

BOARD OF DIRECTORS MEETING | Agenda

THURSDAY, JULY 28, 2022

CLOSED SESSION – 8:30 A.M. /OPEN SESSION – 10:00 A.M.

**VISALIA CONVENTION CENTER, 303 E ACEQUIA AVE, VISALIA, CA 93291
SEQUOIA ROOM**

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.

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CALL TO ORDER/ROLL CALL – (LOEFFLER)

APPROVAL OF THE AGENDA – (LOEFFLER)

PUBLIC COMMENT ON CLOSED SESSION ITEMS – (DAVIS)

ADJOURN TO CLOSED SESSION

1. CLOSED SESSION

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

1. *California Natural Resources Agency v. Raimondo*, United States District Court for the Eastern District of California, Case No. 1:20-CV-00426-DAD-EPG
 2. *Tehama Colusa Canal Authority v. California Dept. of Water Resources*, Sacramento County Superior Court, Case No. 34-2021-80003665-CU-WM-GDS
 3. *NRDC v. Rogers*, U.S. District Court, Eastern District of California (Sacramento Division), Case No. 88-CV-1658-JAM-GGH
 4. *Friant Water Authority v. Kyte & County Line Farms LLC*, Tulare County Superior Court, Case No. VCU288546
- 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 (10:00 AM) (ANNOUNCE ANY REPORTABLE CLOSED SESSION ACTION.) - (LOEFFLER)

PUBLIC COMMENT / PUBLIC PRESENTATIONS – (LOEFFLER)

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

2. CONSENT CALENDAR – (5 MINUTES)

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

- A. Approval of the Minutes – Board of Directors Meeting of June 23, 2022. (Loeffler)
- B. Ratify July 2022 Bills and Accept the Cash Activity Reports for June, 2022. (Orvis)

3. ACTION ITEMS (15 MINUTES)

- A. Review and acceptance of the Financial Statements and Independent Audit Report for Fiscal Year ending September 30, 2021. (Brian Henderson / Orvis)

4. GENERAL UPDATES & REPORTS (55 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) (10 minutes)
- C. External Affairs Activities. (Biering/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)

5. ADJOURNMENT

PUBLIC PARTICIPATION INFORMATION

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

BOARD OF DIRECTORS MEETING | Minutes**THURSDAY, JUNE 23, 2022****CLOSED SESSION – 8:30 A.M. /OPEN SESSION – 10:00 A.M.****VISALIA CONVENTION CENTER, 303 E ACEQUIA AVE, VISALIA, CA 93291
SEQUOIA ROOM****CALL TO ORDER/ROLL CALL**

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

ROLL CALL

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

ATTENDANCE:***Directors Present:***

Jeff Giumarra	Arvin-Edison W.S.D. (AEWSD)
Brock Buche	City of Fresno (CofF)
George Porter	Fresno I.D. (FID)
Loren Booth	Hills Valley I.D. (HVID)
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)
Eric Borba	Porterville I.D. (PID)
Steve Kisling	Saucelito I.D. (SID)
Matthew Leider	Teapot Dome W.D. (TPWD)
Edwin Wheaton	Terra Bella I.D. (TBID)
Rick Borges	Tulare I.D. (TID)

Directors Absent: Chowchilla W.D. (CWD); Lindmore I.D. (LID)

APPROVAL OF THE AGENDA

The Board approved the agenda as presented.

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

PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment on any closed session items.

ADJOURN TO CLOSED SESSION

1. CLOSED SESSION

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

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

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

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

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

ANNOUNCE ANY REPORTABLE CLOSED SESSION ACTION

There was no reportable action taken during closed session.

PUBLIC COMMENT / PUBLIC PRESENTATIONS

Chairman Loffler opened the meeting with an Invocation.

2. CONSENT CALENDAR

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 May 26, 2022. (Loeffler)

B. Ratify June 2022 Bills and Accept the Cash Activity Reports for May, 2022. (Orvis)

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

3. ACTION ITEMS

A. FY 2023 OM&R Budget – Approval to release the DRAFT FY 2023 OM&R Budget for 60-day contractor review – The Board reviewed, discussed and approved release of the Budget for a 60-day comment period. Both the O&M Committee and Executive Committee recommended that the Board proceed with the 60-day review period. The Board also authorized staff to order the recommended motor grader and loader identified in the budget so as to secure a better price.

M/S/C – Motion by Director Borba, seconded by Director Buche, to approve the the proposed FY 2023 Budget and direct staff to send the draft out for a 60-day review. (Roll Call Vote: Ayes – AESWD, Coff, FID, KDWCD, KTWD, LSID, LTRID, MID, OCID, PID, SID, TBID, TID, TPDWD; Nays – 0; Absent – CWD, LID). Secondly, motion by Director Borges, seconded by Director Pitigliano, to authorize staff to proceed with issuing purchase order(s) for the motor grader and loader as identified in the FY 2023 Budget. Roll Call Vote: Ayes – AESWD, FID, KDWCD, KTWD, LSID, LTRID, MID, OCID, PID, SID, TBID, TID; TPDWD; Nays – 0; Abstain – Coff; Absent – CWD, LID).

B. Purchasing Policy – Approval of Resolution 2022-02, which adopts an updated Purchasing Policy for Goods and Services – CFO Orvis provided an overview on the Purchasing Policy. The updated Purchasing Policy was discussed during the Finance Committee meeting on June 20, 2022. They found the update to be comprehensive and supported the proposed updates. The Finance Committee did recommended changes to purchase authorization levels which now include (1) revising the delegated limit to the Chief Executive Officer to \$100,000 and (2) revising the change order threshold from \$50,000 to \$10,000.

M/S/C – Motion by Director Pitigliano, seconded by Director Borba, to adopt Resolution 2022-02, A Resolution of the Board of Directors of the Friant Water Authority approving an updated policy for the procurement of goods and services (Purchasing Policy). The motion carried. (Roll Call Vote: Ayes – AESWD, Coff, FID, KDWCD, KTWD, LSID, LTRID, MID, OCID, PID, SID, TBID, TID; Nays – 0; Absent – CWD, LID, TPDWD)

C. 25-Year Rolling Average Cost Allocation Correction – Implementation of a correction to the

25-year rolling average cost allocation for the purposes of allocating costs to Friant Division Contractors – CFO Orvis provided an overview of the 25-Year Rolling Average Cost Allocation Correction saying that staff discovered that the calculation used to implement and derive the allocation percentages for OM&R costs in FY 2020 and FY 2021 to all contractors used a methodology that appeared to differ from the wording and intent of the 2019 updated policy. Based upon feedback after several meetings with Friant Division Contractors as well as the Finance Committee, staff has calculated the true-up impacts by Contractor for costs allocated from October 1, 2019 through May 31, 2022.

