7,500 |
| Deposits | 3,400 |
| Total Assets | \$ 447,186 |
| LIABILITIES AND FUND BALANCE (DEFICIT) | |
| Liabilities | |
| Accounts payable | \$ 101,902 |
| Payroll related liabilities | 1,990 |
| Total Liabilities | 103,892 |
| Fund Balance | |
| Nonspendable | 10,900 |
| Unassigned | 332,394 |
| Total Fund Balance | 343,294 |
| Total Liabilities and Fund Balance | \$ 447,186 |
| Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position: | |
| Total Fund Balance - Governmental Fund | \$ 343,294 |
| Compensated absences are not due and payable in the current period and therefore are not reported in the governmental fund but are recorded in the government-wide statement to conform with generally accepted accounting principles. | (154,473) |
| Total Net Position - Governmental Activities | \$ 188,821 |

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

FRIANT WATER AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023

| | General Fund |
|--|--------------|
| REVENUES | |
| Membership assessment | \$ 2,484,897 |
| Interest | 9,259 |
| Investment earnings (loss) | 1,274 |
| | 2,495,430 |
| EXPENDITURES | |
| City of Fresno vs USA (JDA) | 147,910 |
| Administrative | 98,134 |
| Administrative allocation | 94,912 |
| Friant supply, tracking, policies, & defense | 334,676 |
| Delta supply, tracking, policies, & defense | 154,433 |
| San Joaquin settlement | 173,263 |
| Reconsultation | 47,290 |
| Upstream storage | 4,725 |
| Annual strategic planning | 55,665 |
| Friant member & grower coordination | 3,386 |
| Legislative affairs | 99,170 |
| State regulatory affairs | 74,101 |
| External affairs | 233,897 |
| Communications & media relations | 32,420 |
| Employee holiday, sick, vacation & jury | 83,950 |
| Travel expense | 14,400 |
| Retirement, health insurance & payroll taxes | 99,296 |
| Finance charges | 50 |
| | 1,751,678 |
| Total Expenditures | 1,751,678 |
| Net Change in Fund Balance | 743,752 |
| Fund Balance (Deficit), Beginning of Year | (400,458) |
| | 343,294 |
| Fund Balance, End of Year | \$ 343,294 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities: | |
| Net change in Fund Balance - Governmental Fund | \$ 743,752 |
| Governmental funds do not include incurred noncurrent compensated absences as expenditures. However, in the Statement of Activities, these expenses are recognized. This is the amount by which compensated absences decreased (increased) in the current period. | (79) |
| Change in Net Position - Governmental Activities | \$ 743,673 |

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

**FRIANT WATER AUTHORITY
STATEMENT OF NET POSITION
ENTERPRISE FUND
SEPTEMBER 30, 2023**

| | OM&R Fund |
|---|----------------|
| ASSETS | |
| Current Assets | |
| Cash and investments | \$ 40,226,537 |
| Restricted cash and investments | 1,499,094 |
| Accounts receivable | 14,734,508 |
| ETGSA receivable | 113,149,774 |
| Prepaid expenses | 766,938 |
| Interest receivable | 186,153 |
| | 170,563,004 |
| Total Current Assets | 170,563,004 |
| Noncurrent Assets | |
| Right-to-use asset (net of accumulated amortization) | 110,942 |
| Capital assets (not being depreciated) | 172,745 |
| Capital assets (net of accumulated depreciation) | 2,886,073 |
| | 3,169,760 |
| Total Noncurrent Assets | 3,169,760 |
| Total Assets | 173,732,764 |
| LIABILITIES | |
| Current Liabilities | |
| Accounts payable | 465,447 |
| Payroll related liabilities | 6,381 |
| Compensated absences, current | 445,394 |
| Lease liability, current | 26,916 |
| OM&R refund liability | 1,247,710 |
| | 2,191,848 |
| Total Current Liabilities | 2,191,848 |
| Noncurrent Liabilities | |
| Compensated absences, noncurrent | 118,881 |
| Lease liability, noncurrent | 85,590 |
| | 204,471 |
| Total Noncurrent Liabilities | 204,471 |
| Total Liabilities | 2,396,319 |
| DEFERRED INFLOWS OF RESOURCES | |
| Advanced receipts | 4,572,786 |
| | 4,572,786 |
| NET POSITION | |
| Net investment in capital assets | 3,057,254 |
| Restricted | 114,648,868 |
| Unrestricted | 49,057,537 |
| | 166,763,659 |
| Total Net Position | \$ 166,763,659 |

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

**FRIANT WATER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | <u>OM&R Fund</u> |
|---|--------------------------|
| OPERATING REVENUES | |
| OM&R charges | \$ 23,761,206 |
| Federal assistance | 6,310 |
| DWR assistance | 41,899,393 |
| | <hr/> |
| Total Operating Revenues | 65,666,909 |
| | <hr/> |
| OPERATING EXPENSES | |
| SLDMWA OM&R expenses | 5,208,899 |
| FWA OM&R expenses: | |
| Maintenance | 13,067,764 |
| Operations | 2,244,769 |
| Administrative | 1,164,587 |
| Finance charges | 10,443 |
| FKC System Wide Capacity Correction Project | 372,759 |
| MRCCP Project | 46,996,026 |
| | <hr/> |
| Total Operating Expenses | 69,065,247 |
| | <hr/> |
| Operating Income (Loss) | (3,398,338) |
| | <hr/> |
| NON-OPERATING REVENUES (EXPENSES) | |
| Investment earnings (loss) | 2,032,604 |
| | <hr/> |
| Total Non-Operating Revenues (Expenses) | 2,032,604 |
| | <hr/> |
| OM&R Revenue Refund | 1,247,710 |
| | <hr/> |
| Change in Net Position | (2,613,444) |
| | <hr/> |
| Net Position, Beginning of Year | 169,377,103 |
| | <hr/> |
| Net Position, End of Year | <u>\$ 166,763,659</u> |

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

**FRIANT WATER AUTHORITY
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | <u>OM&R Fund</u> |
|---|-----------------------------|
| Cash Flows from Operating Activities | |
| Cash received from customers | \$ 69,633,739 |
| Cash payments to suppliers | (62,841,205) |
| Cash payments to employees | (6,180,473) |
| | <hr/> |
| Net cash provided (used) by operating activities: | <u>612,061</u> |
| Cash Flows from Noncapital Financing Activities | |
| ETGSA legal settlements | <u>6,977,550</u> |
| | <hr/> |
| Net cash provided (used) by noncapital financing activities: | <u>6,977,550</u> |
| Cash Flows from Capital and Related Financing Activities | |
| Acquisition of capital assets | <u>(1,547,243)</u> |
| | <hr/> |
| Net cash provided (used) by capital and related financing activities: | <u>(1,547,243)</u> |
| Cash Flows from Investing Activities | |
| Investment income | <u>1,941,043</u> |
| | <hr/> |
| Net cash provided (used) by investing activities: | <u>1,941,043</u> |
| Net change in cash and investments | <u>7,983,411</u> |
| Cash and Investments, Beginning of Year | <u>33,742,220</u> |
| Cash and Investments, End of Year | <u><u>\$ 41,725,631</u></u> |
| Reconciliation of cash and investments to Statement of Net Position: | |
| Unrestricted assets - cash and investments | \$ 40,226,537 |
| Restricted assets - cash and investments | <u>1,499,094</u> |
| Total cash and investments | <u><u>\$ 41,725,631</u></u> |

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

**FRIANT WATER AUTHORITY
STATEMENT OF CASH FLOWS (continued)
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | | OM&R Fund |
|---|----|--------------|
| Reconciliation of Operating Income | | |
| (Loss) to Net Cash Provided (Used) | | |
| by Operating Activities | | |
| Operating income (loss) | \$ | (3,398,338) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| CIP DWR disposal included in operating expenses | | 1,615,263 |
| Depreciation and amortization | | 429,019 |
| Refund liability | | (1,339,986) |
| Changes in assets and liabilities: | | |
| Accounts receivable | | 5,777,183 |
| Prepaid expenses | | 508,330 |
| Deposits | | 1,125,000 |
| Right-to-use asset | | 25,966 |
| Accounts payable | | (3,692,620) |
| Compensated absences | | 59,473 |
| Lease liability | | (26,862) |
| Deferred inflows | | (470,367) |
| | | (470,367) |
| Net cash provided (used) by operating activities: | \$ | 612,061 |

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

**FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

As of March 1, 1998, the “Agreement to Transfer the Operation, Maintenance and Replacement (OM&R) and Certain Financial and Administrative Activities Related to the Friant-Kern Canal and Associated Works, (Transfer Agreement) became effective for FWUA. The Transfer Agreement was assigned to Friant Water Authority on June 30, 2004. Under the Transfer Agreement, FWUA operated and maintained the Friant-Kern Canal. The Transfer Agreement provides for direct funding from CVP Friant Division water contractors as opposed to the monthly cash advances from the U.S. Bureau of Reclamation (USBR) under the Cooperative Agreement. On October 5, 2020, the Transfer Agreement was renegotiated and renewed between the Bureau of Reclamation and the Authority.

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

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

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

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

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

- Government-Wide Financial Statements

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

- Governmental Fund Financial Statements

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

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

- Proprietary Fund Financial Statement

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

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

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The Authority reports one major governmental fund:

General Fund

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

The Authority reports one major enterprise fund:

Operation, Maintenance and Replacement (OM&R) Fund

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

Budgets and Budgetary Accounting: An annual budget is normally adopted for the General Fund on a modified accrual basis consistent with Generally Accepted Accounting Principles (GAAP). The Budgetary Comparison Schedule for the General Fund is included in the required supplementary Information on page 30.

An annual budget is also adopted for the Enterprise – OM&R Fund, on a GAAP basis. The Budgetary Comparison Schedule for the Enterprise Fund is included in the supplementary information on page 31.

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

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

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

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

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Capital Assets: Capital assets which include property, plant and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Authority as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at historical cost. Donated assets are recorded at estimated fair market value as of the date of the donation.

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

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

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

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

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

Accounts Payable: Certain costs are incurred by the Authority during the current reporting period but are not paid until after the beginning of the next fiscal period. These costs are reported as payables in the financial statements. The Authority's account payable balance as of September 30, 2023 is \$567,349.

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

Compensated Absences: Full-time, permanent employees are granted vacation benefits in specified maximums depending on tenure with the Authority. Sick leave is granted to employees, and, upon separation of service, employees may be entitled to compensation for any unused portion. The Authority's compensated absences balance as of September 30, 2023 is \$718,746.

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

OM&R Revenue Refunds: The Board of Directors has authorized Friant Division contractors to be refunded annually if revenues for the fiscal year are collected in excess of costs or to be billed for any costs in excess of revenues, after taking into account any necessary reserve balances and cash flow adjustments. The amount of the refund for contractors as of September 30, 2023 is \$1,247,710.

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

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

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

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

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

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Balance (continued):

- *Unassigned* – The residual classification for the Authority’s governmental fund that includes amounts not contained in the other classifications.

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

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

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

Governmental Accounting Standards Update: During the year ended September 30, 2023, the Authority implemented the following standards with no financial impact.

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

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

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

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

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

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

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

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events: In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in the financial statements. Management has determined that no events require disclosure in accordance with accounting standards. These subsequent events have been evaluated through February 26, 2024, which is the date the financial statements were available to be issued.

NOTE 2 – CASH AND INVESTMENTS

A summary of cash and investments at September 30, 2023 is as follows:

| | | |
|-------------------------------------|----|------------|
| Cash in bank | \$ | (400,947) |
| California Asset Management Program | | 42,430,977 |
| Local Agency Investment Fund | | 129,969 |
| Total cash and investments | \$ | 42,159,999 |

Investments Authorized by the California Government Code: The Authority’s investment policy authorizes investments in the Local Agency Investment Fund (LAIF), which is a local government investment pool administered by the State of California and in a bank or saving association account fully insured by the Federal Deposit Insurance Corporation (FDIC). Also with the California Asset Management Program (CAMP) which is an investment pool for governments offered by the California Asset Management Trust (the Trust). The pool’s investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The Authority’s investment policy does not contain any specific provisions intended to limit the Authority’s exposure to interest rate risk, credit risk, and concentration of credit risk.

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

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

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

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2 – CASH AND INVESTMENTS (continued)

Investments in the California Asset Management Program: Historically the Authority has held its cash balances in LAIF. In the prior year the Council pulled the majority of its cash balances from the LAIF investment pool and transferred the balances to the California Asset Management Program (CAMP). As of September 30, 2023 the Authority holds a substantial amount of cash with the California Asset Management Program (CAMP) which is an investment pool for governments offered by the California Asset Management Trust (the Trust). The pool's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. Security types prohibited include but are not limited to: Investments in inverse floaters, range notes, or interest only strips that are derived from a pool of mortgages. At September 30, 2023, the fair value approximated the Authority's cost.

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

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

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

The LAIF and CAMP are valued on a fair market value as determined and given by both investment pools.

NOTE 3 – RIGHT-TO-USE ASSET

The Authority recorded a right-to-use lease asset. The asset is for a right-to-use copier. The related lease is discussed in Note 5. The right-to-use asset is amortized on a straight-line basis over the terms of the related lease. Right-to-use activity for the year ended September 30, 2023 was as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Retirements/ Adjustments</u> | <u>Ending Balance</u> |
|------------------------------|------------------------------|------------------|-------------------------------------|---------------------------|
| Right-to-use Asset | | | | |
| Right-to-use copier | \$ 141,628 | \$ - | \$ - | \$ 141,628 |
| Accumulated amortization | (2,360) | - | (28,326) | (30,686) |
| Total Right-to-use Asset | <u>\$ 139,268</u> | <u>\$ -</u> | <u>\$ (28,326)</u> | <u>\$ 110,942</u> |

Amortization expense for the year ended September 30, 2023 was \$28,326.

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4 – CAPITAL ASSETS

Capital asset activity for business-type activities for the year ended September 30, 2023 is as follows:

| | Beginning Balance | Additions/ Completions | Retirements/ Adjustments | Ending Balance |
|---|----------------------|---------------------------|-----------------------------|---------------------|
| Capital assets not being depreciated: | | | | |
| Construction in progress | \$ 1,565,784 | \$ 172,745 | \$ (1,565,784) | \$ 172,745 |
| Total capital assets not being depreciated | 1,565,784 | 172,745 | (1,565,784) | 172,745 |
| Capital assets being depreciated: | | | | |
| Vehicles and heavy equipment | 3,072,168 | 1,283,693 | (223,462) | 4,132,399 |
| Tools and other | 4,085,603 | 90,805 | (763,163) | 3,413,245 |
| Total capital assets being depreciated | 7,157,771 | 1,374,498 | (986,625) | 7,545,644 |
| Less accumulated depreciation | 5,170,058 | 426,659 | (937,146) | 4,659,571 |
| Total capital assets being depreciated, net | 1,987,713 | 947,839 | (49,479) | 2,886,073 |
| Total capital assets, net | <u>\$ 3,553,497</u> | <u>\$ 1,120,584</u> | <u>\$ (1,615,263)</u> | <u>\$ 3,058,818</u> |

Depreciation expense for the year ended September 30, 2023 is \$426,659.

NOTE 5 – LEASE LIABILITY

The Authority has entered into an operating lease agreement with Power Business Technology whereby the Authority leases a copier through November 2027. Activity related to the lease liability is as follows for the year ended September 30, 2023:

| | Beginning Balance | Additions | Principle Payments | Ending Balance | Due Within One Year |
|-----------------|----------------------|-------------|-----------------------|-------------------|------------------------|
| Lease liability | <u>\$ 139,368</u> | <u>\$ -</u> | <u>\$ (26,862)</u> | <u>\$ 112,506</u> | <u>\$ 26,916</u> |

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

| For the years ending September 30, | Principal Payments | Interest Payments | Total |
|---------------------------------------|-----------------------|----------------------|-------------------|
| 2024 | \$ 26,916 | \$ 200 | \$ 27,116 |
| 2025 | 26,970 | 146 | 27,116 |
| 2026 | 27,024 | 92 | 27,116 |
| 2027 | 27,078 | 38 | 27,116 |
| Thereafter | <u>4,518</u> | <u>1</u> | <u>4,519</u> |
| Total | <u>\$ 112,506</u> | <u>\$ 477</u> | <u>\$ 112,983</u> |

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 6 – DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS

The Authority provides retirement benefits for all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan and investment earnings. Employees are eligible to participate from the date of hire. The plan requires the Authority to contribute an amount equal to 8% of the employee’s wages plus an amount equal to the first 4% of gross wages contributed to the deferred compensation plan by the employee. The Authority’s contributions for each employee (and interest allocated to the employee’s account) are fully vested after three years of continuous service. The plan permits employees to defer a portion of their salary until future years, the Authority is required to make contributions to the plan for eligible employees and employer contributions are immediately vested. The Authority’s contribution expense for the year ended September 30, 2023 was \$643,249.

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

NOTE 7 – RESTRICTED NET POSITION

Restricted for Emergency: Under the Transfer Agreement, the Authority is required to establish an “Emergency Reserve Fund,” for purposes of funding extraordinary operations and maintenance activities. The Emergency Reserve Fund may also be used for short-term working capital needs. The Emergency Reserve Fund is required to reach 15% of the average of the three immediately preceding years’ operation and maintenance costs of the Friant-Kern Canal. The Authority used the operations and maintenance costs that were incurred in the Authority for the fiscal year to calculate the restricted amount of \$1,499,094.

MRCCP Settlement: In accordance with the terms of the settlement agreements associated with the Middle Reach Capacity Corrections Project for transitional overdraft pumping and anticipated subsidence damages to the Friant Kern Canal, these funds as awarded to the Authority are to be used towards the Middle Reach Capacity Corrections Project. As funds are used by the Authority, they will reduce the restricted amounts as presented in restricted net position. The amount of restricted net position representing this settlement as of September 30, 2023 is \$114,648,868 for the receivable.

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

NOTE 8 – COMMITMENTS AND CONTINGENCIES

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

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

Joint Powers Insurance Authority (JPIA) (continued): The JPIA is governed by a board elected by district members. The governing board controls the operation of the JPIA, independent of any influence by the Authority beyond the Authority’s representation on the governing board.

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

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

| | September 30, 2022 |
|--------------------------------|-----------------------|
| Total assets | \$ 246,615,214 |
| Deferred outflows of resources | 6,108,562 |
| Total liabilities | 137,126,606 |
| Deferred inflows of resources | 2,813,249 |
| Net position | \$ 112,783,921 |
| Total revenues | \$ 175,619,417 |
| Total expenditures | 212,646,028 |
| Net increase in net position | \$ (37,026,611) |

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

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

NOTE 8 – COMMITMENTS AND CONTINGENCIES (continued)

Special District Risk Management Authority (SDRMA) Continued: SDRMA is governed by a board elected from within the membership of both the property and liability and workers' compensation programs. The governing body controls the operation of the SDRMA, independent of any influence by the Authority.

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

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

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

NOTE 9 – DEFICIENCY OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2023, expenditures exceeded budgeted appropriations as follows:

| Expenditures | Amount |
|-------------------------------------|--------------|
| General Fund - General Member | |
| City of Fresno vs USA (JDA) | \$ 70,410 |
| GM administrative costs | 25,013 |
| San Joaquin Settlement | 141,663 |
| Annual Strategic Planning | 10,665 |
| Friant Member & Grower Coordination | 3,386 |
| Legislative Affairs | 33,158 |
| State Regulatory Affairs | 32,101 |
| External Affairs | 106,897 |
| Enterprise Fund-OM&R Fund | |
| Canal maintenance | \$ 4,691,302 |
| Water operations | 190,898 |

FRIANT WATER AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | Budgeted Amounts | | Actual Amount | Variance with Final Budget |
|--|------------------|--------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues | | | | |
| Membership assessment | \$ 2,484,897 | \$ 2,484,897 | \$ 2,484,897 | \$ - |
| Interest | - | - | 9,259 | 9,259 |
| Investment earnings (loss) | - | - | 1,274 | 1,274 |
| Total Revenues | 2,484,897 | 2,484,897 | 2,495,430 | 10,533 |
| Expenditures | | | | |
| City of Fresno vs USA (JDA) | 77,500 | 77,500 | 147,910 | (70,410) |
| GM administrative costs | 73,120 | 73,120 | 98,133 | (25,013) |
| Administration allocation | 509,327 | 509,327 | 94,912 | 414,415 |
| Friant supply, tracking, policies & defense | 346,382 | 346,382 | 334,676 | 11,706 |
| Delta supply, tracking, policies & defense | 258,566 | 258,566 | 154,433 | 104,133 |
| San Joaquin Settlement | 31,600 | 31,600 | 173,263 | (141,663) |
| Consultation | 323,560 | 323,560 | 47,290 | 276,270 |
| Upstream storage | 8,000 | 8,000 | 4,725 | 3,275 |
| Annual strategic planning | 45,000 | 45,000 | 55,665 | (10,665) |
| Friant member & grower coordination | | - | 3,386 | (3,386) |
| Legislative affairs | 66,012 | 66,012 | 99,170 | (33,158) |
| State regulatory affairs | 42,000 | 42,000 | 74,101 | (32,101) |
| External affairs | 127,000 | 127,000 | 233,897 | (106,897) |
| Communications & media relations | 40,500 | 40,500 | 32,420 | 8,080 |
| Employee holiday, sick, vacation & jury | 125,000 | 125,000 | 83,951 | 41,049 |
| Travel expense | 147,500 | 147,500 | 14,400 | 133,100 |
| Retirement, health ins. & payroll taxes | 247,830 | 247,830 | 99,296 | 148,534 |
| Finance charges | 1,000 | 1,000 | 50 | 950 |
| SJV Blueprint | 15,000 | 15,000 | - | 15,000 |
| Total Expenditures | 2,484,897 | 2,484,897 | 1,751,678 | 733,219 |
| Net Change in Fund Balance | <u>\$ -</u> | <u>\$ -</u> | 743,752 | <u>\$ (722,686)</u> |
| Fund Balance, (Deficit) Beginning of Year | | | (400,458) | |
| Fund Balance, End of Year | | | <u>\$ 343,294</u> | |

FRIANT WATER AUTHORITY

SUPPLEMENTARY INFORMATION

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | <u>Budgeted Amounts</u> | | <u>Actual Amount</u> | <u>Variance with Final Budget</u> |
|--|-------------------------|-------------------|--------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| REVENUES | | | | |
| FWA OM&R revenues | \$12,198,370 | \$12,198,370 | \$18,317,889 | \$ 6,119,519 |
| OM&R federal assistance | - | - | 6,310 | 6,310 |
| OM&R DWR assistance | - | - | 41,899,393 | 41,899,393 |
| FKC-MRCCP cost-share revenues | - | - | 5,443,317 | 5,443,317 |
| Interest | - | - | 1,383,183 | 1,383,183 |
| Change in investment fair value | - | - | 649,421 | 649,421 |
| Total FWA OM&R Revenues | 12,198,370 | 12,198,370 | 67,699,513 | 55,501,143 |
| Total Revenues: | 12,198,370 | 12,198,370 | 67,699,513 | 55,501,143 |
| Expenses: | | | | |
| Canal maintenance | | | | |
| Vehicle and equipment acquisition | 1,013,489 | 1,013,489 | - | 1,013,489 |
| Vehicle and equipment service | 759,318 | 759,318 | 638,678 | 120,640 |
| Supervision | 341,127 | 341,127 | 255,895 | 85,232 |
| Right of way management | 50,784 | 50,784 | 60,431 | (9,647) |
| Weed and pest control | 1,039,248 | 1,039,248 | 801,418 | 237,830 |
| Friant Biological Opinion Imp | 22,000 | 22,000 | - | 22,000 |
| Road maintenance | 60,673 | 60,673 | 57,274 | 3,399 |
| Yard and building maintenance | 339,973 | 339,973 | 300,639 | 39,334 |
| Structure and gate maintenance | 72,677 | 72,677 | 78,253 | (5,576) |
| Cleaning right-of-way | 69,608 | 69,608 | 64,299 | 5,309 |
| Bargate, guardrail and lock maintenance | 41,526 | 41,526 | 22,117 | 19,409 |
| Embankment maintenance | 85,276 | 85,276 | 170,234 | (84,958) |
| Bridge maintenance | 63,193 | 63,193 | 61,378 | 1,815 |
| Miscellaneous maintenance | - | - | - | - |
| Concrete lining maintenance | 19,483 | 19,483 | 46,467 | (26,984) |
| Drain ditch and channel maintenance | 37,870 | 37,870 | 39,756 | (1,886) |
| Fence maintenance | 81,666 | 81,666 | 62,159 | 19,507 |
| Mud jacking | 25,181 | 25,181 | 4,341 | 20,840 |
| Painting | 56,933 | 56,933 | 17,258 | 39,675 |
| Sump pump maintenance | 2,057 | 2,057 | - | 2,057 |
| Cross drainage and structure maintenance | 1,107 | 1,107 | - | 1,107 |
| Rip-rapping | 2,625 | 2,625 | - | 2,625 |
| USBR Pump-Back project | - | - | 721,341 | (721,341) |

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | <u>Budgeted Amounts</u> | | <u>Actual</u> | <u>Variance with</u> |
|---|-------------------------|-------------------------|--------------------------|---------------------------|
| | <u>Original</u> | <u>Final</u> | <u>Amount</u> | <u>Final Budget</u> |
| GSA Engagement | \$ - | \$ - | \$ 242,213 | \$ (242,213) |
| Operations supervision | 50,438 | 50,438 | 124,657 | (74,219) |
| Water supply coordination & monitoring | 632,218 | 632,218 | 891,560 | (259,342) |
| Legal - direct | 110,000 | 110,000 | 106,062 | 3,938 |
| Safety and first aid training | 34,717 | 34,717 | 34,164 | 553 |
| Office admin | 83,705 | 83,705 | 197,121 | (113,416) |
| Payroll preparation | 12,707 | 12,707 | 2,664 | 10,043 |
| Meeting expenses | 508,068 | 508,068 | 310,884 | 197,184 |
| Training and education | 50,597 | 50,597 | 34,949 | 15,648 |
| Procurement expense | 20,085 | 20,085 | - | 20,085 |
| Inventory and property management | 1,388 | 1,388 | 451 | 937 |
| Employee holiday, sick, vacation and jury duty | - | - | 331,191 | (331,191) |
| Travel | 5,401 | 5,401 | 4,264 | 1,137 |
| Personnel administration | 103,340 | 103,340 | 120,568 | (17,228) |
| Employee Retirement | 1,031,814 | 1,031,814 | 372,833 | 658,981 |
| Medical & Disability | 1,366,251 | 1,366,251 | 671,972 | 694,279 |
| Workers' compensation insurance | 69,661 | 69,661 | 47,591 | 22,070 |
| Payroll Taxes | - | - | 53,174 | (53,174) |
| Utilities | 88,423 | 88,423 | 184,988 | (96,565) |
| Merit Awards | - | - | 48,446 | (48,446) |
| Dues and subscriptions | 10,615 | 10,615 | 5,273 | 5,342 |
| Budget Preparation | 3,624 | 3,624 | 5,113 | (1,489) |
| Achieving & Data Storage | 7,596 | 7,596 | - | 7,596 |
| Data processing | - | - | 265,745 | (265,745) |
| Implementation of Bio Opinion | - | - | 19,400 | (19,400) |
| Lease office equipment | - | - | 47,251 | (47,251) |
| Liability Insurance | - | - | 146,625 | (146,625) |
| MRCCP | - | - | 4,962,889 | (4,962,889) |
| Depreciation | - | - | 217,036 | (217,036) |
| Accounting and auditing | - | - | 31,546 | (31,546) |
| Reverse flow pumping | - | - | 185,196 | (185,196) |
| Total canal maintenance | <u>8,376,462</u> | <u>8,376,462</u> | <u>13,067,764</u> | <u>(4,691,302)</u> |
| Water operations | | | | |
| Vehicle and equipment acquisition | 81,200 | 81,200 | - | 81,200 |
| Vehicle and equipment service | 1,084 | 1,084 | 973 | 111 |
| Yard and building maintenance | 63,974 | 63,974 | 56,082 | 7,892 |
| Structure and gate maintenance | 199,735 | 199,735 | 115,372 | 84,363 |
| Cleaning right-of-way | 3,468 | 3,468 | 1,312 | 2,156 |
| Bargate, guardrail and lock maintenance | 2,632 | 2,632 | 48 | 2,584 |
| Sump pump maintenance | 15,791 | 15,791 | 13,722 | 2,069 |
| Reverse flow pumping | - | - | 165,571 | (165,571) |

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | <u>Budgeted Amounts</u> | | <u>Actual Amount</u> | <u>Variance with Final Budget</u> |
|---|-------------------------|-------------------------|--------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Communications and information | \$ 259,634 | \$ 259,634 | \$ 295,885 | \$ (36,251) |
| Meter repair and calibration | 111,318 | 111,318 | 96,699 | 14,619 |
| Canal patrol | 339,292 | 339,292 | 333,836 | 5,456 |
| Operations reports | 106,163 | 106,163 | 155,688 | (49,525) |
| Supervision | 86,606 | 86,606 | - | 86,606 |
| Water measurement | 9,273 | 9,273 | 8,048 | 1,225 |
| Water quality | - | - | 237,316 | (237,316) |
| Miscellaneous | - | - | 58,100 | (58,100) |
| Ground water and seepage well measurement | - | - | 1,499 | (1,499) |
| Safety and first aid training | 3,886 | 3,886 | 6,172 | (2,286) |
| Water supply coordination & monitoring | - | - | 49,645 | (49,645) |
| Meeting expenses | 1,881 | 1,881 | 5,578 | (3,697) |
| Training and education | 6,637 | 6,637 | 544 | 6,093 |
| Employee holiday, sick, vacation and jury duty | - | - | 145,009 | (145,009) |
| Utilities | 35,302 | 35,302 | 35,065 | 237 |
| Employee retirement | 286,181 | 286,181 | 103,692 | 182,489 |
| Medical and disability insurance | 407,646 | 407,646 | 188,823 | 218,823 |
| Payroll taxes | - | - | 13,023 | (13,023) |
| Workers' compensation insurance | 32,168 | 32,168 | 23,121 | 9,047 |
| Depreciation | - | - | 133,946 | (133,946) |
| Total water operations | <u>2,053,871</u> | <u>2,053,871</u> | <u>2,244,769</u> | <u>(190,898)</u> |
| Administration | | | | |
| Vehicle and equipment acquisition | 38,063 | 38,063 | - | 38,063 |
| Water supply coordination & monitoring | 79,546 | 79,546 | 86,096 | (6,550) |

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

| | Budgeted Amounts | | Actual Amount | Variance with Final Budget |
|---|----------------------|----------------------|----------------------|-------------------------------|
| | Original | Final | | |
| Administrative supervision | \$ - | \$ - | \$ 8,993 | \$ (8,993) |
| Safety and first aid training | 94,652 | 94,652 | 1,638 | 93,014 |
| Office admin | 141,116 | 141,116 | 505 | 140,611 |
| Payroll preparation | 14,186 | 14,186 | 9,625 | 4,561 |
| Meeting expense | 51,273 | 51,273 | 55,872 | (4,599) |
| Training and education | 90,915 | 90,915 | 14,770 | 76,145 |
| Procurement expense | - | - | 5,568 | (5,568) |
| Inventory and property management | 3,651 | 3,651 | - | 3,651 |
| Employee holiday, sick, vacation and jury duty | 511,200 | 511,200 | 82,154 | 429,046 |
| Data processing | 260,585 | 260,585 | 23,404 | 237,181 |
| Travel expense | 39,520 | 39,520 | 28,545 | 10,975 |
| Accounting and auditing | 408,511 | 408,511 | 379,450 | 29,061 |
| Personnel administration | 132,129 | 132,129 | 227,562 | (95,433) |
| Liability insurance | 142,825 | 142,825 | - | 142,825 |
| Workers' compensation insurance | 13,546 | 13,546 | 1,462 | 12,084 |
| Utilities | 72,307 | 72,307 | - | 72,307 |
| Office supplies | 29,069 | 29,069 | - | 29,069 |
| Postage | 7,747 | 7,747 | - | 7,747 |
| Dues and subscriptions | 9,034 | 9,034 | 9,759 | (725) |
| Budget preparation | 11,067 | 11,067 | 9,389 | 1,678 |
| Lease office equipment | 37,323 | 37,323 | - | 37,323 |
| Employee retirement | - | - | 88,222 | (88,222) |
| Medical and disability insurance | - | - | 110,147 | (110,147) |
| Payroll taxes | - | - | 12,335 | (12,335) |
| Depreciation | - | - | 75,677 | (75,677) |
| Loss on dispositions | - | - | - | - |
| Achievin & data storage | 12,655 | 12,655 | - | 12,655 |
| Administration allocated | (264,838) | (264,838) | (94,912) | (169,926) |
| Amortization | - | - | 28,326 | (28,326) |
| MRCCP Lands Soft Costs | - | - | - | - |
| Total administration | 1,936,082 | 1,936,082 | 1,164,587 | 771,495 |
| Total FWA OM&R expenses | \$ 12,366,415 | \$ 12,366,415 | \$ 16,477,120 | \$ (4,110,705) |

FRIANT WATER AUTHORITY

OTHER AUDITOR'S REPORT

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

To the Board of Directors
Friant Water Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities and each major fund of the Friant Water Authority (the Authority) as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority’s basic financial statements, and we have issued our report thereon dated February 26, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

HENDERSON CPAs, INC.

A handwritten signature in black ink that reads "Henderson CPAs". The letters are cursive and somewhat stylized, with the "H" and "C" being particularly prominent.

Fresno, California
February 26, 2024

DATE: February 29, 2024
TO: Board of Directors
FROM: Donald M. Davis, General Counsel
SUBJECT: **Nominations and Appointment for Vacancy on the Finance/HR Committee**

SUMMARY:

In January 2024, Eric Borba, who had been Porterville Irrigation District’s primary representative on the Board and who was also a member of the Finance/Human Resources (HR) Committee, advised staff that he would no longer be serving as a PID representative on the FWA Board. As appointments to FWA standing committees are associated with the individual and not the member agency, Mr. Borba’s departure left a vacancy on the Finance/HR Committee through the end of 2024, at which time, new nominations and appointments will occur for the 2025-2026 term.

Section 5.2 of the FWA Bylaws provides for the following procedure for filling a vacancy on a standing committee:

If any committee member resigns, or otherwise fails to complete the remainder of his or her term, the Chair of the Board will nominate candidate(s) to stand for election to serve out the remainder of that member’s term of office to be voted on at the next Board meeting. Nominations of additional candidates will be taken from the Board at the time of consideration of the appointment.