M/S/C – Motion by Director Pitigliano, seconded by Director Tantau, to approve the 25-year rolling average cost allocation correction, subject to: (1) no interest on outstanding amounts through December 31, 2022; (2) interest at the 2-Year Treasury Rate for outstanding balances between January 1, 2023 and September 30, 2023; and (3) interest at the 2-Year Treasury Rate plus 200 basis points (2.0%) on outstanding amounts October 1, 2023 and forward. The motion carried. (Roll Call Vote: Ayes – AESWD, CofF, KDWCD, KTWD, LSID, LTRID, MID, OCID, PID, SID, TBID, TID; Nays – FID - 0; Absent – CWD, LID, TPDWD)

4. GENERAL UPDATES & REPORTS

- A. FKC Middle Reach Capacity Correction Project Update - Construction Progress Report and Financial Summary – Janet Atkinson, Stantec provided an update as outlined in the agenda report. She also reported that mobilization activities that included setting up the concrete batch plant at the Terra Bella I.D. staging area is now complete; Prewet systems installation and operation continue; compacting canal embankments occurred; and completed approximately 350,000 cubic yards (cy) of earthwork for the month.
- B. Water Operations Update
 - 1. Friant Water Operations Update – WRM Buck-Macleod provided an update on the Friant operations as outlined in the agenda report. In summary, Reclamation released updated CVP allocations on April 1st with the only change being to M&I allocations; the Class 1 allocation remains 15%, Ag service contractors north and south of the Delta remain at a 0% allocation, and M&I allocations were reduced to minimum public health and safety. The most recent CVO forecast was released on May 24th. Releases from Friant for the Exchange Contractors began on April 1st and had been forecasted into September, but could now end by July.
 - 2. Bureau of Reclamation Water Operations Update – Michael Jackson provided an update on current activities within the Bureau of Reclamation and said that Ian's report was consistent with Bureau reporting, and that the Friant Division allocation may increase above 15% incrementally. CEO Phillips asked if the canal were to drop 100 ft/day or more a day, could we shut off on July 1? Michael responded by saying that around July 12th he expects the canal to go to 4,500 cfs and may go as high as 5,000 cfs to support a three-unit operation. CEO Phillips asked about a potential run of water prior to dewatering and shutting down the canal for work to continue on the Middle Reach Capacity Correction Project (MRCCP) to have an opportunity to get as much flood space as we can. Michael's concern or hesitation is that the reservoir could be too low. Michael assured Friant that he would

remain involved in helping with the drawdown.

- C. FKC Water Quality Guidelines Update – WRM Buck-Macleod gave an FKC Water Quality Guidelines update as outlined in the agenda report. The Draft Guidelines and Cooperative Agreement were provided to Reclamation Management and Solicitors for review and plan to meet with Reclamation in mid-July to discuss comments. FWA staff has prepared and is set to release a Request for Qualifications (RFQ) seeking environmental firms qualified to analyze the Guidelines under the California Environmental Quality Act and to prepare the requisite documentation as part of the Board consideration of the Guidelines and the Cooperative Agreement. The Ad Hoc Committee will meet again in late July to discuss comments received on the Guidelines, Cooperative Agreement, coordination with Reclamation, and environmental compliance proposals.
- D. External Affairs Activities – GAC Biering and COO Amaral reported on current external affairs activities as outlined in the agenda report. GAC Biering also noted that the Governor’s budget was passed last week; and AB 2639 (Quirk): Would require that the SWRCB to adopt a final update of the Bay Delta WQCP by December 31, 2023, and prohibit any new water rights permits from being approved until this occurs, Failed.

COO Amaral reported on the Federal side noting that gun control legislation dominated the agenda today; conducted a tour of the MRCCP for Congressman Valadao and others; was named Vice-Chair of ACWA Region 7 and will be hosting a Water Forum in October; and provided a staff update that Julisan Griljalva, Friant’s Sr. Engineer has left Friant and wanted to congratulate him on his new position.
- E. O&M Report – Superintendent Hickernell gave the O&M update as outlined in the agenda report. He also said that Friant Staff has worked 2,168 days without a lost-time injury accident; continued work with Stantec on the Water Quality monitoring program; and managed system leaks in the construction zone and met with Bureau and Contractor representatives on system tie-ins.
- F. San Joaquin Valley Blueprint (SJV B) Update – Austin Ewell gave an update on SJVB’s current activities. He reported that the Blueprint prepared and is transmitting a letter with a SJV funding flyer to highlight and identify needs for state elected and policy makers; and a draft drinking water feasibility study proposal has been prepared to identify 20 spots that are technically and financially feasible for groundwater recharge that have multiple benefits and specifically DACs with no other options but groundwater.
- G. San Luis & Delta-Mendota Water Authority Update – CFO Orvis reported that SLDMWA continue to work on the Transmission Project; however, rising interest rates and other drivers have slowed the Project’s progress.
- H. CEO Report – CEO Phillips reported that he had signed the Voluntary Agreement MOU.

5. ADJOURNMENT

The meeting adjourned at 1:34 p.m.

Jason R. Phillips, Chief Executive Officer
Friant Water Authority

Toni Marie, Recording Secretary
Friant Water Authority

Others in Attendance:

Jeevan Muhar	Arvin-Edison W.S.D.
Brandon Tomlinson	Chowchilla W.D.
Bill Stretch	Fresno I.D.
Nick Keller	Hills Valley I.D.
Mark Larsen	Kaweah-Delta W.C.D.
Mike Hagman	Lindmore I.D.
Chris Hunter	Lindmore I.D.
Craig Wallace	Lindsay-Strathmore I.D.
Tom Barcellos	Lower Tule River I.D.
Eric Limas	Lower Tule River I.D., Tea Pot Dome W.D.
Tommy Greci	Madera I.D.
Fergus Morrissey	Orange Cove I.D.
Roger Paine	Orange Cove I.D.
Sean Geivet	Porterville I.D., Saucelito I.D., Terra Bella I.D.
Aaron Fukuda	Tulare I.D.
Kuyler Crocker	
Don Davis	FWA General Counsel
Jason Phillips	FWA
Chris Hickernell	FWA
Mia Swenson	FWA
Jocelyn Bean	FWA
Johnny Amaral	FWA
Wilson Orvis	FWA
Ian Buck-Macleod	FWA
Alex Biering	FWA
Vivian Garcia	FWA
Maggie Suarez	FWA
Janet Atkinson	Stantec
Bill Luce	Consultant
Steve Ottemoeller	Consultant
Brian Thomas	Consultant
Michael Jackson	Reclamation
Rufino Gonzalez	Reclamation
Alan Doud	Counsel
Joe Hughes	Counsel

Austin Ewell
Don Wright
John Bezdek
Doug DeFlitch
Eric Quinley
Geoff Vanden Heuvel
John Cullins

SJV Blueprint
Waterwrights.com
Counsel

Delano-Earlimart I.D.

Agenda Report

No. 2.B

DATE: July 28, 2022

TO: Board of Directors

FROM: Wilson Orvis, CFO

SUBJECT: Approve Bills for the Month of July and Accept the Financial Reports for Month Ending June 30, 2022

SUMMARY:

The Finance Committee met on July 25, 2022 and reviewed the bills for July 2022 and the financial reports for month ending June 30, 2022. There was a quorum at the meeting.