In response to the notice of this vacancy at the January board meeting, two individuals have expressed an interest in serving on the Finance/HR Committee: Heoth Wooten (Delano-Earlimart ID) and Brett McCowan (Porterville ID)

Current practice in terms of the number of directors serving on a standing committee has been five members, however, under Article V Section 1 and Section 5.2 of the FWA Bylaws, the committee membership could be increased to seven members (an odd number is required) as the number of members would be “less than a majority of the Members of the Authority.” But this would leave the committee still short one member.

One option if both directors desire to serve on this committee would be to designate one of them as an “alternate” who would vote if any of the regular members are absent. As both candidates are relatively new to the Board, this option would allow them both to participate and gain experience on FWA operations and budgeting.

RECOMMENDED ACTION:

That the Board Chair, with input from the Board, consider one or both individuals who have expressed an interest in serving on the Finance/HR Committee to be nominated to fill the vacancy on the committee for the remainder of this year. If the direction is to nominate both individuals, one should be designated as an “alternate” so that committee membership remains at five regular members. .

Agenda Report

No. 3.C

DATE: February 29, 2024

TO: Board of Directors

FROM: Donald M. Davis, General Counsel
Ian Buck-Macleod, Water Resources Manager

SUBJECT: **Amendments to Agreements for Conveyance of Water (Restoration Flows) with the Banta-Carbona and Patterson Irrigation Districts**

SUMMARY:

The proposed contract amendments would extend through the end of July 2024 and February 2025 the agreements (Conveyance Agreements) with the Banta-Carbona Irrigation District (BCID) and the Patterson Irrigation District (PID), respectively, for the recapture of Restoration Flows in the Lower San Joaquin River and to adjust the costs of the conveyance of such flows to participating Friant Division contractors during the applicable extension period.

SUGGESTED MOTION:

“I move that the Board authorize the COO to execute a Third Amendment to the Conveyance Agreement with the Banta-Carbona Irrigation District and a Fifth Amendment to the Conveyance Agreement with the Patterson Irrigation District.”

DISCUSSION:

The term of the Conveyance Agreement for the recapture of Restoration Flows that FWA has with BCID expired at the end of May 2023 and the Conveyance Agreement with PID expires at the end of February 2024. FWA and BCID are proposing a contract amendment (Third Amendment) to extend the term of the Conveyance Agreement through July 2024 and increase the conveyance fee to \$150/AF. FWA and PID are proposing a contract amendment (Fifth Amendment) to extend the term of the Conveyance Agreement through February 2025 and increase the conveyance fee to \$158/AF going forward and to provide for the retroactive adjustment of the conveyance fee between November 1, 2023 and February 29, 2024 from \$135/AF to \$158/AF. FWA staff reviewed the proposed conveyance fee increases with the managers of districts/contractors who have been purchasing recaptured Restoration Flows and the general consensus is that the proposed rates are acceptable to the participating agencies. FWA and district managers will continue to meet with BCID to develop another amendment beyond July 2024.

FWA has a separate Repayment Agreement with participating contractors under which FWA works directly with BCID and PID in terms of advising them of the amount of Restoration Flows districts desire to purchase and advancing such funds to BCID and PID subject to reimbursement by the contractor that takes the Restoration Flows. No changes are necessary or proposed to the Repayment Agreement as it incorporates the Conveyance Agreements, as amended, by reference.

BUDGET IMPACT:

Payments to BCID and PID under the respective Conveyance Agreements are made from the O&M Fund and reimbursed by the participating Friant Division contractors within thirty days of being invoiced.

ATTACHMENTS:

1. Proposed Third Amendment to the Conveyance Agreement with Banta-Carbona Irrigation District
2. Proposed Fifth Amendment to the Conveyance Agreement with Patterson Irrigation District

THIRD AMENDMENT TO TEMPORARY AGREEMENT FOR CONVEYANCE OF WATER

This THIRD AMENDMENT TO TEMPORARY AGREEMENT FOR CONVEYANCE OF WATER ("Third Amendment") is between the FRIANT WATER AUTHORITY, a California joint powers authority ("Friant") and the BANTA-CARBONA IRRIGATION DISTRICT, a California irrigation district ("BCID"), and is effective as of March 1, 2024.

RECITALS

A. Friant and BCID are parties to that certain Temporary Agreement for Conveyance of Water effective as of March 1, 2022, as extended by that certain First Amendment effective as of March 1, 2023 and that Second Amendment effective as of April 1, 2023 (collectively "Agreement").

B. Unless otherwise provided in this Third Amendment all initially capitalized terms will have the meaning set forth in the Agreement.

C. The parties desire to further extend the term of the Agreement to allow for the recapture and conveyance of SJRRF through the end of July 2024, or such earlier date as the parties may enter into a superseding agreement, and to revise the amount of the conveyance fee under Section 12.

AGREEMENT

1. Amendment to Term. Section 2 of the Agreement is hereby amended to extend the Term through July 31, 2024, or such earlier date as the parties may enter into a superseding agreement.

2. Amendment to Conveyance Fee. Section 12 of the Agreement is amended and restated as follows:

"12. Conveyance Fee. As payment for Conveyance of SJRRF under this Agreement, Friant will pay BCID a fee of One Hundred Fifty Dollars (\$150.00) per acre foot of SJRRF so conveyed, measured by BCID upon turnout at the DMC, payable within thirty (30) days after the last day of the calendar month during which such SJRRF are Conveyed. Such fee includes without limitation all administrative, operations, maintenance, Conveyance, energy and other costs incurred or imposed by BCID for conveying SJRRF under this Agreement. By the tenth (10th) day of each calendar month, BCID will provide Friant with an invoice indicating the amount of SJRRF Conveyed under this Agreement during the immediately preceding calendar month. Except as otherwise provided in this Agreement, should Friant provide notice pursuant to Section 7 that it intends to Convey water under this Agreement in any given month, and such water is available for Conveyance to BCID, Friant will be required to make payment to BCID pursuant to this Agreement to the extent the capacity requested is not used by Friant in that month unless otherwise utilized in that month by BCID to Convey other water."

3. Ratification of Agreement. Except as amended by this Third Amendment, BCID and Friant hereby ratify all the terms and conditions of the Agreement.

THE UNDERSIGNED SIGNATORIES warrant that each has the authority to and does hereby execute this Third Amendment effective as of the date first set forth above. This Third Amendment may be executed using electronic signatures.

FRIANT WATER AUTHORITY:

Johnny Amaral, Chief Operating Officer

BANTA-CARBONA IRRIGATION DISTRICT:

David Weisenberger, General Manager

FIFTH AMENDMENT TO TEMPORARY AGREEMENT FOR CONVEYANCE OF WATER

This FIFTH AMENDMENT TO TEMPORARY AGREEMENT FOR CONVEYANCE OF WATER ("Fifth Amendment") is between the FRIANT WATER AUTHORITY, a California joint powers authority ("Friant") and the PATTERSON IRRIGATION DISTRICT, a California irrigation district ("PID"), and is effective as of March 1, 2024.

RECITALS

A. Friant and PID are parties to that certain Temporary Agreement for Conveyance of Water effective as of March 1, 2022, as amended by that certain First Amendment effective as of March 1, 2023, that Second Amendment effective as of April 1, 2023, that Third Amendment effective July 1, 2023, and that Fourth Amendment effective November 1, 2023 (collectively "Agreement").

B. Unless otherwise provided in this Fifth Amendment all initially capitalized terms will have the meaning set forth in the Agreement.

C. The parties desire to further extend the term of the Agreement to allow for the recapture and conveyance of SJRRF through the end of February 2025 and to revise the conveyance fee as well as update Exhibit A of the Agreement.

AGREEMENT

1. Amendment to Term. Section 2 of the Agreement is hereby amended to extend the Term through February 28, 2025, or such earlier date as the parties may enter into a superseding agreement.

2. Amendment to Conveyance Fee. Section 12 of the Agreement is amended and restated as follows:

"12. Conveyance Fee. As payment for Conveyance of SJRRF under this Agreement, Friant will pay PID a conveyance fee of One Hundred Fifty-Eight Dollars (\$158.00) per acre foot of SJRRF so conveyed, measured by PID upon turnout at the DMC, payable within thirty (30) days after the last day of the calendar month during which such SJRRF are Conveyed. Such fee includes without limitation all administrative, operations, maintenance, Conveyance, energy and other costs incurred or imposed by PID for conveying SJRRF under this Agreement. By the tenth (10th) day of each calendar month, PID will provide Friant with an invoice indicating the amount of SJRRF Conveyed under this Agreement during the immediately preceding calendar month. Except as otherwise provided in this Agreement, should Friant provide notice pursuant to Section 7 that it intends to Convey water under this Agreement in any given month, and such water is available for Conveyance to PID, Friant will be required to make payment to PID pursuant to this Agreement to the extent the capacity requested is not used by Friant in that month unless otherwise utilized in that month by PID to Convey other water.

During the period of November 1, 2023 and February 29, 2024, Friant will retroactively pay PID the difference in conveyance fee from One Hundred Thirty-Five Dollars (\$135.00) to One Hundred and Fifty-Eight Dollars (\$158.00) per acre foot of SJRRP that was conveyed, measured by PID upon turnout at the DMC, and payable within thirty (30) days after the date of the adjustment invoice from PID."

3. Amendment to Exhibit A. Exhibit A of the Agreement is amended and restated as shown in the attached Exhibit A.

4. Ratification of Agreement. Except as amended by this Fifth Amendment, PID and Friant hereby ratify all the terms and conditions of the Agreement.

THE UNDERSIGNED SIGNATORIES warrant that each has the authority to and does hereby execute this Fifth Amendment effective as of the date first set forth above. This Fifth Amendment may be executed using electronic signatures.

FRIANT WATER AUTHORITY:

Johnny Amaral, Chief Operating Officer

PATTERSON IRRIGATION DISTRICT:

Vincent Lucchesi, General Manager

EXHIBIT A

PRE-EXISTING COMMITMENTS FOR USE OF CONVEYANCE CAPACITY

1. All water available under Warren Act Contract 19-WC-20-5559 for 6,000 AF of PID's pre-1914 Water Rights water, expiring on 12/31/2024 and any subsequent renewals thereto.
2. All water available under Warren Act Contract 20-WC-20-5658 for 10,000 AF of PID's pre-1914 Water Rights water, expiring on 2/28/2025 and any subsequent renewals thereto.

Agenda Report

No. 3.D.

DATE: February 29, 2024

TO: Board of Directors

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

SUBJECT: **Resolution to Authorize an Application to the California Department of Water Resources for Grant Funding Under the Flood Diversion Recharge Enhancement Initiative for Repairs to the Friant-Kern Canal**

SUMMARY:

Friant Water Authority (FWA) staff are currently coordinating with the Department of Water Resources (DWR) Sustainable Groundwater Management Office (SGMO) in pursuing state grant funding under the Flood Diversion and Recharge Enhancement (FDRE) Initiative. Awards range from \$500k to \$1M dollars per agency to be spent within two fiscal years. This funding is non-reimbursable and a local cost match is not required. FDRE funding can be applied toward canal repairs, purchasing of pumps, or other activities that facilitate improved diversion and conveyance of flood flows to be delivered for groundwater recharge.

BACKGROUND:

California's water year 2023 was record breaking; snowpack, and several rain events, caused significant flooding in the San Joaquin Valley, especially in the Tulare Lake Basin. In January and March 2023, Governor Newsom issued a flood emergency proclamation and released two Executive Orders (N-4-23 and N-6-23) calling for both enhancing flood diversions off high flow rivers caused by snowmelt runoff and increasing groundwater recharge by storing water in depleted groundwater basins. A subsequent Executive Order issued in May 2023 (N-7-23) extended the operational period for some of these flood diversion actions until August 31, 2023, and these provisions were then codified in California Water Code Section 1242.1 in July 2023 to extend flood diversions beyond water year 2023. Together, these actions allowed the State to take advantage of the immense snowpack and subsequent runoff from WY23 to help address groundwater depletion due to drought reliance over the past several decades. These Executive Orders direct DWR to assist local agencies by procuring materials, goods, and services necessary to quickly assist with the response and recovery from these storms. During water year 2023, DWR conducted extensive outreach to local agencies to encourage and support flood diversions to help reduce potential flood impacts, help increase groundwater recharge, and take steps to alleviate water supply constraints that may be brought about by the next drought. DWR is continuing outreach and securing contracts with local agencies and equipment vendors to deploy temporary flood diversion equipment and land clearing, as needed, to maximize flood diversions and groundwater recharge.

DWR and FWA started coordinating earlier this month to discuss eligibility for FDRE funding to support the installation of a temporary liner on 1.58 miles of the Friant-Kern Canal (FKC) as well as other

activities that would reduce flood risk and impacts to communities on the east side of the San Joaquin Valley and enhance groundwater recharge and maximize beneficial use of flood flows.

DISCUSSION:

In the fall of 2023, GSI Environmental Inc. evaluated land surface conditions along the FKC using historical survey, lidar, InSAR, extensometer, and groundwater level data to establish current and projected future subsidence trends. This data was compared to the subsidence design criteria used for the Middle Reach Capacity Correction Project (MRCCP). It was discovered that the rate of subsidence in that area exceeds the projections used to determine the scope of Phase 1 and the additional displacement due to subsidence is causing a reduction in planned capacity upstream of the MRCCP Phase 1 project tie-in location in the FKC and impacts flood flow freeboard. The loss of freeboard reduces operational flexibility and creates risk during high flow events.

To address this issue, a temporary liner could be installed between mileposts 96.84 and 98.43 which would restore appropriate freeboard to safely convey flood flows in the FKC effectively reducing flood risks in the region and to the surrounding communities and allow delivery of flood flows to downstream contractors to maximize groundwater recharge and beneficial use. In discussion, DWR has confirmed that FWA will be eligible for up to a \$1 million dollars for this project and would like to execute a contract by the end of March under the presumption that FWA can complete all contract requirements.

As part of the FKC Systemwide Plan Formulation Study, Stantec updated the FKC hydraulic model to incorporate 2023 land surface data to account for additional subsidence that has occurred through the FKC alignment discovering the loss of critical freeboard. Stantec then determined the potential extent of modifications that would be required to restore appropriate freeboard and provided initial cost estimates. These cost estimates, which initially range from \$1.2 – 2.5 million, consider material to be used (reinforced polypropylene liner or concrete), mobilization, contracting, etc., but need to be further refined before FWA staff can fully articulate the budget impact.

There is an urgency to submit the required documentation and enter into an agreement with DWR to secure the \$1 million in funding by the end of March. FWA staff is crafting a broad scope of work to cover potential project alternatives and other flood diversion activities in addition to the proposed liner repairs that would also meet FDRE Initiative priorities. This provides both FWA Staff and the Board of Directors time and flexibility to make sound decisions related to project approach, budget, and potential cost allocation. Key informational needs that have been identified include:

- Determine if there is non-reimbursable Federal funding available for a temporary liner raise.
- Refine the budget to include cost comparisons for self-performing liner installation versus contracting out.
- Provide detailed comparison of liner material options – reinforced polypropylene line versus concrete.
- Determine cost-allocation methodology(s) for any additional costs beyond available non-reimbursable funds.

FWA staff anticipates returning to the Board with a staff recommendation on the above information to support a final project decision in late spring, and will also bring back the requisite environmental review documentation at that time.

BUDGET IMPACT:

There is no additional budget impact associated with the preparation and submittal of the grant application, or if the grant is approved, the execution of the grant agreement, as the decision of whether and how to proceed with the proposed project will remain within the discretion of the Board.

RECOMMENDATION:

That the Board of Directors approve the resolution authorizing Friant Water Authority to complete and submit all required documentation for the Flood Diversion and Recharge Enhancement Initiative, and if such documentation is approved further authorizing all agreements and other documentation associated with the receipt of financial assistance.

SUGGESTED MOTION:

I move that the Board of Directors approve the resolution authorizing Friant Water Authority to complete and submit all required documentation for the Flood Diversion and Recharge Enhancement Initiative, and if such documentation is approved further authorizing all agreements and documentation associated with the receipt of financial assistance.

ATTACHMENTS:

1. Resolution No. 2024-01 Authorizing an Application to the California Department of Water Resources for Grant Funding Under the Flood Diversion Recharge Enhancement Initiative for Repairs to the Friant-Kern Canal

Resolution No. 2024-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE FRIANT WATER AUTHORITY AUTHORIZING THE APPLICATION FOR A GRANT FROM THE CALIFORNIA DEPARTMENT OF WATER RESOURCES' FLOOD DIVERSION RECHARGE ENHANCEMENT (FDRE) INITIATIVE FOR PROJECTS THAT INCREASE THE DIVERSION OF FLOODWATER FOR USE ON REPAIRS TO THE FRIANT-KERN CANAL AND ASSOCIATED IMPROVEMENTS AND EQUIPMENT TO ENHANCE THE CONVEYANCE CAPACITY OF THE CANAL, AND IF SUCH GRANT APPLICATION IS APPROVED, FURTHER AUTHORIZING THE EXECUTION OF ALL AGREEMENTS AND OTHER DOCUMENTATION ASSOCIATED WITH THE RECEIPT OF FINANCIAL ASSISTANCE FOR THE PROPOSED PROJECT.

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

Section 1. General Findings. The Board finds as follows:

A. The Friant Water Authority ("FWA") is a joint powers authority formed under the Joint Exercise of Powers Act set forth in the California Government Code sections 6500 and following.