FINANCE COMMITTEE ACTION:

At the July 25, 2022 meeting the Finance Committee acted to recommend that Board of Directors approve payment of the July 2022 bills in the amount of \$4,604,759.46, and accept the Financial Reports for month ending June 30, 2022.

SUGGESTED MOTION:

The Board of Directors approve payment of the July bills in the amount of \$4,604,759.46, and accept the Financial Reports for month ending June 30, 2022.

BUDGET IMPACT:

- \$520,178.13 (expenses) and \$244,207.70 (payroll) is chargeable to the FY 2022 Operations, Maintenance, and Replacement (OM&R) Budget;
- \$93,522.38 (expenses) and \$59,220.89 (payroll) is chargeable to the FY 2022 General Membership Budget;
- \$32,594.64 is to be recovered under existing grant agreements;
- \$3,611,450.72 to San Luis & Delta-Mendota Water Authority, of which \$2,902,443.72 is for forecasted Exchange Contractor deliveries for the month of August and \$709,007.00 is for the 5th and final installment payment for the Jones Pumping Plant rewinds (Units 1 & 4); and
- \$43,585.00 is chargeable to Middle Reach Capacity Correction Project, Phase 1

ATTACHMENTS:

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

FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, JULY 2022

	<u>PAYEE</u>	<u>O&M FUND</u>	<u>GM FUND</u>	<u>TOTAL</u>	<u>DESCRIPTION</u>
	BILLS PAID JULY 15, 2022				
1	ABILITY	\$ 198.73	\$ -	\$ 198.73	Answering services
2	ACWA / JPIA	77,686.14	6,561.03	84,247.17	Medical, Dental, & Vision Insurance
3	ACWA / JPIA	900.00	-	900.00	Fraud Insurance
4	ADT COMMERCIAL	305.00	-	305.00	Alarm services-Delano yard
5	AMAZON CAPITOL SERVICES, INC.	1,990.08	-	1,990.08	Office, kitchen, & shop supplies
6	AMERICAN TRUCK PARTS CO	921.04	-	921.04	Replacement parts-Lindsay
7	AT&T	531.48	-	531.48	Telephone services
8	AUTO ZONE, INC.	327.66	-	327.66	Parts & Supplies-OC
9	BANK OF AMERICA	6,590.02	2,827.73	9,417.75	Various Visa Charges
10	BIG GREEN IT, LLC	62.00	-	62.00	Microsoft 365,phone services & teams premium
11	BLANKINSHIP & ASSOCIATES, INC.	1,233.33	-	1,233.33	Consulting services-May
12	BOOT BARN INC.	218.45	-	218.45	Safety Boots-1 Pair
13	BRIAN G. THOMAS	2,300.00	-	2,300.00	Professional services-June
14	BRIONES, REBECCA	100.62	-	100.62	Expense Claim Reimbursement
15	BURKE, WILLIAMS & SORENSEN, LLP	17,655.71	100.00	17,755.71	Professional services-May
16	CALIF. TURF EQUIPMENT& SUPPLY, INC.	25.77	-	25.77	Parts & Supplies-Lindsay
17	CENTRAL VALLEY BUSINESS FORMS INC	3,940.21	-	3,940.21	Gifts & Awards- Employee appreciation
18	CITY OF DELANO	241.36	-	241.36	Utilities
19	COMCAST	166.60	-	166.60	Internet services-Sacramento Office
20	COUNTY OF KERN ENVIRONMENTAL HEALTH	650.00	-	650.00	Annual hazardous health permit
21	CULLIGAN	147.82	-	147.82	Water services
22	CULLIGAN WATER CONDITION	62.50	-	62.50	Water services
23	CUSTOM TRUCK ONE SOURCE, L.P.	4,725.97	-	4,725.97	Replacement parts- Hydraulic Valve
24	DACO FARM SUPPLY	71.31	-	71.31	Parts & Supplies-Delano
25	DINUBA LUMBER COMPANY	338.98	-	338.98	Parts & Supplies-All yards
26	DOUG DeLEO WELDING	28.61	-	28.61	Welding services
27	EMPLOYEE RELATIONS	160.50	-	160.50	Background Check
28	EVOLUTION AUTO GLASS & WINDOW TINT	285.00	-	285.00	Windshield Replacement
29	EXECUTIVE SUITES AT RIVER BLUFF, LP	-	4,010.00	4,010.00	Rent-Fresno office
30	FEDEX	249.47	-	249.47	Shipping services
31	FOOTHILL AUTO TRUCK & AG PARTS, INC.	539.00	-	539.00	Parts & Supplies-OC
32	FRONTIER	989.19	-	989.19	Telephone services
33	FRUIT GROWERS SUPPLY CO	1,384.87	-	1,384.87	Parts & Supplies-Lindsay
34	GRAINGER	1,601.66	-	1,601.66	Parts & Supplies-All yards
35	GREG'S PETROLEUM SERVICE	3,918.54	-	3,918.54	Oil Tank Replacement
36	GROSSMAYER & ASSOCIATES	270.00	-	270.00	Great Plains Support
37	GSI ENVIRONMENTAL INC.	9,226.50	-	9,226.50	GSA Monitoring Consulting Services (East-Side)
38	HERRERA, XAVIERA	69.85	-	69.85	Expense Claim Reimbursement
39	HOME DEPOT CREDIT SERVICES	1,248.24	-	1,248.24	Parts & Supplies-Lindsay/Delano
40	HUDSON, HENDERSON & CO, INC.	6,126.45	-	6,126.45	FY 2021 Audit
41	HUTCHERSON, JOCELYN	163.92	-	163.92	Expense Claim Reimbursement
42	JIM'S STEEL SUPPLY	462.23	-	462.23	Parts & Supplies
43	JMP OFFICE TECHNOLOGIES	99.30	-	99.30	Postage supplies
44	KAN VENTURES, INC.	151.67	4,000.00	4,151.67	Consulting services-June
45	KASEYA US LLC	1,237.11	-	1,237.11	Office 365 backup-Email monitoring
46	LINCOLN NATIONAL LIFE INSURANCE CO.	3,607.61	517.51	4,125.12	Medical and Disability Insurance
47	LINDE GAS & EQUIPMENT INC.	693.38	-	693.38	Vise Bench/Delano yard

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FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, JULY 2022