B. The State of California, Department of Water Resources ("DWR") has created the Flood Diversion Recharge Enhancement (FDRE) Initiative ("FDRE Grant Program") to provide funding to reduce flooding in California by increasing the diversion of flood water and recharge.

C. The United States Bureau of Reclamation ("Reclamation") constructed and owns the facilities of the Friant Division of the Central Valley Project, including the Friant Dam and the Friant-Kern Canal (sometimes as "FKC").

D. Since 1986, the FWA or its predecessors have operated and maintained the FKC, on behalf of Reclamation, and since 1998 such operations, maintenance and replacement obligations have been governed by that certain Agreement to Transfer the Operations, Maintenance and Replacement and Certain Financial and Administrative Activities Related to the Friant-Kern Canal (FKC) and Associated Works (Contract No. 9-07-20-X0356-X, as amended) ("Transfer Agreement") between Reclamation and FWA.

E. As a public agency, FWA is eligible to receive and expend funding under the FDRE Grant Program for eligible public projects, including construction or modification of facilities that increase water diversions from waterways, canals, and ditches and in the utilization of pumps, pipelines and other related equipment.

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

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

G. The funding opportunity offered by the FDRE Grant Program will provide funding without the obligation for local cost share for the installation, reconfiguration, or operation of facilities associated with the diversion of water conveyance through the Friant-Kern Canal.

H. The Board of Directors supports the types of projects eligible for funding under the FDRE Grant Program for their local and statewide benefits.

I. FWA is proposing a project to restore up to 1.58 miles of canal lining between mileposts 96 to 99 of the FKC to restore critical flood free board in order to protect operational flexibility and reduce risk to surrounding communities during high-flow events and which will enhance groundwater recharge opportunities in Friant Division and may include other flood control or diversion activities which will protect communities, infrastructure, and reduce flood risks to areas adjacent to or near the Friant-Kern Canal while meeting the priorities of the FDRE Grant Program (“Proposed Project”).

J. Board determines it to be in the best interest of FWA to authorize the Chief Executive Officer and Chief Operating Officer to complete negotiations with DWR and execute or amend the FDRE Grant Program funding agreement and any subsequent amendments consistent with the intent of this Resolution, and further complete the negotiation and execution of such other documents and agreement(s) that may be necessary to receive such funding for the Proposed Project.

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

Section 3. Authorization to Execute all Necessary Grant Program Documents and Provide Requisite Funding or In-Kind Contributions. The Board authorizes the Chief Executive Officer and Chief Operating Officer, or their delegates, to take all necessary actions and execute and deliver all necessary agreements and documents related to or required to comply with the FDRE Grant Program if FWA’s grant application for the Proposed Project is approved.

PASSED AND ADOPTED on February 29, 2024, by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

Dated: February 29, 2024

Jim Erickson
Chair, Board of Directors

Attest: February 29, 2024

Josh Pitigliano
Secretary-Treasurer, Board of Directors



Begin Phase 1 Project

Avenue 136

LTRID

TPDWD

Porterville Municipal Airport

Avenue 128

Siphon 4

T

SID

Avenue 120

Avenue 112

Siphon 5

T

T

T

DCTRA

SID

Avenue 104

Deer Creek Check/Siphon

T

TBID

Siphon 6

Siphon 7

Road 208

T

SID

Avenue 88

Siphon 8

Avenue 80

Siphon 9

T

SID

Road 192

T

DEID

Siphon 10

Avenue 64

FRIANT-KERN CANAL MIDDLE REACH CAPACITY CORRECTION PROJECT PHASE 1

Construction Progress Report: January 2024

Borrow Area

Staging Area

Terra Bella

Elmco

Avenue 95

65

65

End Phase 1 Project



Construction Narrative

The weather was clear and sunny with several rain days that impacted the canal trimming and paving activities. All segments of the embankment are at approximately 99 % complete, with work completed this month associated with the earthen embankment freeboard. The canal trimming and lining operations continued this month. The canal trimming was completed on canal right to the southern end of the alignment and then the trimmer was re-mobilized on canal left and progressed northward to the vicinity of Avenue 80. The canal lining machine followed the trimmer and completed the paving to the southern end of the alignment. The machine trimming and paving operations continue to be conducted in the daytime hours, with longer shifts to attain higher production rates. Hand paving lining was placed at various locations along the alignment.

At the Deer Creek check structure, the Contractor continued installing the gate hoists, and the manufacturer conducted gate testing. The Contractor started grouting the gate seals and stop-log guides. Check structure grating and handrails were installed. Finish grading and general site cleanup was conducted. Leak testing for completed siphons was conducted at Avenue 128 and Avenue 112, with cleanup work conducted at all siphon locations.

Turnout work continued at all turnouts. Work included installing slide gates, installing stop log guides, and placing formwork, reinforcing bars and concrete for top decks. At the Terra Bella weir, the gate installation was completed, and the outfall pipe was installed and backfilled. Electrical and instrumentation work was conducted at the TBID, Casa Blanca, and DCTRA turnouts, and at Deer Creek. All control, power, and signal wires have been pulled, tested, labeled and terminated. Manufacturers conducted site visits to document proper installation.

The canal outage period was completed, and the FKC resumed operations the end of January. The outage-type work conducted include completion of the north and south temporary earthen plugs, completing the concrete bifurcations, installing expansion joints and joint sealant in the completed bifurcations, and completing irrigation district permanent pipe installation and leak testing.

Environmental

Biological construction monitoring continued. To-date, no evidence has been found to indicate the presence of kit fox or burrowing owls within the work area.

Change Orders

There was one change order in the amount of \$8,000 this past month.

Construction Progress Photographs ¹



North Canal Tie-in Point Joint Sealing in Progress.



Temporary Earthen Plug at South Tie-in Point.

¹ Photographs courtesy of Reclamation



Trimmer Completed Southern End of Alignment on Canal Right and Moved Across Road 192 on Canal Left.



Machine Paving on Southern End of Alignment.



Deer Creek Check Looking Northwards Showing the Radial Gates.



Deer Creek Check and Siphon Looking in a Northeasterly Direction.

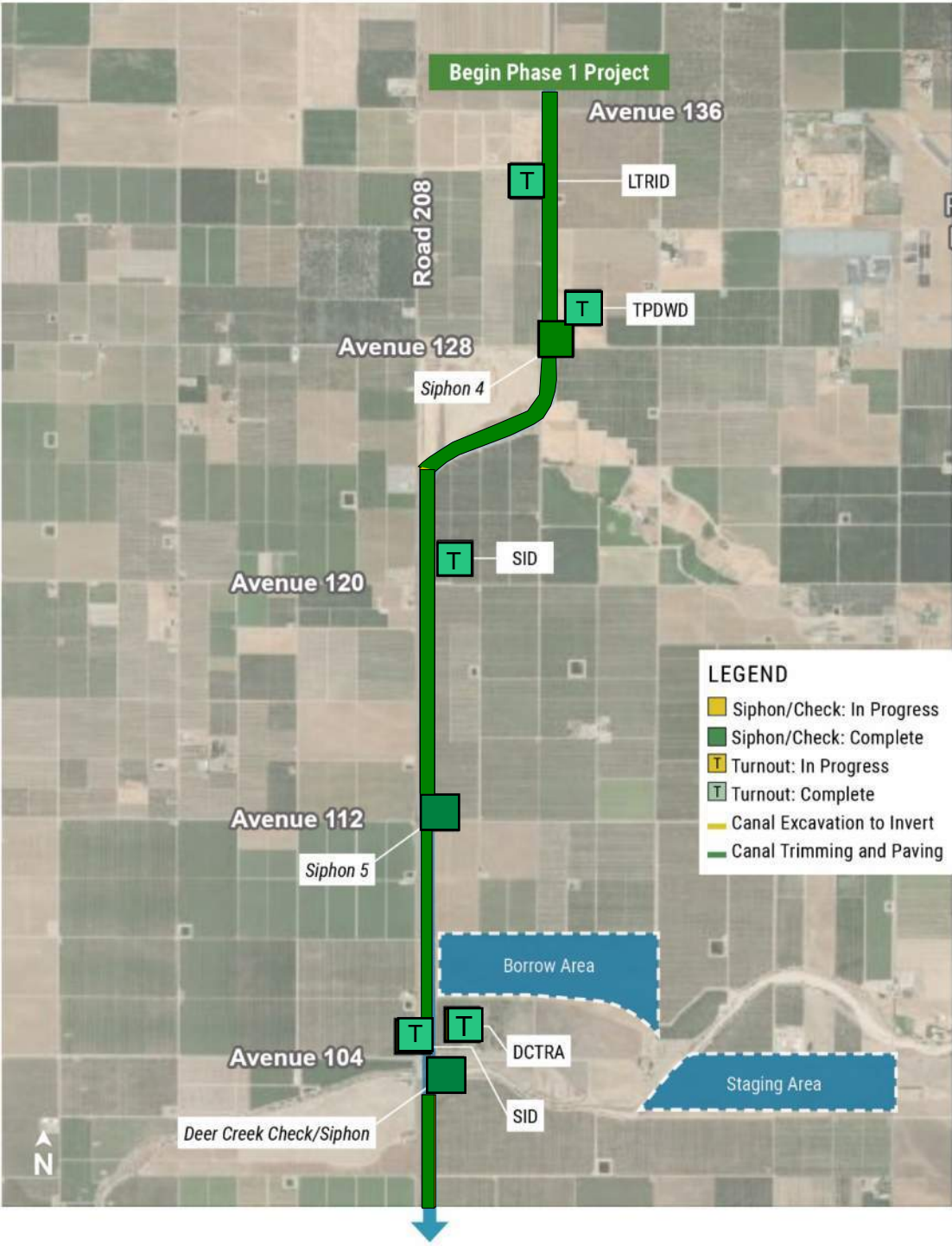


Avenue 80 Siphon with the Irrigation Pipe Installation in Progress.



South Tie-in after Completion of Outage Work and Placing the FKC Back in Service

Progress Map



Progress Map continued



Middle Reach Capacity Correction Project, Phase 1
Bureau of Reclamation and Friant Water Authority
Monthly Financial Status Report - Budget to Actual Spending
Expenditures through January 31, 2024

| Sources of Funds | Federal Funding | | FWA Spending Plan Funds | | Friant Water Authority Funding | | | | | Total FWA funds |
|--------------------------------|-----------------|----------------|---|-----------------|--------------------------------|---------------|-------------------|---------------|----------------|-----------------|
| | SJRRP funds | WIIN funds | Advance Payments for Construction Costs | FWA Contractors | Eastern Tule GSA | Pixley GSA | State Funding-DWR | Misc. Revenue | | |
| Anticipated Funding | \$41M-\$46.9M | \$ 210,550,000 | \$ 118,645,000 | \$ 50,000,000 | \$125M-\$200M | \$ 11,000,000 | \$ 74,480,000 | \$ - | | |
| Funds Secured/Received to date | \$ 41,900,000 | \$ 208,100,000 | \$ 79,118,000 | \$ 49,902,252 | \$ 15,165,624 | \$ 11,000,000 | \$ 67,032,000 | \$ 2,253,424 | \$ 145,353,299 | |
| Expenditures to date | | | \$ (78,690,004) | (37,360,974) | (14,046,101) | (11,000,000) | (34,990,343) | (480,815) | (97,878,233) | |
| Remaining Funding Available | \$ 41,900,000 | \$ 208,100,000 | \$ 427,996 | \$ 12,541,278 | 1,119,523 | \$ - | \$ 32,041,657 | \$ 1,772,609 | \$ 47,475,066 | |

| Project Cost Category | Budget Estimate (2023) | | | Prior Period Expenditures (Cumulative) | | January 31, 2024 Expenditures | | Total Expenditures through January 31, 2024 | | 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) | \$ 19,025,114 | \$ 3,525,733 | \$ 22,550,847 | \$ 19,025,114 | \$ 3,525,733 | \$ - | \$ - | \$ 19,025,114 | \$ 3,525,733 | \$ - | \$ (0) |
| ROW & Land Acquisition | \$ 6,704,604 | \$ 15,276,761 | \$ 21,981,365 | \$ 6,567,225 | \$ 13,808,577 | \$ 1,949 | \$ 194,149 | \$ 6,569,174 | \$ 14,002,726 | \$ 135,430 | \$ 1,274,035 |
| Legal & Administration (Facilitating Services) & IT Services | \$ 51,251 | \$ 863,646 | \$ 914,897 | \$ 888 | \$ 598,582 | \$ 62 | \$ 18,270 | \$ 949 | \$ 616,852 | \$ 50,302 | \$ 246,793 |
| Permitting, NEPA/CEQA, Cultural Resources, & Environmental Monitoring | \$ 822,997 | \$ 501,908 | \$ 1,324,905 | \$ 695,867 | \$ 101,908 | \$ 3,636 | | \$ 699,503 | \$ 101,908 | \$ 123,494 | \$ 400,000 |
| Project Management | \$ 2,970,519 | \$ 1,668,595 | \$ 4,639,114 | \$ 1,029,990 | \$ 490,811 | \$ 35,410 | \$ 6,426 | \$ 1,065,400 | \$ 497,237 | \$ 1,905,120 | \$ 1,171,358 |
| Construction Management | \$ 14,938,075 | \$ - | \$ 14,938,075 | \$ 8,802,802 | \$ - | \$ 478,942 | | \$ 9,281,744 | \$ - | \$ 5,656,331 | \$ - |
| Design & Specifications | \$ 729,148 | \$ - | \$ 729,148 | \$ 801,500 | \$ - | \$ 9,623 | | \$ 811,124 | \$ - | \$ (81,976) | \$ - |
| Construction Contract & Contingency | \$ 95,182,187 | \$ 141,465,439 | \$ 236,647,626 | \$ 79,990,439 | \$ 79,118,000 | \$ 6,232,251 | \$ - | \$ 86,222,690 | \$ 79,118,000 | \$ 8,959,497 | \$ 62,347,439 |
| Construction Support | \$ 22,890,288 | \$ 12,102 | \$ 22,902,390 | \$ 12,292,278 | \$ 15,776 | \$ 474,412 | \$ - | \$ 12,766,690 | \$ 15,776 | \$ 10,123,598 | \$ (3,675) |
| Total | \$ 163,314,183 | \$ 163,314,183 | \$ 326,628,366 | \$ 129,206,102 | \$ 97,659,388 | \$ 7,236,285 | \$ 218,846 | \$ 136,442,387 | \$ 97,878,233 | \$ 26,871,796 | \$ 65,435,950 |

% Cost-Share **50%** **50%**

58% **42%**

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

DATE: February 29, 2024

TO: Board of Directors

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

SUBJECT: Water Operations Update

SUMMARY:

February temperatures have generally been near average across most of the State with some cooler departures during storm events, while precipitation as a whole has been above average in nearly all locations and over 200% of average in the southern half of the State and most coastal regions. Many of the storms have lacked the strength or track to cross the Sierras, and thus most Sierra snowpack is still trending below normal, although February storms have allowed many locations to increase from around 30% of average to around 70% of average. Internal operational projections using recent forecast data were developed to forecast operations through the end of summer and are compared to the most recent Reclamation projections which were developed based on the February 1st runoff forecast. Reclamation issued initial allocations for all contractors on February 21st, including 60% Friant Division Class I allocation. The most recent allocations confirmed that the Exchange Contractors are to receive 100% of contract and that sufficient supply is forecasted to be available to not require a call on Friant with 15% South-of-Delta (SOD) Ag allocation.

DISCUSSION:

Inflow Forecasts

February precipitation in the San Joaquin watershed has been approximately 215% of average and is currently about 80% of average for the water year. Temperatures during February have generally been near average, with periods of below average temperatures during storm events. Snow-water equivalent (SWE) has dramatically improved from the end of January (was about 40% of average), and currently ranges from about 70% to 90% of normal and about 60% to 75% of the April 1 value. Elsewhere across the State, water year precipitation currently ranges from 79% to 97% of average and SWE ranges from about 62% to 77% of normal. A smaller storm is forecasted for the early part of the week of February 26th and longer-range forecasts suggest a shift to a wetter and colder pattern beginning the first weekend of March.

Table 1 shows the unimpaired inflow forecasts for Shasta Lake and Millerton Lake from the California Nevada River Forecast Center (CNRFC), California Department of Water Resources (DWR), and current Millerton forecast developed for the Restoration Program for the 2024 water year. The CNRFC forecast is generally wetter than the DWR forecasts at both locations and at all exceedance levels. The current CNRFC 50% forecast would result in a water year flow this is 100% of average for both Shasta and Millerton.

Table 1. Unimpaired Inflow Forecasts for WY 2024

| Item | Exceedance | | |
|--|------------|-------|-------|
| | 90% | 50% | 10% |
| CNRFC Shasta Unimpaired Inflow (TAF) ¹ | 4,740 | 5,590 | 6,760 |
| DWR Shasta Unimpaired Inflow (TAF) ² | 4,285 | 5,470 | 8,140 |
| CNRFC Millerton Unimpaired Inflow (TAF) ¹ | 1,370 | 1,780 | 2,730 |
| DWR Millerton Unimpaired Inflow (TAF) ² | 985 | 1,570 | 2,315 |
| BOR Millerton Unimpaired Inflow (TAF) ³ | 1,251 | 1,783 | 2,729 |

Notes:

¹ As of February 23.

² As of February 20.

³ As of February 15, smoothed and adjusted.

North-of-Delta Operations

Overall Central Valley Project (CVP) North-of-Delta (NOD) reservoirs have been making flood control releases for the last several weeks, as most reservoirs are at or above the flood control diagram. Storage levels based on the 15-year average at Trinity, Shasta, and Folsom are currently at 118%, 129%, and 122% of average, respectively. The SWP updated their Table A allocation to 15% and the CVP released their initial allocations on February 21st. For the CVP, Sacramento River Settlement Contractors, Exchange Contractors, and all Refuge supplies are 100% of contract, NOD M&I is 100% of contract, NOD Ag is 75% of contract, SOD M&I is 65% of contract, and SOD Ag is 15% of contract.

Internal operational forecasts have been prepared for the 90% and 50% exceedance levels based off the most recent CNRFC forecasted hydrology, while Reclamation released February forecasts at the 90% and 50% levels. The Reclamation forecasts use forecasted runoff as of February 1, and thus do not reflect the greatly improved snowpack conditions or the above average runoff conditions experienced in February. In general, the Reclamation 50% projection tracks close to the current 90% projection. Figures 1 and 2 show the projected Shasta Lake and Folsom Lake storage through September based off these projections, as compared to actuals to date. Both Shasta and Folsom storage are currently trending above the 50% forecasts due to recent storms and flood control operations. For Shasta, note the considerably drier conditions at both the 90% and 50% levels under the Reclamation forecasts, as the current Shasta forecast is nearly 1 MAF wetter at the 90% level and about 600 TAF wetter at the 50% level.

Additionally, the February 1 forecasted volumes result in a Sac Valley Index Below Normal year at the 50% level and a Dry year at the 90% level. Current forecasts indicated an Above Normal year at the 50% level and a Below Normal year at the 90% level. The change in water year results in different operational requirements for Shasta, along with different COA sharing percentages between the CVP and SWP, and different Delta water quality requirements (including Fall X2 under the 50% exceedance level).

For Folsom, the current 90% is about 600 TAF wetter than the February 1st forecast and the current 50% is about 350 TAF wetter. Folsom operations show fewer differences between the internal Reclamation projections, which is partially a result of Folsom's relatively small size compared to its watershed.

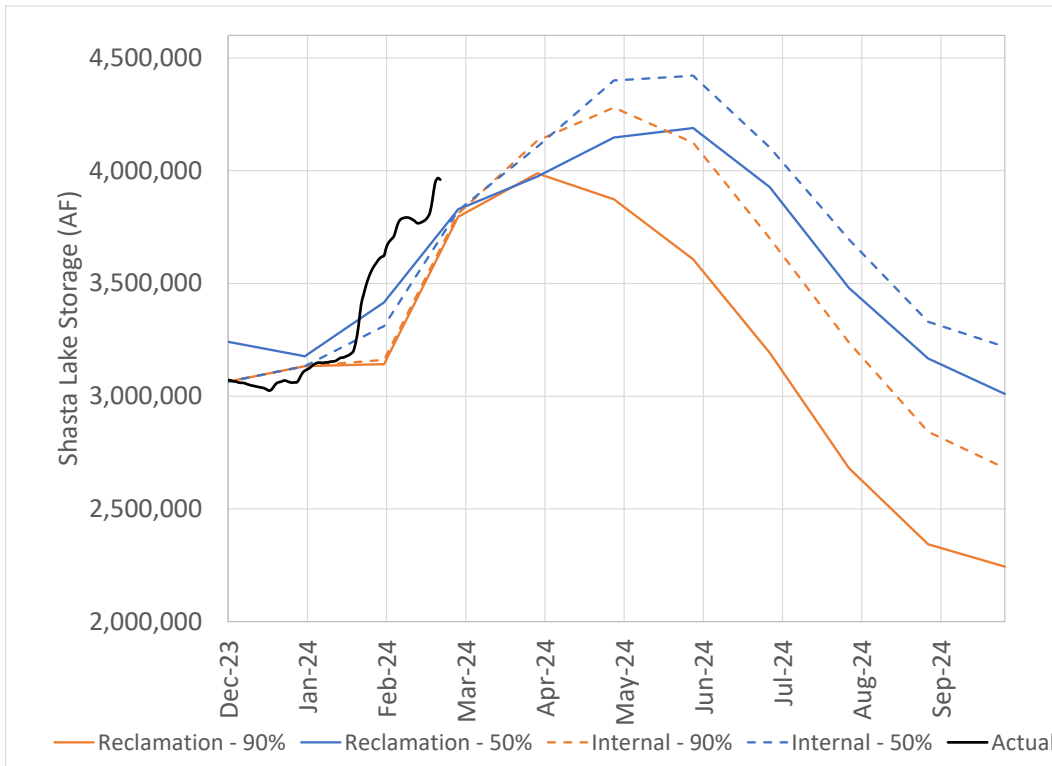


Figure 1. Shasta Lake Storage – February Internal and Reclamation Projections

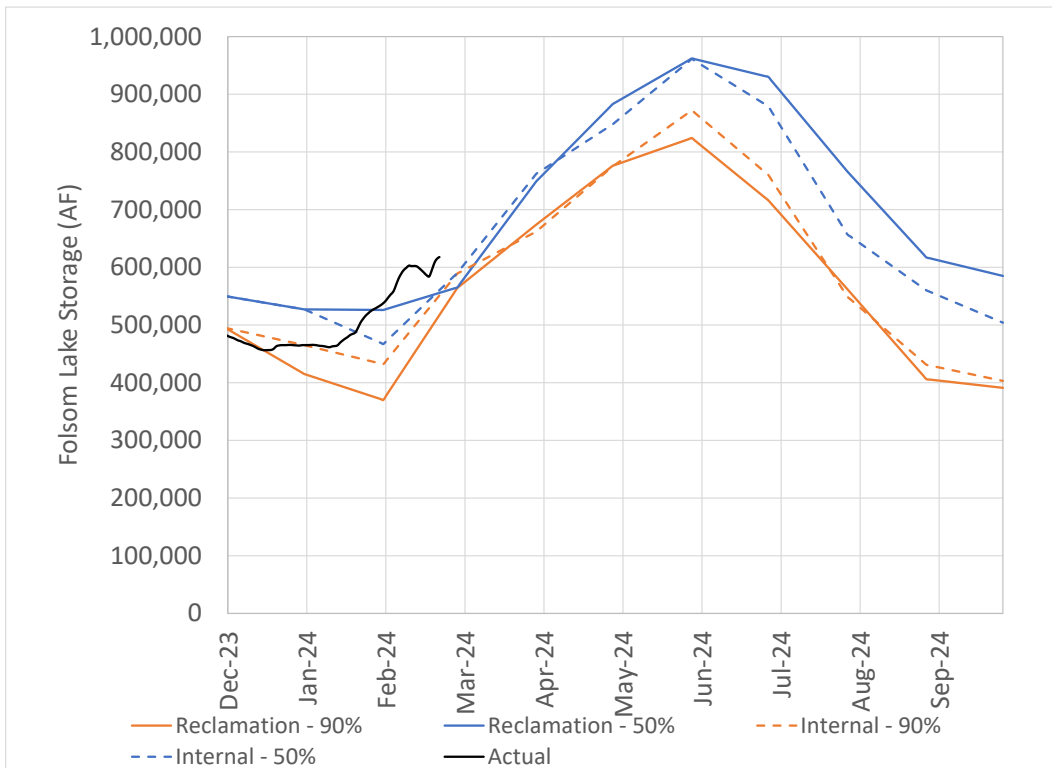


Figure 2. Folsom Lake Storage – February Internal and Reclamation Projections

South-of-Delta Operations

Delta Operations

For most of January, Jones was at a 4-unit operation outside of brief drops to three- and two-unit operations towards the end of the month. Pumping levels have been controlled by OMR requirements, which have ranged from -5000 OMR to -3500 OMR (for first flush and larval smelt), and currently -2500 OMR (exceedance of the steelhead take thresholds). Higher San Joaquin River flows in February have limited the effects of these requirements on CVP pumping, as Jones exports have been at a five-unit operation for most of the month. Figure 3 shows the internal and Reclamation projections for daily Jones pumping through September as compared to actuals to date. Both projections show similar, but declining exports in March as CVP San Luis is filled. Jones exports are currently expected to be limited to a one-unit operation for approximately a 6-week period from mid-April through late-May due to transformer replacement at O'Neill pumping plant. Exports generally would be expected to be limited during this period due to in-Delta flow requirements, so the water supply cost may not be significant. However, it will constrain SOD operations and limit the potential for a relatively high SOD Ag allocation. If it has not occurred before the work begins, the outage may also hasten the drawdown of CVP San Luis, thus reducing the time contractors have to use or evacuate the rescheduled supply.

Summer pumping is similar between the internal 90% and Reclamation 50% projections, while the Reclamation 90% is generally much lower and the internal 50% is higher in June and July, but lower in August and September. The lower pumping in August and September under the internal 50% is caused by the need to limit exports to help meet Delta water quality requirements and the Fall X2 requirement.

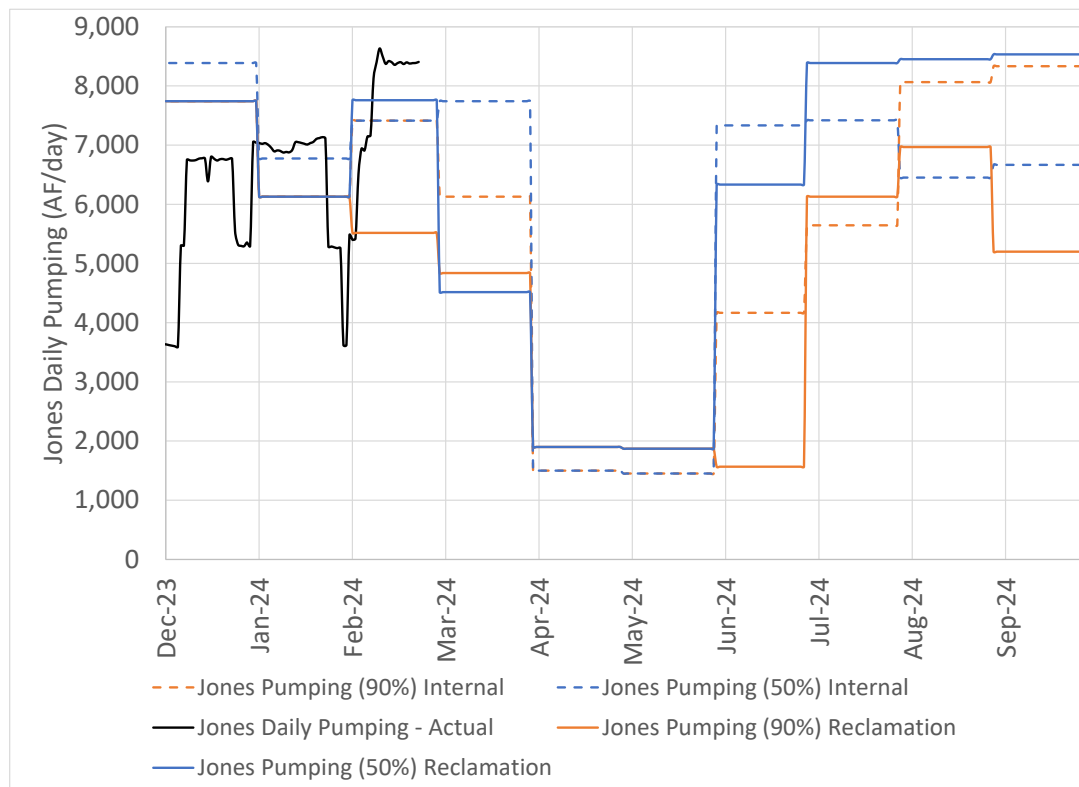


Figure 3. Daily Jones Pumping – February Internal and Reclamation Projections

San Luis Operations

CVP San Luis storage is at 900 TAF—138% of its 15-year average. Storage began to increase in December as exports largely exceeded demand. As part of the February 21st allocation announcement, CVO confirmed that the maximum 184 TAF of 2023 water supply is allowed to be rescheduled into 2024. CVO also indicated that approximately 83 TAF of the water currently in CVP San Luis is reserved for a “drought reserve pool” and is not considered as a volume of water available for water supply allocations. At this time, the details are still be worked out how/if this supply would spill and be converted to project supply if CVP San Luis fills. Accordingly, it could be assumed that approximately 720 TAF of current CVP San Luis storage is CVP SOD Project storage, although up to 83 TAF of that may not be available for 2024 allocated supply.

Figure 4 shows the internal 90% and Reclamation 50% projections for CVP San Luis physical storage, and project and non-project storages, all through September, as compared to actual. Current storage is trending near both forecasts, which show CVP San Luis filling in March, requiring the loss and/or use of approximately 80 TAF of rescheduled supply before drawdown occurs at some point in April. Lowpoint is forecasted to occur in August at about 150 TAF. This relatively high lowpoint considers the 83 TAF of storage reserved for the drought reserve pool.

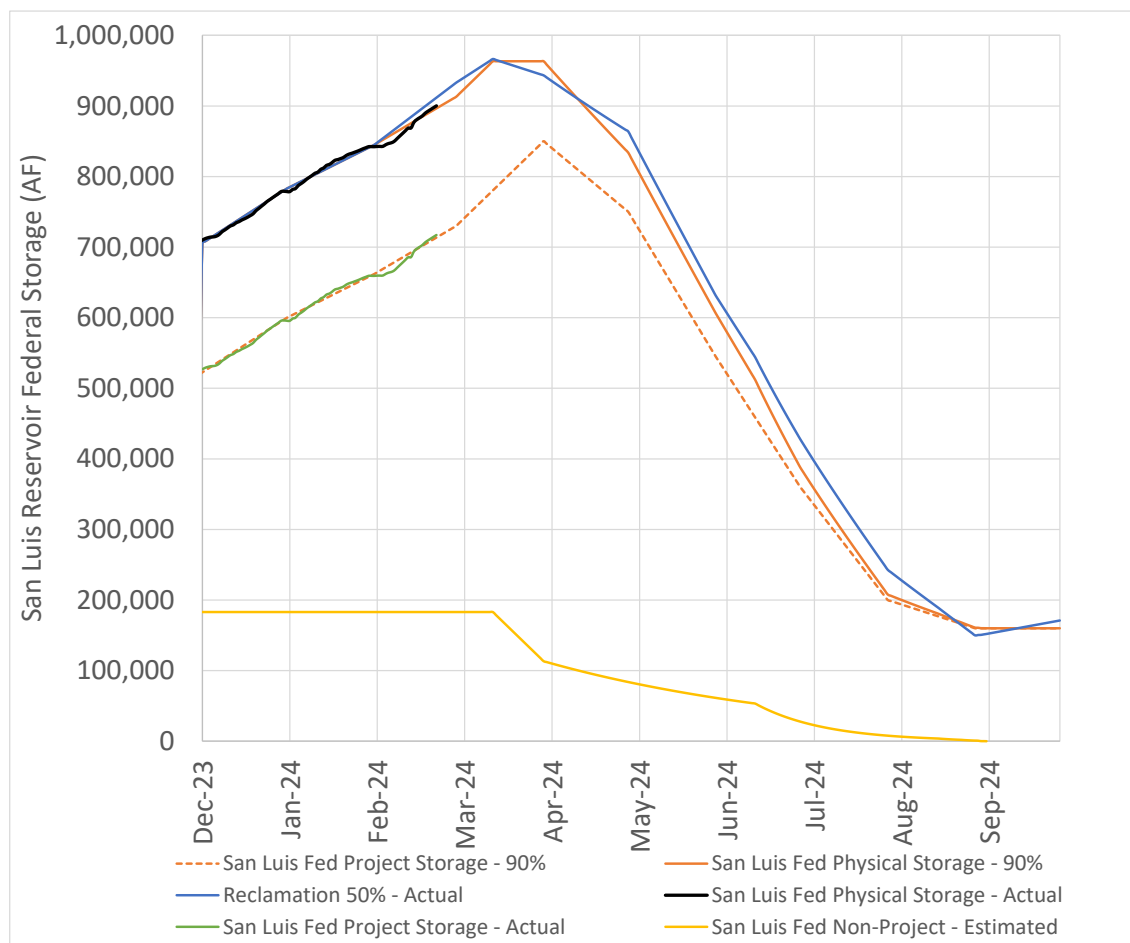


Figure 4. San Luis Federal Storage – February Internal and Reclamation Projections

SOD Ag Allocation and Exchange Contractors

As part of the February 21st allocation announcement, Reclamation indicated Exchange Contractors would receive 100% of contracted supplies. Additionally, as part of the February 16th Updated Restoration Allocation, Reclamation noted that current San Luis supplies and expected pumping through the summer “should be sufficient to meet the Exchange Contract without supplemental supplies from Millerton Lake”. The initial CVP SOD Ag allocation was 15% of contract, and was based on February 1st forecasts, and conditions have improved. Our internal 90% forecast suggests a 40% SOD Ag allocation may be possible, while the 50% forecast suggests around a 50% SOD Ag allocation may be possible. Although systemwide the 50% is currently noticeably wetter than the 90%, the O’Neill outage limits pumping enough to constrain supplies in the spring, while the increased Delta water quality requirements necessary under the 50% projection in an Above Normal year (including Fall X2) limit the amount of the additional water available for SOD water supply.