	<u>PAYEE</u>	<u>O&M FUND</u>	<u>GM FUND</u>	<u>TOTAL</u>	<u>DESCRIPTION</u>
48	LINDSAY TRUE VALUE	103.77	-	103.77	Parts & Paint Supplies
49	MARTIN TERMITE & PEST CONTROL	50.00	-	50.00	Pest control services
50	MERLE STONE CHEVROLET CADILLAC	155.79	-	155.79	Parts & Services
51	MICROSOFT	2,259.29	-	2,259.29	Office 365 Monthly Subscription
52	MID VALLEY DISPOSAL	155.11	-	155.11	Waste Pickup services
53	MOONLIGHT MAINTENANCE SERVICES	1,979.00	-	1,979.00	Janitorial services-All yards
54	MORTON & BROWN PLUMBING, INC.	1,710.52	-	1,710.52	Sewer-Drain services Delano yard
55	NUTRIEN AG SOLUTIONS	2,424.39	-	2,424.39	Cheetah Pro 7.5 gallons
56	ORANGE COVE TIRE SERVICE	16.00	-	16.00	Tire services
57	OTTEMOELLER CONSULTING SERVICES, LLC	2,842.75	616.50	3,459.25	Consulting services-May
58	PACIFIC GAS & ELECTRIC	3,119.92	-	3,119.92	Utilities- Electricity
59	PAESANO FARMS	12,751.96	-	12,751.96	Targeted Grazing-25.253 acres
60	PAPE KENWORTH	753.70	-	753.70	Replacement Parts
61	PBW DISTRIBUTOR INC	714.90	-	714.90	Parts & Services-Lindsay
62	PORTERVILLE FORD	511.79	-	511.79	Parts & services
63	POWER BUSINESS TECHNOLOGY	8.95	-	8.95	Office Supplies
64	PRUDENTIAL OVERALL SUPPLY	1,161.93	-	1,161.93	Uniform services
65	PUBLIC POLICY INSTITUTE OF CALIFORNIA	-	10,000.00	10,000.00	Annual Support of PPIC Water Policy
66	QUILL CORPORATION	471.24	-	471.24	Office & kitchen supplies
67	QUINN COMPANY	348.75	-	348.75	Replacement Parts- Heavy Equipment
68	RAMIREZ, BRYAN	159.00	-	159.00	Safety/DMV license
69	ROBERT V. JENSEN, INC.	21,670.54	-	21,670.54	Diesel/Unleaded fuel-All yards
70	ROBINSON, JOHN T.	200.00	-	200.00	Expense Claim Reimbursement
71	RON TURLEY ASSOCIATES, INC.	3,821.66	-	3,821.66	Annual Renewal -Fleet Management
72	SAN JOAQUIN AUTO ELECTRIC INC.	398.19	-	398.19	Replacement Parts- Lindsay
73	SAN JOAQUIN PAINT & GLASS	1,757.41	-	1,757.41	Paint Supplies
74	SAN JOAQUIN PEST CONTROL	138.00	-	138.00	Pest control services
75	SAN JOAQUIN PEST CONTROL	80.00	-	80.00	Pest control services
76	SAN JOAQUIN PEST CONTROL	42.00	-	42.00	Pest control services
77	SAN JOAQUIN PEST CONTROL	59.00	-	59.00	Pest control services
78	SAN JOAQUIN SAFETY SHOES	205.68	-	205.68	Safety Boots-1 Pair
79	SAN JOAQUIN VALLEY WATER	-	200.00	200.00	Annual Membership dues 2022
80	SENATOR SEAGATE, L.P.	-	12,010.29	12,010.29	Rent-Sacramento Office - April & May (resent lost check), July
81	SEVIERS AUTO SUPPLY	288.70	-	288.70	Parts & Supplies-All yards
82	SMART & FINAL CORP	304.47	-	304.47	Kitchen supplies
83	SNAP ON TOOLS	296.34	-	296.34	Parts & Supplies-Lindsay
84	SO CAL GAS	108.37	-	108.37	Utilities-Natural Gas
85	SOUTHERN CALIF EDISON	16,699.69	-	16,699.69	Utilities-Electricity Includes charges for Reverse pumpback billed in July
86	SP PLUS CORPORATION-HYATT	-	920.00	920.00	Parking & Late fees-May-June
87	SPARKLETTS	64.89	-	64.89	Water services
88	STANDARD INSURANCE CO	6,648.05	1,890.07	8,538.12	Survivor's Life Insurance
89	STANTEC CONSULTING SERVICES INC.	35,968.50	-	35,968.50	Consulting Services-System-Wide Recon Study
90	STOEL RIVES LLP	-	8,107.17	8,107.17	Professional fees-May
91	STONE CORRAL IRR DISTRICT	729.05	-	729.05	Replacement parts & services
92	STOP ALARM, INC.	486.00	-	486.00	Alarm services-Lindsay office
93	Suarez, Margarita	31.59	-	31.59	Expense Claim Reimbursement
94	TECHNOFLO SYSTEMS	805.61	-	805.61	Meter Replacement parts

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FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, JULY 2022

	PAYEE	O&M FUND	GM FUND	TOTAL	DESCRIPTION
95	TF TIRE & SERVICE	125.00	-	125.00	Tire Repair
96	THE FERGUSON GROUP, LLC	-	3,958.89	3,958.89	Consulting services-May
97	THE REDESIGN GROUP	11,075.88	-	11,075.88	Software & Cloud services, Help Desk, IT Support (3 Months)
98	TOSHIBA FINANCIAL SERVICES	1,312.02	-	1,312.02	Office Equipment Lease
99	UNWIRED BROADBAND, INC.	299.98	-	299.98	Internet services - OC & Delano
100	VALLEY IRON, INC.	1,000.72	-	1,000.72	Shop Supplies-Weld-Rebar
101	VALLEY PACIFIC PETROLEUM SERVICES, INC.	4,390.40	-	4,390.40	Unleaded fuel-Lindsay
102	VERIZON WIRELESS	2,246.08	-	2,246.08	SCADA mobile to mobile
103	VERIZON WIRELESS	2,738.85	-	2,738.85	Cell Phone services
104	VILLINES GROUP, LLC	-	3,240.00	3,240.00	Professional services-June
105	VISALIA ADVENTURE PARK, INC.	1,492.00	-	1,492.00	Employee Appreciation
106	VISALIA CONVENTION CENTER	549.95	-	549.95	Hall Rental-Water Ad Hoc
107	WATER BLUEPRINT SJV-EDUCATION	-	15,000.00	15,000.00	Annual Contribution to Support Education Programs
108	WEISENBERGERS	669.84	-	669.84	Parts & Supplies-All yards
109	WORLD OIL ENVIRONMENTAL SERVICES	720.94	-	720.94	Waste Disposal-paint
110	XEROX FINANCIAL SERVICES	3,761.28	-	3,761.28	Office Equipment Lease
	SUB-TOTAL SPENDING	306,789.32	73,959.19	380,748.51	
111	CHECKS TO BE RECOVERED VIA GRANT(S)	32,594.64		32,594.64	
112	PAYROLL FOR FWA	96,862.92	26,639.57	123,502.49	Mid-Month Payroll
	TOTAL FOR FWA O&M	436,246.88	100,598.76	536,845.64	
<i>Middle Reach Capacity Correction Project, Phase 1</i>					
113	BENDER ROSENTHAL INCORPORATED	\$ 25,875.00	\$ -	\$ 25,875.00	Consulting services-April -June
114	BRIAN G. THOMAS	1,400.00	-	1,400.00	Professional services-June
115	BURKE, WILLIAMS & SORENSEN, LLP	332.50	-	332.50	Professional services-May
116	KAN VENTURES, INC.	6,000.00	-	6,000.00	Consulting services-June
	Subtotal - MRCCP Phase 1	\$ 43,467.50	\$ -	\$ 43,467.50	
GRAND TOTALS - Mid-month		\$ 479,714.38	\$ 100,598.76	\$ 580,313.14	

BILLS TO BE PAID JULY 28, 2022					
117	BANK OF AMERICA	4,718.79	802.07	5,520.86	Various Visa Charges
118	BATTERY SYSTEMS INC.	513.75	-	513.75	Batteries - 2
119	BIERING, ALEXANDRA	50.00	-	50.00	Replace uncashed Safety Award
120	BOOT BARN INC.	368.03	-	368.03	Safety Boots - 2
121	BUCK-MACLEOD, IAN T.	-	152.10	152.10	Expense Claim Reimbursement
122	BURKE, WILLIAMS & SORENSEN, LLP	3,900.00	-	3,900.00	Professional Services - January
123	CANBY'S ACS, INC.	190.54	-	190.54	Air Conditioning Service - Defrost
124	CRAIGS AUTO PARTS	26.90	-	26.90	Parts & Supplies - Lindsay Yard
125	DINUBA LUMBER COMPANY	63.34	-	63.34	Parts & Supplies - OC Yard
126	E M THARP INC	567.00	-	567.00	Parts & Services - Delano/Lindsay Yard
127	FOOTHILL AUTO TRUCK & AG PARTS, INC.	288.97	-	288.97	Parts & Supplies - OC Yard
128	FRUIT GROWERS SUPPLY CO	126.95	-	126.95	Parts & Supplies - Lindsay Yard
129	FUSION CLOUD SERVICES, LLC	197.17	-	197.17	Telephone Service
130	GRAINGER	126.63	-	126.63	Parts & Supplies - OC Yard
131	GROSSMAYER & ASSOCIATES	405.00	-	405.00	Great Plains Support-Updated User Profiles
132	INTELLISITE, LLC	106,323.00	-	106,323.00	Software-Remote Monitoring SCADA-Approved by BOD
133	KASEYA US LLC	300.00	-	300.00	Office 365 backup

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FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, JULY 2022

	<u>PAYEE</u>	<u>O&M FUND</u>	<u>GM FUND</u>	<u>TOTAL</u>	<u>DESCRIPTION</u>
134	LINDSAY TRUE VALUE	21.72	-	21.72	Parts & Supplies-Lindsay Yard
135	MOBILE AG & INDUSTRIAL SUPPLY	66.00	-	66.00	Parts & Supplies-Water Operations
136	MRC GLOBAL (US) INC.	43,241.18	-	43,241.18	Actuator Replacement Parts
137	NUTRIEN AG SOLUTIONS	45,971.54	-	45,971.54	Round Up Pro Concentrate 1060 gal (\$43.37/gallon-inflationary price)
138	OTTEMOELLER CONSULTING SERVICES, LLC	2,329.00	205.50	2,534.50	Consulting Services-June
139	PAPE KENWORTH	110.54	-	110.54	Replacement Parts
140	PBW DISTRIBUTOR INC	25.65	-	25.65	Parts & Supplies-Lindsay Yard
141	PRUDENTIAL OVERALL SUPPLY	1,162.36	-	1,162.36	Uniform Services-All yards
143	QUALITY SMOG & AUTO REPAIR	100.00	-	100.00	Smog Service
144	ROBINSON, JOHN T.	50.00	-	50.00	Expense Claim Reimbursement
145	STANTEC CONSULTING SERVICES INC.	1,567.00	-	1,567.00	Consulting Services-June (19.2% to be charged to Non-FKC contractors)
146	TF TIRE & SERVICE	190.60	-	190.60	Parts & Services-Delano Yard
147	WALOS AUTO REPAIR	343.95	-	343.95	Parts & Services-Lindsay Yard
148	WATER AND POWER LAW GROUP PC	-	18,403.52	18,403.52	Professional Services-June
149	WEISENBERGERS	43.20	-	43.20	Parts & Supplies
	<i>BILLS TO BE PAID JULY 28, 2022</i>	<i>213,388.81</i>	<i>19,563.19</i>	<i>232,952.00</i>	
	<i>BILLS PAID JULY 15, 2022</i>	<i>479,714.38</i>	<i>100,598.76</i>	<i>580,313.14</i>	
	<i>SUB-TOTAL SPENDING FOR JULY 2022</i>	<i>693,103.19</i>	<i>120,161.95</i>	<i>813,265.14</i>	
150	EOM - PAYROLL FOR FWA	147,344.78	32,581.32	179,926.10	Estimated EOM Payroll
	TOTAL FOR FWA O&M	840,447.97	152,743.27	993,191.24	
	<i>San Luis Delta-Mendota Canal:</i>				
151	SAN LUIS & DELTA-MENDOTA	2,902,443.72	-	2,902,443.72	Paid via wire transfer
152	JPP PUMP REWIND PROJECT	709,007.00	-	709,007.00	5th and Final Payment JPP Pump Rewind
	<i>Subtotal - SLDMWA</i>	<i>\$ 3,611,450.72</i>	<i>\$ -</i>	<i>\$ 3,611,450.72</i>	
	<i>Middle Reach Capacity Correction Project, Phase 1</i>				
153	BANK OF AMERICA	117.50	-	117.50	Various Visa Charges
	<i>Subtotal - MRCCP Phase 1</i>	<i>\$ 117.50</i>	<i>\$ -</i>	<i>\$ 117.50</i>	
	GRAND TOTALS FOR MONTH OF JULY 2022	\$ 4,452,016.19	\$ 152,743.27	\$ 4,604,759.46	

FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, JULY 2022

GRANTS

	6221	6225		
PAYEE	Pump Back	Winn/SJRRP	TOTAL	DESCRIPTION
BENDER ROSENTHAL INCORPORATED		\$ 8,905.26	\$ 8,905.26	Consulting services-April -June
BURKE, WILLIAMS & SORENSEN, LLP		\$ 8,034.13	\$ 8,034.13	Professional services-May
STANTEC CONSULTING SERVICES INC.		\$ 15,655.25	\$ 15,655.25	Consulting services-May
BILLS PAID JULY 15, 2022	\$ -	\$ 32,594.64	\$ 32,594.64	
GRAND TOTALS	\$ -	\$ 32,594.64	\$ 32,594.64	

FRIANT WATER AUTHORITY

CASH ACTIVITY BALANCE MONTH ENDING JUNE 30, 2022

	Beginning Balance	Increases	Decreases	Ending Balance
FKC Operations & Maintenance	\$ 25,733,731	\$ 6,062,804	\$ (12,283,303)	\$ 19,513,232
SLDMWA	\$ 2,905,787	\$ 590,771	\$ (2,535,921)	\$ 960,637
Total	\$ 28,639,518	\$ 6,653,575	\$ (14,819,224)	\$ 20,473,870
General Member	\$ 1,091,114	\$ -	\$ (176,437)	\$ 914,677
			Total	\$ 21,388,546

BANK ACTIVITY BALANCE MONTH ENDING JUNE 30, 2022

Local Agency Investment Fund	\$ 29,729,274	\$ -	\$ (10,800,000)	\$ 18,929,274
Bank of the Sierra	\$ 1,358	\$ 6,653,575	\$ (4,195,661)	\$ 2,459,272
			Total	\$ 21,388,546

NOTE: Cash on deposit with LAIF represents the consolidation of available balances held by all FWA funds. Most Current Interest Rate: For month ended June 30, 2022 , effective yield, 0.861%
Total LAIF fund as of June 30, 2022: \$35,761,173,308.99
The Authority's investments are in compliance with its Statement of Investment Policy dated July 22, 2004.
Management believes it is fully able to meet its expenditure requirements for the next six months.