Friant Division

Millerton and Friant Allocation

As of February 26th, Millerton Lake is at 337,700 AF of storage, 50 TAF under the current Top of Conservation. Winter storms in February and fluctuations in temperatures have influenced inflow into Millerton Lake and storage is generally increasing as demands on both the Madera and Friant-Kern Canals stay low.

On February 21st, Reclamation provided an initial allocation of 60% to Friant Contractors for the 2024 contract year. This initial allocation is based off a 90% blended, exceedance forecast and is conservative to account for uncertainty in future forecasts and fall low-point management in Millerton. Internal modeling of Millerton Lake which reflects recent CNRFC 90% forecasts suggests a higher allocation of at least 70% may be appropriate. The March Bulletin 120 and February ASO flight results will provide additional data and we anticipate Reclamation to provide an increased allocation. Further, internal modeling, using the 50% CNRFC forecasts which indicates that San Joaquin River unimpaired runoff will be approximately 1.8 MAF, suggests a 100% Class 1 allocation with a 5-10% Class 2. The internal 50% also suggests a high likelihood of spilling in April. Staff will continue to coordinate with Reclamation to better refine forecast assumptions and advocate for a higher allocation to avoid spill.

In January, due to unique circumstances in contract year 2023 and in coordination with FWA, Reclamation’s SCCAO announced that a Friant Division wide 17% Class 1 carryover (12% after April 30th) was approved, with individual district carryover ranging from 0 to 37%. FWA staff has been coordinating with district managers to manage the total carryover volume. Increased carryover will allow Friant Contractors to maximize beneficial use of Contract Year 2023 allocated supply and provide some management flexibility as we enter the new contract year. As of February 14, there is still 111 TAF of undelivered carryover for FKC contractors.

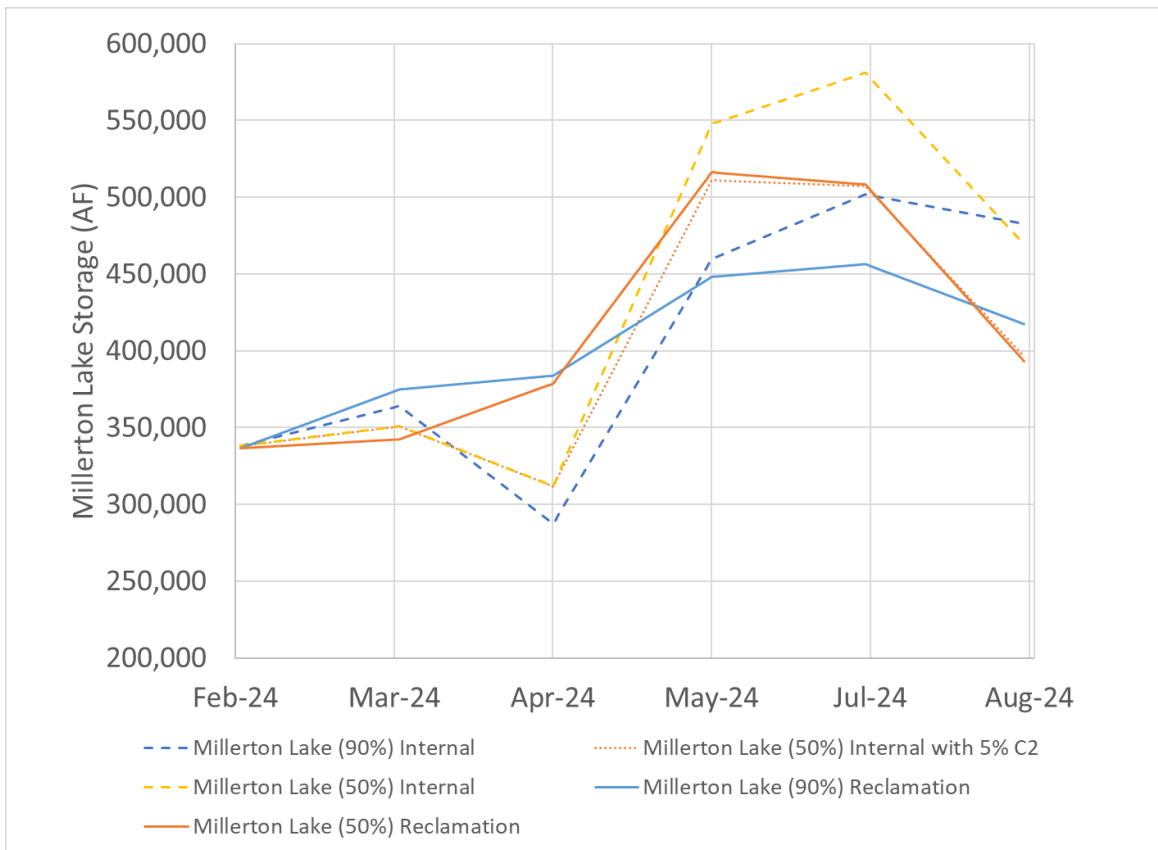


Figure 5. Millerton Storage – February Reclamation and Internal Projections

The FKC dewatering and maintenance concluded at the end of January. A planned bifurcation was constructed to partially open Phase I of Middle Reach Capacity Correction Project (MRCCP). Phase I construction is anticipated to continue until April, at which time the bifurcation will be removed and the permanent canal configuration will be constructed and the new, parallel canal will be fully commissioned. FWA is actively monitoring and coordinating with contractors regarding potential water quality concerns as flows are being reintroduced and during future construction of the bifurcation.

Airborne Snow Observatory

The first ASO flight of the year for the upper San Joaquin River Basin occurred on January 27-29. Full basin SWE was estimated to be 348 TAF +/- 23 TAF, with the snowline estimated to be at 6,300 feet. The second flight occurred February 22nd – 24th and survey results have yet to be published although are anticipated to be over 1 MAF based on recent snow modeling. Unfortunately, due to State budget constraints, the upper San Joaquin watershed may be reduced to 3 flights (2 by DWR, and 1 by FWA) although these discussions are still active.

San Joaquin River Restoration Allocation

On February 16th, the SJRRP transmitted to the Restoration Administrator (RA) an updated Restoration Allocation for the 2024/25 water year. The Allocation is based on a 75% Exceedance forecast of 1,479 TAF (up from 1,039 TAF) for the water year, which is a Normal-Wet Restoration year type and results in an allocation of 287,418 AF as measured at Gravelly Ford (an increase of about 60 TAF from the initial

allocation). The RA has been asked to submit a proposed schedule by February 29th. The RA has indicated that a revised schedule is not likely to change proposed spring releases due to seepage limitations, so it is likely that the increased allocation will result in increased potential for Unreleased Restoration Flows (up to 100 TAF total). Before any URFs will be made available to Friant Contractors, the RA has indicated he will evaluate the risks associated with the potential for a reduced allocation which could result from a drier hydrology than was used for the updated allocation, although we do anticipate an initial block to be offered soon on the order of 40 TAF. A partial release of URFs could be made as early as next week. Reclamation approved the RA's January 19th flow recommendation for WY 2024 following a Water Supply Test and consultation with the Settling Parties, contingent on further Water Supply Test evaluations regarding the proposal to move some spring flows past May 28th.

The Gravelly Ford Restoration flow target is 420 cfs through February 24th, decreasing to 250 cfs by the end of February, then increasing to 400 cfs for the month of March. Total Restoration Flows at Gravelly Ford on February 23nd were 373 cfs (378 cfs total flow). The expected rate of Restoration Flows passing Sack Dam was approximately 300 cfs.

San Joaquin River Restoration Recapture

Some recapture may occur at Mendota Pool in March if releases exceed seepage limitations below Sack Dam. PID recaptured 2,260 AF in January and is estimated to recapture 1,600 AF in February due a temporary power outage. BCID has approved an interim conveyance agreement with FWA, and it is anticipated recapture will resume on or about March 1st.

AGENDA REPORT

AGENDA NO. 4.C.

DATE: February 29, 2024
TO: Board of Directors
FROM: Johnny Amaral, Chief of External Affairs and Mike Villines, Villines Group, LLC
SUBJECT: External Affairs Update

SUMMARY:

Update on State and Federal affairs and communications activities.

RECOMMENDED ACTION:

None; informational only.

SUGGESTED MOTION:

None; informational only.

DISCUSSION:

STATE AFFAIRS

The budget deficit will cloud everything this year. The LAO has continued to forecast higher and higher deficit numbers as each week passes. Just last week the Legislature's budget staff said that the revenues for January were \$6 billion less than the projected revenue down from the Governor's January 10 Budget. So, at a minimum, California is looking at closer to a \$50 billion deficit most likely by May. The out-years could be significantly worse so the Legislature and the Governor will have to keep costs low, and as a consequence, new programs will struggle to gain traction. As a quick example, although unrelated to water policy or infrastructure, the Governor has already said he intends to withhold implementation of the SB 525 cost mandates of \$25 an hour for all healthcare workers in California because of the current economic situation. This is a law that he signed less than 5 months ago.

In addition to the above, the Legislature had until this Friday, February 16, to submit all new bill requests. There will be roughly 2000 new bills introduced this session. We are watching the daily bill introductions and will have a review of bills important to Friant in early March.

Finally, all the Assemblymembers and half of the Senate are in primary elections on March 5th so their attention is squarely on that date.

Issues

While the deadline to submit new bills has passed, a full review will take a couple of weeks. Expect bills related to many issues, including:

- Flood preparedness and the state's desire to have more control over the response to a similar situation should that occur again. The state's concern is largely related to who was being flooded, and why. This same issue occurred on the Pajaro River in Monterey County. We will be watching this closely.
- The State Water Resources Control Board still wants to find a quicker path to stop illegal diversions. This is primarily a north state issue but has serious ramifications for all of California, especially the agriculture community in general. The bills last year were all stopped but we anticipate similar bills. We will be watching this closely as well.
- Community water systems and "equity" issues will be an issue again this year. This relates to SGMA and dry wells as well. Generally, the State has shown an interest in protecting community water systems and helping EJ communities maintain or even improve their systems by tapping into larger systems. A good example of this is AB 828 (Connolly) which would exempt community water systems (and public or private wetlands) from certain SGMA requirements.
- We continue to work on San Joaquin River Restoration Settlement education with Legislators and Administration personnel and look for projects that can be completed to implement the agreement.

FEDERAL AFFAIRS

The House and Senate are in session this week after last week's recess, returning Wednesday and Monday, respectively. After Congress failed to release Fiscal Year (FY) 2024 government funding legislation on Sunday, the odds of at least a temporary partial federal government shutdown are high. Lawmakers will face their first government funding deadline on Friday, March 1.

The prospects of a partial government shutdown skyrocketed over the weekend when Congressional leaders could not work out differences over policy riders to release bill text for the bills funding the Departments of Agriculture, Energy, Veterans Affairs, Transportation, and Housing and Urban Development, in addition to the Food and Drug Administration, U.S. Army Corps of Engineers, and Bureau of Reclamation, among other smaller agencies, that expire on Friday. Top negotiators Senate Majority Leader Chuck Schumer (D-NY) and House Speaker Mike Johnson (R-La.) began finger-pointing as Congress needed to unveil legislative text by Sunday to ensure Congress would have enough procedural time to pass the bill. In a Dear Colleague letter sent on Sunday, Leader Schumer said that Democrats and Republicans must work together to avoid a partial government shutdown and "fulfill our shared responsibility to protect our national security both at home and abroad." The main policy issues that are holding up the spending bills are \$1 billion in Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) funding, whether the VA can send information on veterans to the National Instant Criminal Background Check System (NICS), earmarks which many Republicans oppose, and other controversial policy riders. On Tuesday, President Joe Biden will host the top four congressional leaders at the White

House to work on avoiding a partial government shutdown and negotiate passage of the \$95.3 billion in emergency aid for Ukraine, Israel, Taiwan, and the Indo-Pacific region the Senate approved on February 13 by a vote of 70-29.

If Congress cannot pass final, negotiated funding for the Agriculture-FDA, Energy and Water, Military Construction-VA, and Transportation-HUD bills this week, lawmakers may pivot to a Friday, March 22 stopgap continuing resolution (CR), to avoid a partial shutdown and provide several additional weeks to complete work on the FY24 spending bills. If lawmakers opt for another short-term CR, a new deadline of April 30, 2024 would become relevant, as all FY24 non-defense spending will face an effective automatic five percent funding cut, defense spending will incur a one percent cut for the duration of FY24, and FY24 earmarks would be in serious jeopardy if full-year funding does not pass. If a partial government shutdown were to occur beginning on Saturday, March 2, thousands of career federal employees at the aforementioned departments and agencies would be furloughed without pay until Congress passed some type of funding bill. The remaining federal departments and agencies covered by the eight remaining spending bills are currently funded through Friday, March 8.

The House will consider twelve bills under suspension of the rules, including the Airport and Airway Extension Act of 2024, which extends Federal Aviation Administration (FAA) authorities and Airport and Airway Trust Fund (AATF) revenue collections from March 8 to May 10, 2024. The House will also consider the Encouraging Success Act (H.R. 6591), requiring the Small Business Administration to regularly reassess the asset and net worth thresholds for qualifying as an economically disadvantaged individual. The Senate will see a delay in addressing the impeachment articles of Secretary of Homeland Security Alejandro Mayorkas as House Speaker Johnson will hold off on signing and sending the articles of impeachment to the upper chamber until after Congress has passed FY24 spending legislation. When the Senate does turn to the articles of impeachment, many expect the chamber to quickly reject the effort by a simple majority vote. The Senate will also vote this week on Jacqueline Becerra and David Leibowitz to be U.S. District Judges for the Southern District of Florida and Hampton Dellinger to be Special Counsel at the U.S. Office of Special Counsel for a term of five years.

For the remainder of the week, the Senate will hold several committee hearings, including an Environment and Public Works hearing on “Water Resources Development Act 2024: USACE Water Infrastructure Projects, Programs, and Priorities;” an Agriculture, Nutrition, and Forestry Committee hearing on “Oversight of the Department of Agriculture” with testimony from Agriculture Secretary Tom Vilsack; a Health, Education, Labor, and Pensions hearing on “The Retirement Crisis: Examining Pension Plans.” Representative-elect Tom Suozzi (D-NY) will be sworn into Congress this Wednesday, updating the makeup of the House of Representatives to 213 Democrats and 219 Republicans (with three current vacancies in New York, Ohio, and California).

BUDGET IMPACT:

None.



MEMORANDUM

TO: FRIANT WATER AUTHORITY BOARD OF DIRECTORS
FROM: DAN KEPPEL, EXECUTIVE DIRECTOR
SUBJECT: UPDATE REPORT
DATE: FEBRUARY 26, 2024

It's with a heavy heart that I share the news that our friend and leader Pat O'Toole passed away yesterday, around 4:30 p.m. (Mountain) in Grand Junction, Colorado. He suffered a stroke at his ranch in Wyoming on February 13. I spoke last night with his wife, Sharon, and Bridget (Pat and Sharon's daughter), who told my wife and I that Pat passed away surrounded by his family. Sharon agreed that it would be a good idea to send out a short public statement, letting our membership and others know. That will go out later this morning. A memorial service for Pat will be held at Ladder Ranch, likely in early July. Pat was my boss, but I loved him like a brother. He was part of our family, and we were part of the O'Tooles.

We're going to miss him dearly.

The remainder of this memo is intended to keep you apprised as to what is happening regarding policy issues the Family Farm Alliance (Alliance) is engaged in. In the past month, much of our efforts have focused on advancing farm bill ideas with Western Senators and committee staff, preparing for, and hosting our 2024 annual meeting and conference, monitoring federal agency administrative proposals, public outreach, and organizational administrative matters. These issues and other matters important to our members are further discussed in this memo.

BIDEN ADMINISTRATION

1. Environmental Protection Agency (EPA)

Bruno Pigott, who is currently principal deputy assistant administrator for water, will replace the outgoing assistant administrator for water, Radhika Fox, once she departs later this week. Fox's

last day is Feb. 28. Pigott, who will take on the new role in an acting capacity, joined EPA's water office in December 2021 after a 20-year career at the Indiana Department of Environmental Management. From 2017 to 2021, Pigott was commissioner of the department under former Gov. Eric Holcomb (R).

2. Bureau of Reclamation (Reclamation): IJA Implementation

The Family Farm Alliance helped lead nation-wide coalitions in support of Congressional action to advance the Infrastructure Investment and Jobs Act of 2021 (IIJA) and the Inflation Reduction Act of 2022 (IRA). The IIJA includes \$8.3 billion for Reclamation, as part of a proposal advanced by over 230 water, ag and urban organizations. That coalition was led by a steering committee that included the Alliance, Association of California Water Agencies (ACWA), California Farm Bureau Federation, National Water Resources Association (NWRA) and Western Growers. The IIJA investment will repair aging water delivery systems, secure dams, complete rural water projects, and protect aquatic ecosystems. The Alliance now wants to ensure that most of these dollars would be spent on-the-ground for the intended purpose. Over the past two years, we worked with a subset of Reclamation leadership, led by the Commissioner's office, to find ways to make implementation of the IIJA - particularly the Aging Infrastructure Account (AIA) and the WaterSMART program - more efficient and responsive to water user concerns.

a. PEC 05-03

Last December the Alliance and National Water Resources Association (NWRA) co-signed and transmitted a letter to Reclamation regarding concerns we have on recent changes Reclamation has made to a draft Directive and Standard (D&S), Funding and Extended Repayment of Extraordinary Maintenance Costs (PEC 05-03). The Alliance and NWRA in 2021 worked closely with Reclamation to address some troubling provisions contained in the original draft D&S. It's now essentially been completely re-written.