**FRIANT WATER AUTHORITY
O&M FUND
CASH ACTIVITY REPORT
MONTH ENDING JUNE 30, 2022**

	Checking & <u>Investments</u>	Payroll <u>Checking</u>	Petty <u>Cash</u>	<u>Total</u>
CASH BALANCE MAY 31, 2022	\$ 28,638,717	\$ -	\$ 801	\$ 28,639,518
Increases:				
District O&M receipts	827,959			827,959
SLDMWA receipts	590,771			590,771
Revenue from ETGSA	11,353			11,353
Revenue from MRCCP	5,109,732			5,109,732
Interest from Bank of Sierra	175			175
Miscellaneous deposits	96,537			96,537
Administration Allocation	17,048			17,048
Payroll deposits		379,003		379,003
Total Increases	6,653,575	379,003	-	7,032,578
Decreases:				
O&M Expenditures	288,373			288,373
Subsidence Project Expenditures	41,776			41,776
MRCCP	11,550,173			11,550,173
Wire to SLDMWA - Estimated O&MR Charges - June	2,535,921			2,535,921
Retirement Matching	23,633			23,633
Bank charges	344			344
Payroll Cash Outlays	379,003	379,003		758,006
Total Decreases	14,819,224	379,003	-	15,198,227
CASH BALANCE BEFORE INTERFUND ACTIVITY	20,473,069	-	801	20,473,870
Interfund transfer from O&M	-			-
CASH BALANCE JUNE 30, 2022	\$ 20,473,069	\$ -	\$ 801	\$ 20,473,870

**FRIANT WATER AUTHORITY
GENERAL MEMBERS FUND
CASH ACTIVITY REPORT
MONTH ENDING JUNE 30, 2022**

CASH BALANCE MAY 31, 2022	<u>\$ 1,091,114</u>
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Increases:

Member Assessments	<u>-</u>
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Total Cash Receipts	<u>\$ -</u>
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Decreases:

Consulting	14,322
Meetings	14,813
Board Retreat	3,900
Annual contribution	3,422
Other Payroll Benefits	8,969
Professional Services	47,542
	92,967

Reimburse O&M:

Current Month Payroll & Benefits	107,943
Current Month Payroll & Benefits to O&M	(41,520)
Administration Allocation	17,048
	<u>176,437</u>

Less Total Cash Disbursements	<u>\$ 176,437</u>
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CASH BALANCE BEFORE INTERFUND ACTIVITY	<u>\$ 914,677</u>
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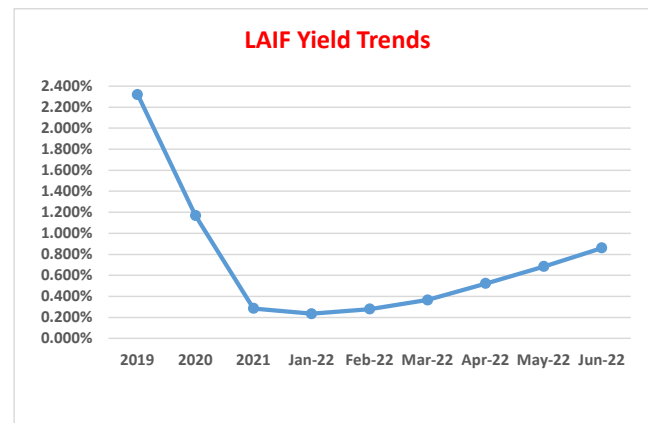
Interfund transfer from O&M	<u>\$ -</u>
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CASH BALANCE JUNE 30, 2022	<u><u>\$ 914,677</u></u>
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FRIANT WATER AUTHORITY
MONTH ENDING JUNE 30, 2022
CASH ACTIVITY REPORT
LOCAL AGENCY INVESTMENT FUND (L.A.I.F.)
(FUNDS ON DEPOSIT WITH STATE OF CALIFORNIA)
CASH ACTIVITY REPORT

CASH BALANCE MAY 31, 2022	<u>\$ 29,729,274</u>
Increases:	
Transfer from checking	\$ -
Decreases:	
Transfer to checking	<u>\$ 10,800,000</u>
CASH BALANCE JUNE 30, 2022	<u><u>\$ 18,929,274</u></u>
Balance ascribed to:	
O&M Fund	\$ 18,119,768
General Member Fund	<u>\$ 809,506</u>
	<u><u>\$ 18,929,274</u></u>

NOTE: Cash on deposit with LAIF represents the consolidation of available balances held by all FWA funds. Most Current Interest Rate: For month ended June 30, 2022 , effective yield, 0.861%
Total LAIF fund as of June 30, 2022: \$35,761,173,308.99
The Authority's investments are in compliance with its Statement of Investment Policy dated July 22, 2004.
Management believes it is fully able to meet its expenditure requirements for the next six months.



2019	2.320%
2020	1.168%
2021	0.284%
Jan-22	0.234%
Feb-22	0.278%
Mar-22	0.365%
Apr-22	0.523%
May-22	0.684%
Jun-22	0.861%

FWA Budget Presentation

FY 2021 - 2022

Budget year:

75.0%

Completed

Operations & Maintenance	FY 2022 Budget	06/30/2022 Year to Date	Budget Remaining	Budget Spent %
Operations Dept				
Employee Salaries/Pay	781,755	569,877	211,878	72.9%
Employee Benefits	411,777	318,056	93,721	77.2%
Supplies & Services	658,425	230,650	427,775	35.0%
Total Operations	1,851,956	1,118,582	733,374	60.4%
Maintenance Dept				
Employee Salaries/Pay	2,200,917	1,728,628	472,289	78.5%
Employee Benefits	1,117,473	925,212	192,261	82.8%
Supplies & Services	2,516,393	1,364,080	1,152,313	54.2%
Total Maintenance	5,834,783	4,017,920	1,816,863	68.9%
Administration Costs	2,170,693	1,396,338	774,355	64.3%
Administration Costs allocated to GM	(239,477)	(109,006)	(130,471)	45.5%
Total Operations & Maintenance	9,617,955	6,423,834	3,194,121	66.8%
Special Projects				
Cost Recovery	-	-	-	
Spending	387,204	281,087	106,117	72.6%
Total Special Projects	387,204	281,087	106,117	72.6%
Total O&MR	10,005,159	6,704,921	3,300,239	67.0%

FWA Revenue Presentation

FY 2021 - 2022

Budget year:

75.0%

Completed

Operations & Maintenance

**FY 2022
Budget**

**06/30/2022
Year to Date**

**Budget
Remaining**

**Budget
Spent %**

Revenue

Interest Income	40,000	4,523	35,477	11.3%
Miscellaneous Income	-	31,962	(31,962)	
Reverse Pumping Fee	-	36,345	(36,345)	
Conveyance Fees		101,383	(101,383)	
O & M Revenue	10,005,159	7,503,869	2,501,290	75.0%
Water Supply Cord./Monitoring Revenue		35,613	(35,613)	
Total Revenue	10,045,159	7,713,694	2,331,465	76.8%

Expenses

Total Operations	1,851,956	1,118,582	733,374	60.4%
Total Maintenance	5,834,783	4,017,920	1,816,863	68.9%
Administration Costs	1,931,216	1,287,332	643,885	66.7%
Special Projects	387,204	281,087	106,117	72.6%

Total O&MR Expenses

10,005,159 **6,704,921** **3,300,239** **67.0%**

Friant Water Authority
Budget vs Actual Expenses
YTD - 06/30/2022

Budget year: 75.0% Completed

Budget vs Actual Expenses YTD - 06/30/2022		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	\$ 632,630	\$ 439,250	69.4%	\$ 193,380	\$ 217,971	\$ 115,184	52.8%	\$ 102,786	\$ 414,659	\$ 324,066	78.2%	\$ 90,593
2	Maintenance Supervision	322,177	264,652	82.1%	57,526	322,177	264,652	82.1%	57,526	-	-	0.0%	-
3	USBR Inspections	-	15	0.0%	(15)	-	-	0.0%	-	-	15	0.0%	(15)
4	Right-of-Way Management	55,437	48,578	87.6%	6,858	55,437	48,578	87.6%	6,858	-	-	0.0%	-
5	Weed & Pest Control	673,239	458,150	68.1%	215,090	350,719	191,506	54.6%	159,214	322,520	266,644	82.7%	55,876
6	Implem Biol. Opinion	21,000	1,233	5.9%	19,767	-	-	0.0%	-	21,000	1,233	5.9%	19,767
7	Road Maintenance	157,909	20,539	13.0%	137,370	36,983	19,567	52.9%	17,416	120,926	972	0.8%	119,954
8	Yard & Building Maintenance	255,603	223,420	87.4%	32,184	86,578	133,042	153.7%	(46,464)	169,026	90,378	53.5%	78,648
9	Structure & Gate Maintenance	95,239	35,422	37.2%	59,817	72,322	31,559	43.6%	40,763	22,917	3,863	16.9%	19,053
10	Cleaning Right-of-Way	87,324	33,128	37.9%	54,196	87,324	33,128	37.9%	54,196	-	-	0.0%	-
11	Bargate & Guardrail Maint	56,036	37,820	67.5%	18,216	34,893	34,343	98.4%	550	21,143	3,477	16.4%	17,666
12	Embankment Maintenance	84,962	131,918	155.3%	(46,956)	70,354	76,582	108.9%	(6,229)	14,608	55,335	378.8%	(40,727)
13	Bridge Maintenance	69,854	42,908	61.4%	26,946	35,351	41,560	117.6%	(6,209)	34,502	1,348	3.9%	33,155
14	Miscellaneous Maintenance	13,165	12,723	96.6%	442	4,528	8,802	194.4%	(4,273)	8,637	3,922	45.4%	4,715
15	Reverse Flow Pumping	-	3,071	0.0%	(3,071)	-	2,478	0.0%	(2,478)	-	593	0.0%	(593)
16	Concrete Lining Maintenance	15,253	2,830	18.6%	12,423	6,651	2,830	42.6%	3,821	8,602	-	0.0%	8,602
17	Drainditch & Channel Maint.	50,576	28,452	56.3%	22,124	50,576	28,452	56.3%	22,124	-	-	0.0%	-
18	Fence Maintenance	50,718	41,706	82.2%	9,012	39,737	37,508	94.4%	2,229	10,980	4,198	38.2%	6,783
19	Mudjacking	18,713	531	2.8%	18,183	17,087	22	0.1%	17,066	1,626	509	31.3%	1,117
20	Painting	44,161	36,884	83.5%	7,277	32,680	14,729	45.1%	17,950	11,481	22,155	193.0%	(10,673)
21	Sump Pump Maintenance	1,053	-	0.0%	1,053	-	1,053	0.0%	1,053	-	-	0.0%	-
22	Cross Drainage Structure Mtce	1,053	-	0.0%	1,053	1,053	-	0.0%	1,053	-	-	0.0%	-
23	Rip-Rapping	936	-	0.0%	936	936	-	0.0%	936	-	-	0.0%	-
24	Finance Charge	-	620	0.0%	(620)	-	-	0.0%	-	-	620	0.0%	(620)
25	Water supply coordination & monitoring	474,536	409,054	86.2%	65,483	94,022	90,265	96.0%	3,757	380,514	318,789	83.8%	61,726
26	Water Quality	40,203	-	0.0%	40,203	10,203	-	0.0%	10,203	30,000	-	0.0%	30,000
27	Legal Expense - Direct	-	40,916	0.0%	(40,916)	-	-	0.0%	-	-	40,916	0.0%	(40,916)
28	Safety & First Aid Training	40,862	27,445	67.2%	13,418	21,310	13,907	65.3%	7,403	20,465	13,537	66.1%	6,928
29	Office Admin (Typing etc.)	58,076	45,526	78.4%	12,550	58,076	45,526	78.4%	12,550	-	-	0.0%	-
30	Payroll Preparation	841	729	86.6%	113	841	729	86.6%	113	-	-	0.0%	-
31	Meetings	246,626	223,312	90.5%	23,314	154,800	175,736	113.5%	(20,936)	91,825	47,576	51.8%	44,249
32	Offsite Planning Board of Directors	60,560	35,827	59.2%	24,732	8,347	11,892	142.5%	(3,545)	52,213	23,935	45.8%	28,278
33	Annual Meeting - Board of Directors	12,156	-	0.0%	12,156	737	-	0.0%	737	11,419	-	0.0%	11,419
34	Education & Training	62,209	26,320	42.3%	35,889	36,313	22,287	61.4%	14,026	25,896	4,033	15.6%	21,864
35	Procurement	4,721	-	0.0%	4,721	4,721	-	0.0%	4,721	-	-	0.0%	-
36	Inventory & Property Mgt.	-	521	0.0%	(521)	-	521	0.0%	(521)	-	-	0.0%	-
37	Employee Benefits	1,118,386	934,392	83.5%	183,994	274,909	278,837	101.4%	(3,928)	843,478	655,555	77.7%	187,922
38	Travel	29,789	1,609	5.4%	28,180	-	-	0.0%	-	29,789	1,609	5.4%	28,180
39	Personnel Administration	8,851	125	1.4%	8,726	7,908	125	1.6%	7,783	943	-	0.0%	943
40	Workers Comp. Insurance	53,157	26,809	50.4%	26,348	-	-	0.0%	-	53,157	26,809	50.4%	26,348
41	Legal Expense-Indirect	45,000	-	0.0%	45,000	-	-	0.0%	-	45,000	-	0.0%	45,000
42	Utilities	84,793	68,034	80.2%	16,760	-	-	0.0%	-	84,793	68,034	80.2%	16,760
43	Telephone Expense	-	399	0.0%	(399)	-	-	0.0%	-	-	399	0.0%	(399)
44	Office supplies	-	190	0.0%	(190)	-	-	0.0%	-	-	190	0.0%	(190)
45	Postage	-	47	0.0%	(47)	-	-	0.0%	-	-	47	0.0%	(47)
46	Dues & Subscriptions	18,323	9,681	52.8%	8,642	-	-	0.0%	-	18,323	9,681	52.8%	8,642
47	Budget Preparation	4,536	4,074	89.8%	462	1,386	3,961	285.8%	(2,575)	3,150	112	3.6%	3,038
48	Archiving & Data Storage	4,076	-	0.0%	4,076	2,934	-	0.0%	2,934	1,142	-	0.0%	1,142
49	Vehicle & Equipment Acquisition	760,044	298,741	39.3%	461,302	-	-	0.0%	-	760,044	298,741	39.3%	461,302
	Services for outside contracts	-	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-
TOTAL EXPENSES: MAINTENANCE		5,834,783	4,017,920	68.9%	1,816,863	2,200,917	1,728,628	78.5%	472,289	3,634,779	2,289,292	63.0%	1,345,487