Last month, Alliance representatives had a virtual meeting with Karl Stock, who, before assuming his new job as regional director, had been overseeing the revision effort on PEC 05-03. He gave us a "heads up" on some of the major changes to expect, which are reflected in the revised draft of PEC 05-03. Importantly, the revised document shows the changes Reclamation has made to address our concerns regarding the new requirement to use the contractor's reserve fund prior to using AIA funds. The requirement is still there, but language has been added that it is at the Regional Director's discretion, if regular appropriations are used. It now notes that maintenance of the reserve fund will be considered as a priority factor for AIA awards. This is intended to differentiate between circumstances where regular appropriations for this type of work are limited, compared to situations like what we're seeing now, when AIA funds are more plentiful.

There are some changes that improve the emergency fund issue. However, some of our members still have concerns about Irrigation Ability to Pay (ATP) analyses and the potential impacts of a new ATP analysis on existing ability to pay levels as set in current repayment contracts. We also

raised the issue of extraordinary maintenance (EXM) authorities. The draft proposal would only allow projects factored by the Commissioner for “urgency” and the “immediacy” of the need for associated actions and commitments of resources. We believe long-term work to permanently resolve urgent EXM repairs should qualify as EXM and be eligible as such for funding out of the AIA. For now, it appears that Reclamation will not change this language in this go-around but wants to have continued discussions on this in the future.

Earlier this month, Reclamation shared a revised version of PEC 05-03. The major change is the removal of the requirement for expenditures from organizations’ reserve funds before receiving XM funding if the funding is coming from the AIA. In reviewing the newly edited version of PEC 05-03, we noticed a newly added provision below:

*i **Crediting Non-Federal Expenditures.** Reclamation will determine an appropriate credit reflecting the reduced reimbursability for EXM for any qualifying expenditures the operating entity makes and apply it against any XM repayment obligation to Reclamation the operating entity incurs for a related the same XM project.*

Does this mean the only way a transferred work operator can receive reimbursed funding for the 35% nonreimbursable portion of an EXM project is through reduced repayments to the AIA? As we read this, if a transferred work operator expends their own money towards fixing a EXM repair, if they were to obtain a loan from the AIA, they could not reimburse themselves with loan proceeds but would only see relief through reduced repayment obligations. If that’s the case; this will be a problem for our members. A virtual workshop with these interests will be held during the week of March 4. The comment period will be extended an additional two weeks after that.

b. CMP 08-01

In recent weeks, I received calls from some of our people regarding the Reclamation Manual notification some of us received last month. There is some real interest in CMP 08-01 (Capital Investment and Repair Needs), and the comment period is only open for a few more weeks. It’s an extensive draft and can be downloaded here: <https://www.usbr.gov/recman/index.html>. There appears to be good guidance in the draft on how Reclamation will improve things internally, but we think some additional detail is needed regarding how project sponsors get involved.

We believe this new D&S really should be explained to contractors impacted by Capital Investment and Repair Needs (CIRN) decisions. Earlier this month, I sent a request to the Commissioner’s office, requesting additional time for comments and asking that a workshop be conducted on this important matter, particularly in light of the draft D&S intent to be “more responsive to project sponsors” and “enhance working relationships with project partners”. It appears that a process similar to the one described above for PEC 05-03 will likely be initiated by Reclamation for CMP 08-01, as well. As a first step, Reclamation will be hosting a webinar on Feb. 28, 2024, at 9 a.m. MST to review the [draft new directive and standard, CMP 08-01, Capital](#)

[Investment and Repair Needs](#). For the webinar, Reclamation will have a short presentation followed by plenty of time for questions and answers.

c. DOI's Remote Work Policies

The House Subcommittee on Oversight and Investigations on January 18 held an oversight hearing on the impacts of the U.S. Department of the Interior's (DOI) remote and telework policies, an issue that some have observed may be impacting the effectiveness of federal agencies to administer IJA and IRA projects. Republicans in the House of Representatives believe it is past time for all federal agencies to return to appropriate, pre-pandemic levels of in-person work agency-wide. Currently, non-supervisory, telework-eligible employees across the DOI's agencies are only required to be in the office two days every two weeks, and telework-eligible senior executives, supervisors and managers in the National Capital Region are only required to be in the office 50 percent of the time. House Republicans have proposed a solution to the in-person absenteeism of federal employees, [the Stopping Home Office Work's Unproductive Problems or the SHOW UP Act](#), which, among other directives, would return federal agencies to pre-pandemic levels of telework.

3. Army Corps of Engineers (Corps): Proposed ASPs for Implementation of PR&Gs

The Corps have [proposed a rule](#) establishing Agency Specific Procedures (ASPs) for the Corps' implementation of the Principles, Requirements, and Guidelines (PR&Gs) for federal water resources investments. It provides a framework to govern how the Corps would evaluate proposed water resource investments, including identification of which Corps programs and activities are subject to the Principles, Requirements, and Guidelines. The Corps is proposing this rule in response to congressional direction provided in authorizing language in the Water Resources Development Act of 2020. Comments must be received on or before April 15, 2024. For more information, see [Federal Register :: Corps of Engineers Agency Specific Procedures To Implement the Principles, Requirements, and Guidelines for Federal Investments in Water Resources](#).

4. Department of Interior, USFWS: Draft Regulation for Wildlife Refuge Management

On Feb. 1, 2024, the USFWS published a draft regulation concerning the management of wildlife refuges across the United States. The proposed regulation is an update of the Biological, Integrity, Diversity and Environmental Health (BIDEH) policy and works to eliminate longstanding and commonplace agricultural practices on lands in the wildlife refuge system. The regulation would prohibit grazing and farming and significantly alter the existing management precedent on over 560 national wildlife refuges in the United States. The Alliance is working with the American Farm Bureau Federation, waterfowl groups, and water management agencies in the Central Valley and Klamath Basin to develop a comment letter that raises concerns on this matter.

DEVELOPMENTS IN CONGRESS

5. President Biden Signs CR Pushing Shutdown Deadlines to March

President Joe Biden last month signed a stopgap continuing resolution (CR), the third in four months, to avert a partial government shutdown that was set to begin on January 20. The “laddered” CR extends funding for government agencies until March 1 (four spending measures, including Energy and Water) and March 8 (remaining eight spending bills). House and Senate negotiators later in the month reached an agreement on top-line allocations for the 12 annual government-funding bills. Sen. Patty Murray (D-WA.) and Rep. Kay Granger (R-TX), chairs of their respective Appropriations Committees, had been in discussions since January 7 to determine funding amounts. The agreement allows subcommittees to proceed with negotiations on the specifics of a spending package. Work is now progressing (hopefully) on the 12 appropriations bills, which had been on hold until the top-line allocations were settled. Congress faces continuing resolution (CR) deadlines of March 1 and March 8, with four bills (20% of discretionary funding, including veterans, transportation, agriculture, energy and water programs) due on March 1 and the remaining eight bills (80% of funds) due on March 8. The lists of which federal agencies are funded by each of the 12 spending bills is available [here](#).

Senators in both parties earlier this month finalized a deal on stricter border and immigration policies that is headed toward an uncertain floor vote in the coming days. The \$118 billion agreement, which was negotiated for months, would tighten the standard for migrants to receive asylum, automatically shut down the southern border to illegal crossings if migrant encounters hit certain daily benchmarks and send billions of dollars to Ukraine, Israel and Taiwan as well as the border (*POLITICO*, 2/4/24).

The House will come back to DC early on February 28 from its late-February two week recess, just two days before the first March 1 CR deadline. Initial funding negotiations on top-line allocations for each of the 12 appropriations bills continues to drag on, with subcommittees still waiting for their allocations to start negotiating the details of bicameral bills. As previously reported, the long-delayed appropriations process threatens to further derail the farm bill in 2024. Both the House and Senate Ag Committees are still far from hammering out drafts of the massive legislation that’s expected to hit \$1.5 trillion. *POLITICO* recently reported that some GOP lawmakers are starting to privately expect that a farm bill won’t move until after the November elections, if it does at all this Congress. A lame duck farm bill, however, is a heavy lift....

6. 2023 Farm Bill

The farm bill is an omnibus, multiyear law that is typically renewed about every five years. The House leadership chaos of January 2023 had wide implications for the farm bill — including holding up work on the bill and complicating its eventual path to passage. Given the delays from the debt ceiling and appropriations negotiations, lawmakers have yet to release the draft text of the Farm Bill legislation in both chambers. Key topics of debate between Democrats and Republicans

include SNAP (food stamp assistance) and funding levels for climate change and rural energy programs.

Deep divisions between Democrats and Republicans over key priorities like nutrition, conservation, and funding were evident in a recent House Agriculture Committee hearing. Chairman Glenn "GT" Thompson (R-PA) pledged Republican support for bolstering the farm safety net while maintaining conservation and nutrition benefits, including SNAP. However, Democrats, led by Rep. David Scott (D-GA), are adamant against any cuts to SNAP and resist GOP efforts to redirect climate-friendly conservation funding. Agriculture Secretary Tom Vilsack defended the Biden Administration's priorities, advocating for a more consistent funding stream for disaster assistance and opposing efforts to divert funding from climate law provisions in the IRA. Despite the challenges, Chairman Thompson remained committed to advancing the bill this year, emphasizing bipartisan opportunities for funding shared priorities without compromising SNAP benefits or essential conservation programs. However, significant hurdles, including a tight legislative calendar and partisan disagreements, may impede progress towards the passage of a comprehensive Farm Bill in the 118th Congress.

Once again, the Alliance has worked closely on this with its partners in the Western Agriculture and Conservation Alliance (WACC) on the next Farm Bill. The Alliance and many of its members are strong supporters of the NRCS Watershed and Flood Prevention Operations Program (WFPO, often referred to as the "PL-566" Program). The Alliance and its allies last year worked with the office of Senator Michael Bennet (D-COLORADO) on legislation intended to streamline PL-566. The legislation aims to improve the PL-566 program by streamlining the program's planning and administrative processes and creating parity in funding allocations between southeast states and other areas of the country.

As is the case with many issues related to the farm bill, this one is contentious, with the Senate and House ag committees having differing perspectives on making changes to PL-566, which has long been a "go-to" funding source for flood control projects in the Southeast. However, there does appear to be agreement that PL-566 implementation could be streamlined, and that NRCS state conservationists should be given more oversight authority, pulling control away from NRCS HQ in D.C. We continue to work on advancing initiatives that ensure that more of the PL-566 dollars make it out West, via the developing Farm Bill or through the appropriations process.

a. PL-566 Appropriations Letter

Earlier this month, we worked on a letter to Congressional leaders and appropriations committees, expressing support to include the \$70 million in programmatic funding for WFPO that was included in the Senate Agriculture, Rural Development and Drug Administration spending bill. The House version of ag appropriations essentially zeroed this program out. We wrapped that letter up last Thursday and transmitted it to several offices on Friday morning. Over FIFTY organizations signed on, including SLDMWA. This will make a difference. I like what SLDMWA's Scott Peterson (who also happens to be the Vice-Chair of our Advisory Committee

at Family Farm Alliance) said: “It looks like something from NASCAR, with all of those logos”. A related letter from the Western Ag and Conservation Coalition (WACC) also went out last week on this matter, which included support from some of the larger, constructive conservation groups.

b. Western Senators Call for Long-Term Drought Provisions in the Farm Bill

U.S. Senators Michael Bennet (D-COLORADO) and Deb Fischer (R-NEBRASKA) joined Oregon Democrat Senators Jeff Merkley and Ron Wyden in a bipartisan effort last month, calling on the Senate Agriculture Committee to address long-term drought in the upcoming farm bill. “Agriculture is the economic backbone for rural communities in our states,” the Senators wrote. “However, severe, long-term drought is devastating these rural areas. During periods of droughts, our farmers and ranchers face diminishing crop and livestock outputs. These negative effects reverberate through the community, affecting not just individual producers, but the broader local economy and food system.” In addition to Merkley, Wyden, Bennet, and Fischer, this letter was also signed by thirteen other Western Senators. Full text of the letter can be found [HERE](#). The Alliance and the WACC were consulted by Senator Bennet’s office as this letter was developed late last year and provided input and support.

7. House WWF Subcommittee Holds Heated Hearing on ESA / Other Bills

During a hearing earlier this month before the House Natural Resources Subcommittee on Water, Wildlife and Fisheries, members engaged in heated debate over the Endangered Species Act (ESA), particularly focusing on [H.R. 6784](#), a bill introduced by Rep. Pete Stauber (R-MN). Rep. Stauber argued that the ESA is flawed and emphasized concerns regarding the uplisting of species like the northern long-eared bat. His bill aims to increase flexibility in regulations, particularly regarding the "take" of threatened and endangered species. However, Democratic members, including Subcommittee Ranking Member Jared Huffman (D-CALIFORNIA), criticized Stauber's bill, arguing that it would undermine species conservation efforts. The hearing briefly considered other bills, such as [H.R. 6854](#), supported by both Republicans and Democrats, which focuses on habitat enhancement for ducks, and [H.R. 7157](#), authored by Rep. John Duarte (R-CA), aimed at easing import regulations for wood products. The Fish and Wildlife Service (FWS) opposed several of these bills, including Stauber's and Duarte's, citing concerns about the impact on species conservation efforts.

8. Senate Bill Would Authorize Enhanced Army Corps’ Drought Programs in the West

Senator Mark Kelly (D-ARIZONA) is spearheading the development of the "*Drought Resilient Infrastructure Act*," aimed to authorize the Army Corps of Engineers to further address prolonged drought conditions affecting the Western United States. The legislation, to be introduced when Congress returns from recess, would establish new programs within the Army Corps and expand its mandate to undertake projects focused on combating Western drought. Senator Kelly, Chairman of the Environment and Public Works (EPW) Subcommittee on Transportation and Infrastructure

highlighted the importance of providing necessary support to Arizona communities through this proposed legislation.

The bill aligns with broader efforts to address water supply challenges within the framework of the Water Resources Development Act (WRDA). The proposed legislation aims to mitigate water losses by empowering the Army Corps to factor in drought conditions when managing water resources, thus optimizing water usage and conservation efforts. The House has already passed related legislation, [H.R. 4385](#), the “*Drought Preparedness Act*” for the Bureau of Reclamation, indicating bipartisan recognition of the urgency of addressing drought concerns. Drafts of the upcoming WRDA are anticipated in the spring, with committee leaders evaluating project proposals for potential inclusion. Sen. Kelly's efforts also complement similar legislative efforts by Representatives Grace Napolitano (D-CA) and Susie Lee (D-NV).

9. GAO: Foreign Investment and Ownership of American Farmland

The U.S. Government Accountability Office (GAO) last month [released a report](#) highlighting the risks associated with foreign investment and ownership of American farmland. Foreign ownership and investment in US farmland, pastures and forests jumped to about 40 million acres in 2021, up 40% from 2016, according to Department of Agriculture data. The report underscores the current lack of information regarding land ownership, posing a potential threat to national security. Safeguarding our food supply is crucial, and the report emphasizes the need to address the influence of foreign adversaries on American farmland. The GAO made six recommendations, including that the USDA share more timely and complete data with the Committee on Foreign Investment in the US, an interagency panel led by the Treasury Department that reviews foreign business deals.

10. NYSE Withdraws NAC Proposal

In a significant development, the New York Stock Exchange (NYSE) last month withdrew the proposed amendment to the Listed Company Manual, which aimed to introduce a new listing standard for Natural Asset Companies (NACs). The potential listing of Natural Asset Companies on the NYSE raised concerns about granting foreign adversaries the ability to control our public lands. Considerable pressure came from states and Republicans in Congress who voiced concerns that this would fund locking up millions of acres of BLM and Forest Service lands through funding companies through the New York Stock Exchange. [Here's a letter](#) from the state attorneys general from Kansas and Utah blasting the proposal.

11. House Republicans Introduce Clean Water Act Reform Bills

House Republicans have introduced five bills aimed at modifying the Clean Water Act (CWA), with the goal of reducing obstacles faced by energy companies and businesses seeking CWA permits. The bills, unveiled by lawmakers on the House Transportation and Infrastructure (T&I) Committee, include the "[Nationwide Permitting Improvement Act](#)," introduced by T&I Water

Resources and Environment Subcommittee Chair David Rouzer (R-NC), which would require the Army Corps of Engineers to consider only the effects of dredge-and-fill activities when issuing nationwide permits. Another bill, "[Reducing Permitting Uncertainty Act](#)," from Rep. Pete Stauber (R-MN) and Rouzer, would limit the EPA's timeframe for vetoing permits, while a third, the "[Judicial Review Timeline Clarity Act](#)," from Rep. Eric Burlison (R-MO) and Rouzer, would impose time limits on legal challenges to federal wetlands permits.

The additional bills, the "[Water Quality Criteria Development and Transparency Act](#)," from Rep. Burgess Owens (R-UTAH) and Rouzer, and the "[Confidence in Clean Water Permits Act](#)," from Rep. John Duarte (R-CALIFORNIA) and Rouzer, would address transparency in EPA's water quality criteria and seek specificity in pollution limits under the NPDES program while protecting permit holders from what is described as "frivolous lawsuits." The bills are unlikely to become law in the divided 118th Congress, but they highlight how Republicans would change the CWA if they had the votes. Democrats, for their part, have introduced the "[Clean Water Act of 2023](#)," to increase EPA and Corps' oversight of wetlands after the *Sackett* Supreme Court decision reduced regulation of wetlands under the CWA.

12. House Subcommittee Legislative Hearing Addresses Forest Health Bills

While 2023 in America saw the smallest number of acres burned in more than two decades, wildfires and forest health remained a top priority for policy and law makers in Washington, D.C. The numbers show a wildfire season with more than 2.6 million acres burned as of December, according to [data](#) from the National Interagency Fire Center. It's the lowest number dating back to 1998, when 1.3 million acres were burned. In recent years, a priority initiative for the Alliance has been to continue advocating for active forest management in federal Western watersheds and better quantifying watershed health improvements associated with these and other water conservation actions.

The House Subcommittee on Federal Lands on January 31 held a legislative hearing on five bills that would reduce the federal estate, increase recreation opportunities, empower local communities and promote forest management with innovative tools to streamline bureaucratic red tape. One of those bills, [H.R. 674](#), *the Root and Stem Project Authorization Act of 2023*, introduced by U.S. Rep. Dan Newhouse (R-WASHINGTON), would address barriers that prevent forest management projects by promoting an innovative new model to finance forest restoration that reduces fire risk and benefits rural economies. To learn more, click [here](#).

13. HYDRO Act of 2024

Earlier this month, we sent a letter to key Senate and House committees in support of the bipartisan, bicameral HYDRO Act of 2024, legislation that is critical to mitigate significant drought impacts for federal hydropower customers in Arizona and across the Colorado River Basin. This bill would ensure that Hoover, Parker-Davis, and Colorado River Storage Project hydropower ratepayers are not responsible for covering certain non-power costs associated with these federal facilities when

they face significant reductions in power production and delivery. Without this legislation, hydropower customers will essentially be forced to pay for power they are not receiving, along with a significant portion of costs that benefits other stakeholders. At the same time, they will also confront the massive additional costs to replace lost federal hydropower deliveries in a very difficult and expensive power market. The Alliance fully supports this legislation, as we did in the 117th Congress.

14. Drought/Title Transfer/Fish and Wildlife Bills Passed by the House

Earlier this month, eight bills from the House Committee on Natural Resources passed the U.S. House of drought in the West. The legislation is coming up under suspension of the rules, a way to fast-track noncontroversial measures. Bills that passed include (among others):

- [H.R. 4385](#), the “*Drought Preparedness Act*,” from Reps. Joe Neguse (D-COLORADO) and Juan Ciscomani (R-ARIZONA), to reauthorize the *Reclamation States Emergency Drought Relief Act* through 2028.
- [H.R. 3415](#), by Rep. Harriet Hageman (R-WYOMING), to provide for the eventual conveyance of the federally owned Butte power plant to the Midvale Irrigation District located in Pavillion, Wyoming.
- [H.R. 5009](#), by Rep. David Joyce (R-OH), to reauthorize the *Wildlife Innovation and Longevity Driver Act*. It would extend program we strongly support - the Partners for Fish and Wildlife Program, which funds wildlife and habitat conservation nationwide, and it would reauthorize the Multinational Species Conservation Fund, which focuses on iconic species such as elephants, tigers, and great apes.

15. House T&I Committee Passes Water Permitting, Pesticides Bills

The House Transportation and Infrastructure (T&I) Committee has passed the “*Creating Confidence in Clean Water Permits Act*” in the by a party-line vote of 32 to 30. Sponsored by Water Resources and Environment Subcommittee Chair David Rouzer (R-NC), the legislation, [H.R. 7023](#) aims to make significant changes to the permitting process for energy, mining, and manufacturing projects affecting wetlands and waterways. T&I Democrats raised objections to the legislation, expressing concerns about the potential threat to water quality while Republicans argued that the bill would ensure efficient and timely permitting for important projects. The bill includes measures restricting the EPA's ability to veto Corps CWA permits, limiting litigation time, and shielding permittees from liability. Amendments, including one directing EPA and the Corps to provide more guidance after a landmark Supreme Court ruling on wetlands in *Sackett v. EPA*, were approved. Additionally, the committee voted on a bill clarifying previously approved pesticides from needing CWA discharge permits, and approved a bipartisan bill focused on wildfire recovery and FEMA. The House may take up H.R. 7023 on the floor as soon as next week.

IN THE COURTS

16. U.S. Supreme Court Hears Fishing Cases that Challenge Agency Powers

The U.S. Supreme Court (SCOTUS) heard arguments last month in two cases that could severely weaken the power of administrative agencies to set regulations. The cases, coming from New Jersey and Rhode Island-based herring fishing enterprises, initially challenged a Commerce Department rule requiring fishermen to pay for federal monitors aboard their boats. But the arguments dealt almost entirely with “Chevron deference,” a principle giving wide latitude to federal agencies to write regulations that the high court established in the 1984 case *Chevron v. Natural Resources Defense Council*. That ruling has for decades restricted federal courts from deciding questions of policy unless there is a clear breach of the law or the Constitution. The Supreme Court’s upcoming decision is almost certain to drive reams of new litigation and result in conflicting circuit decisions, legal observers say, given widespread expectations the justices will overturn or significantly cabin the doctrine. In the wake of the arguments, both supporters and opponents of Chevron are widely predicting its demise, after four conservative justices all expressed eagerness to overturn the nearly 40-year-old doctrine established in 1984 by a unanimous high court.

ALLIANCE INITIATIVES

17. 2024 Annual Conference

The 2024 Alliance Annual Conference took place last week in Reno (NEVADA). While the conference set another attendance record, the mood in Reno was somber and Pat O’Toole’s absence was keenly felt and noted by many of those who spoke at the event. First Vice-President Schwindt and Alliance Second Vice-President Paul Orme (ARIZONA) will lead a committee set up by the board of directors to select the next Alliance president. In the meantime, Mr. Schwindt will oversee Alliance business and lead board meetings. The special conference addition of our “Monthly Briefing” will feature more coverage and photos from the event.

NEWS FROM AROUND THE WEST

18. Dam Removal in the West

All of the recent news in my neighborhood – the Klamath Basin (Southern OREGON / Northern CALIFORNIA) - has been dominated by mainstream media coverage of the historic removal of hydroelectric dams on the Klamath River. This is the largest dam removal undertaken in the history of the planet, and the NGOs, tribes and states of California and Oregon are understandably in a state of euphoric frenzy right now. Dam removal represents the peak of success for certain environmental interests in the West, and the dam removal bandwagon is overflowing right now

with gushing supporters. However, as many in our community have predicted, the very unique circumstances that led to the removal of the Klamath dams have been lost in the media coverage.

Advocates and analysts are now eyeing four dams on the Lower Snake River in Washington as the next big dam removal in the queue, even though the circumstances surrounding that area and Klamath are vastly different. The Klamath dams were privately owned by PacifiCorp, and they provided minimal benefits outside of the hydroelectric power generation purpose they were originally designed for. Along the Snake River, there are irrigators who rely on the reservoirs behind the targeted dams. The Columbia River dams are also the primary power source for the Pacific Northwest, and there is immense barge traffic responsible for exporting northwest wheat that is tied to the controlled water levels provided by the dams. A new USDA-funded report found the Columbia and Snake River transportation system contributes about \$346 million to the region's economy each year.

Now, California Governor Gavin Newsom is taking ambitious steps to restore salmon populations, which includes a series of actions, including removing barriers and modernizing infrastructure for salmon migration, restoring and expanding habitat for salmon spawning and rearing, protecting water flows and water quality in key rivers at the right time, modernizing salmon hatcheries, and more. Of course, media coverage has emphasized the governor's pledge to expedite the removal or bypassing of aging dams. Actually, the entire approach and the action items are generally supported by the [“Holistic Approach to Healthy Rivers and Landscapes”](#) that water agencies in the Sacramento are advancing to recover fish species in the Sacramento Valley, recreate floodplains and other Pacific Flyway habitat for birds and other species, while protecting communities and sustaining farming in the region.

Despite all of the recent media and political hoopla celebrating dam removal, elected officials in the Pacific Northwest representing agriculture and power interests are pushing back.

a. House E&C Subcommittee Hearing on Fate of Snake River Dams

Members of the House Energy and Commerce (E&C) Committee's Energy, Climate, and Grid Security Subcommittee earlier this month held an oversight hearing to express concerns to the Biden Administration over the potential removal of four federal hydroelectric dams in Washington state, arguing that it could lead to increased energy prices in the Pacific Northwest and nationwide spikes in food prices. White House official Brenda Mallory, Chair of the Council on Environmental Quality (CEQ), insisted that the Administration has no plans to remove the dams. The dams, at the center of a longstanding federal lawsuit and were part of a \$1 billion settlement agreement announced by the Biden Administration in December, possibly creating a pathway for their potential removal. Critics of the settlement, including GOP lawmakers and industry groups, have accused the White House of secret negotiations which has prompted legislative efforts to block funding for studying dam removal. The hearing also raised concerns over the exclusion of certain affected parties from the settlement discussions.

Our policy and communications consultant, Todd Ungerecht, moderated a great panel discussion at our recent conference on this topic, which included Doc Hastings, the past Chair of the House Committee on Natural Resources, Paul Arrington (Executive Director, Idaho Water Users Association), Scott Corwin (President and CEO of the American Public Power Association), and Chris Voigt (Washington State Potato Commission).

ADMINISTRATIVE & MISCELLANEOUS

- I spoke last month at the Four States Irrigation Council meeting in Fort Collins (COLORADO) and moderated two panels at the Mid-Pacific Water Users Conference in Reno (NEVADA).
- ACWA has hired Ian Lyle as its new Director of Federal Relations to lead its advocacy team in Washington D.C., including advocating on behalf of member agencies before Congress and at federal executive branch agencies. He replaces David Reynolds, who retired in December after 30 years at ACWA. Lyle has two decades of experience working collaboratively with federal, state and local partners. He worked for 10 years in Congress, and also worked for the National Water Resources Association, first as Director of Federal Affairs, and then as its Executive Vice President.

This is a quick summary of just a few of the issues the Alliance has been engaged in. Please do not hesitate to contact me at 541-892-6244 or dan@familyfarmalliance.org if you would like further information about what the Alliance is doing to protect water for Western irrigated agriculture.

DATE: February 29, 2024
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.”*

Education/Executive: The new Board Treasurer and Finance Committee have created a Board approved 2024 budget and identified contribution levels for 2024, requests will be sent in the coming weeks. Hallmark has prepared a revised scope for defined services and deliverables (Develop & implement a strategic plan to protect operational flexibility of the 2019 Bi Ops) it will run from 3/1-8/31 and has been approved by the Board.

- Urban Water Agency Partnerships: A draft letter agreement with Urban Water Agencies including Metropolitan Water District and the Blueprint is being reviewed which would include monetary participation and review and analysis of water storage and conveyance opportunities. Discussions have focused on mutual concerns/issues faced by water scarcity as well as opportunities for collaboration including recharge, conveyance, and funding.
- The Blueprint participated in a panel discussion February 21, at Urban Water Institute’s Spring Water Conference in Palm Springs. It included leading water experts on today’s most pressing water management issues, representing a broad range of expertise and perspectives.

Farmer to Farmer Summitt (Part II)

The second phase of the Farmer to Farmer Delta/SJV summit took place January 29th and 30th in Bakersfield (Arvin-Edison) and Santa Nella. The Summitt was two nights, the first night in Bakersfield with a presentation and tour of the South Valley including the FKC & CVC and the second night at Santa Nella with a presentation and tour of the Westside and the San Luis unit. The farmers have asked that communications and facilitation continue, especially as Delta solutions were identified by the delegates.

Central Valley Community Foundation

CA has engaged CVCF to develop an "inclusive 'community investment plan'" for Fresno, Madera, Tulare, and Kings Counties. It is a part of the State's "Jobs First" (formerly known as Community and Economic Resilience Fund) initiative, which has broken the state down into 13 economic regions and provided grant funding to civic organizations to engage a broad group of stakeholders to develop a "triple bottom line" (economy, environment, equity) economic development plan.

CVCF is working in partnership with the Urban Institute, Fresno State, United Way Fresno Madera Counties, Tulare Workforce Investment Board, and about 120+ community and civic leaders from the four-county region to develop this plan. They completed Phase I in 2023, which involved community engagement, outside learning, and developing the framework for our investment plan. Their framework identifies (1) three priority industry clusters for growth – "climate solutions" (includes clean energy generation and distribution), responsible food systems, and circular manufacturing; (2) essential infrastructure – water and broadband; and (3) community investment areas – education/skill building, community health, and small business development. Here is a link with information on the work so far. <https://www.valleycerf.org/resources>

They are planning an 8-week "investment plan sprint" in approximately mid-March to mid-May to get as much specificity as possible on the types of investments needed in each of these eight investment theme areas.

Water Blueprint SJV & CWI – Unified Water Plan

The Water Blueprint for the San Joaquin Valley Education Fund and the California Water Institute - Research and Education Division are working together to develop a Unified Water Plan for the San Joaquin Valley. This two-year project will culminate in the publication of a report to be submitted to Congress. CWI and the Blueprint have invited water stakeholders to join virtual informational meetings, they provide an overview of the Unified Water Plan for the San Joaquin Valley, the information being gathered, and Stakeholders can learn more about the work being done and ask questions.

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

Fresno State received another round of funding for a groundwater recharge feasibility study. It can include 4 counties (Madera, Tulare, Fresno, Kern). The study will also include a layer of flood plain analysis. Fresno State will be reaching out to districts and GSAs to gather information during the partnership.

The group is focused on multi-benefits for recharge with a focus on drinking water with measurable results.

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.



Water Blueprint



for the San Joaquin Valley

California is facing a significant water scarcity we can't ignore.

- ▶ Surface water shortages
- ▶ Sustainable Groundwater Management Act
- ▶ Future regulatory actions
- ▶ Reduced Farmable Land
 - ▶ 500,000 to 1,000,000 acres
- ▶ Rural Economic Impacts
- ▶ Increased Dependence on Foreign-Produced Food



Mission and Purpose

- ▶ The Blueprint is a coalition of local leaders, water agencies, community-based organizations, farmers, commodity groups, and industry leaders
- ▶ Its Mission is to champion water resource policies and projects to maximize affordable, and reliable supplies for agriculture, communities, and ecosystems in the San Joaquin Valley.



Support

- ▶ Groundbreaking initiatives and research projects aimed at addressing water challenges in the San Joaquin Valley.
- ▶ Access to networking opportunities with industry leaders, policymakers, and experts in water management.
- ▶ Future of water policy and governance in the region by contributing to impactful projects and advocacy efforts.
- ▶ Commitment to sustainability and responsible water management practices.
- ▶ Community of like-minded individuals and organizations dedicated to building a resilient water future for the San Joaquin Valley.

FOCUS

- ▶ Science-based review of Delta Export Limitations
- ▶ Relax Through-Delta Transfer Impediments
- ▶ Support “Healthy Rivers and Landscapes” Concepts
- ▶ Maximize Local Projects to Optimize Uncaptured Water
- ▶ Support Repairs to Existing Infrastructure
- ▶ Champion New Infrastructure Projects



Board of Directors



CA Citrus Mutual

CA Fresh Fruit Association

Milk Producers Council

SLDMWA

Friant Water Authority

Fresno Irrigation District

SJRECWA

Delta View Water Association

Western Resource Strategies

Tri-County Water Authority

County of Fresno

County of Madera

City of Farmersville

Water Wise

Self-Help Enterprises

Ewell Group

Madera County Farm Bureau

Patterson Irrigation District

Westlands Water District

Resource Economics

CA Farm Water Coalition

We Need Your Support

- ▶ Become a financial supporter of the Water Blueprint for the San Joaquin Valley and contribute to shaping a sustainable water future.
- ▶ Together, we can overcome water challenges and create a thriving and resilient San Joaquin Valley for generations to come.

www.WaterBlueprintCA.com



AGENDA REPORT

AGENDA NO. 4.F.

DATE: February 29, 2024

TO: Board of Directors

FROM: Wilson Orvis, Chief Financial Officer

SUBJECT: **San Luis & Delta Mendota Water Authority Update**

SUMMARY:

Friant Water Authority staff engaged with San Luis & Delta-Mendota Water Authority (SLDMWA) via the Finance and Administration Committee meeting on February 5, the Board of Directors' (BOD) Meeting on February 8 as well as additional meetings throughout the month.

There were two items associated with SLDMWA over the last month that pertain to FWA operations: (1) O&M Budget Formulation for Water Year (WY) 2024 and (2) San Joaquin River Releases to Mendota Pool.

WY 2024 Operations, Maintenance, and Replacement (OM&R) Budget Formulation:

- SLDMWA approved their OM&R budget and associated rates for Water Year 2024 at their February 8th Board of Directors meeting. The rates were based upon 20% and 40% South-of-Delta agricultural service allocation scenarios with the initial rates based upon an assumed 20% South-of-Delta allocation (see attached).

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 and Settlement Contractor demand.
- FWA and SLDMWA have executed a Memorandum of Agreement which set forth an agreed-upon framework for changes to the existing Memorandum of Understanding (2002) between FWA and SLDMWA regarding governance, OM&R cost allocation, and dispute resolution. Currently staff from SLDMWA and FWA are working together to incorporate the provisions of the MOA framework into an amendment to the Memorandum of Understanding.

Attachment(s):

- None this Month.