Friant Water Authority
Budget vs Actual Expenses
YTD - 06/30/2022

Budget year: 75.0% Completed												
	Total				Labor				Materials			
	Annual Budget	YTD Actual	% Of Bud	Projected Remaining	Budget	YTD Actual	Projected Remaining		Budget	YTD Actual	Projected Remaining	
WATER OPERATIONS												
50 Vehicle & Equipment Service	\$ 1,084	\$ 644	59.40%	\$ 440	\$ -	\$ -	0.00%	\$ -	\$ 1,084	\$ 644	59.40%	\$ 440
51 Weed & Pest Control	-	90	0.00%	(90)	-	-	0.00%	-	-	90	0.00%	(90)
52 Yard & Building Maintenance	88,394	40,808	46.17%	47,586	24,590	17,947	72.99%	6,643	63,805	22,861	35.83%	40,944
53 Structure & Gate Maintenance	272,512	71,164	26.11%	201,348	72,596	12,131	16.71%	60,466	199,916	59,033	29.53%	140,883
54 Cleaning Right-of-Way	1,230	1,397	113.55%	(167)	-	1,277	0.00%	(1,277)	1,230	120	9.73%	1,110
55 Bargate & Guardrail Maint	5,740	-	0.00%	5,740	-	-	0.00%	-	5,740	-	0.00%	5,740
56 Reverse Flow Pump	-	33,273	0.00%	(33,273)	-	-	0.00%	-	-	33,273	0.00%	(33,273)
57 Sump Pump Maintenance	29,744	11,812	39.71%	17,932	-	-	0.00%	-	29,744	11,812	39.71%	17,932
58 Finance Charge	-	69	0.00%	(69)	-	-	0.00%	-	-	69	0.00%	(69)
59 C & I General Mtce	17,651	4,148	23.50%	13,503	14,810	4,105	27.72%	10,705	2,841	42	1.49%	2,799
60 C. & I. Maint (ESI Equipment)	293,704	160,920	54.79%	132,783	77,305	39,928	51.65%	37,377	216,399	120,993	55.91%	95,406
61 Meter Repair	147,347	51,428	34.90%	95,919	63,431	24,246	38.22%	39,185	83,916	27,182	32.39%	56,735
62 Canal Patrol	274,453	228,508	83.26%	45,945	273,521	228,508	83.54%	45,013	932	-	0.00%	932
63 Operations Reports	59,627	80,309	134.69%	(20,682)	57,283	80,309	140.20%	(23,025)	2,343	-	0.00%	2,343
64 Operations Supervision	75,489	62,251	82.46%	13,238	75,489	62,251	82.46%	13,238	-	-	0.00%	-
65 Water Measurement	14,938	5,804	38.85%	9,134	6,986	5,584	79.93%	1,402	7,952	220	2.77%	7,732
66 Miscellaneous Operations	9,112	52	0.57%	9,060	-	-	0.00%	-	9,112	52	0.57%	9,060
67 Groundwater & Seepage Well Measurement	-	2,057	0.00%	(2,057)	-	1,100	0.00%	(1,100)	-	957	0.00%	(957)
68 Safety & First Aid Training	10,039	5,272	52.51%	4,767	3,074	2,053	66.78%	1,021	6,965	3,219	46.22%	3,746
69 Meetings	4,834	298	6.17%	4,536	4,834	298	6.17%	4,536	-	-	0.00%	-
70 Education & Training	23,961	-	0.00%	23,961	4,052	-	0.00%	4,052	19,910	-	0.00%	19,910
71 Employee Benefits	411,777	318,056	77.24%	93,721	103,784	90,140	86.85%	13,644	307,993	227,916	74.00%	80,078
72 Retirement, Health Ins, PR Taxes	307,993	227,916	74.0%	80,078	-	-	0.0%	-	307,993	227,916	74.0%	80,078
73 Workers Comp. Insurance	27,646	13,327	48.21%	14,319	-	-	0.00%	-	27,646	13,327	48.21%	14,319
74 Utilities	32,093	25,835	80.50%	6,258	-	-	0.00%	-	32,093	25,835	80.50%	6,258
75 Telephone Expense	-	1,061	0.00%	(1,061)	-	-	0.00%	-	-	1,061	0.00%	(1,061)
76 Vehicle & Equipment Acquisition	50,580	-	0.00%	50,580	-	-	0.00%	-	50,580	-	0.00%	50,580
TOTAL EXPENSES: WATER OPERATIONS	\$ 1,851,956	\$ 1,118,582	60.4%	\$ 733,374	\$ 781,755	\$ 569,877	72.9%	\$ 211,878	\$ 1,070,202	\$ 548,705	51.3%	\$ 521,496

Friant Water Authority
Budget vs Actual Expenses
YTD - 06/30/2022

Budget year: 75.0% Completed												
Total					Labor				Materials			
Annual Budget	YTD Actual	% Of Bud	Projected Remaining		Budget	YTD Actual	Projected Remaining		Budget	YTD Actual	Projected Remaining	
ADMINISTRATION												
76 C. & I. Maint (ESI Equipment)	\$ 26,346	\$ 4,951	18.79%	\$ 21,394	\$ 26,346	\$ 4,951	18.79%	\$ 21,394	\$ -	\$ -	0.00%	\$ -
ding M Yard & Building Maintenance	-	300	0.00%	(300)	-	-	0.00%	-	-	300	0.00%	(300)
77 Water supply coordination & monitoring	14,425	30,352	210.42%	(15,927)	17,660	30,152	170.74%	(12,493)	(3,235)	200	-6.18%	(3,435)
78 Legal Expense - Direct	31,500	34,214	108.62%	(2,714)	-	-	0.00%	-	31,500	34,214	108.62%	(2,714)
79 Administrative Supervision	13,173	3,599	27.32%	9,574	13,173	3,599	27.32%	9,574	-	-	0.00%	-
80 Safety & First Aid Training	41,781	19,873	47.57%	21,907	2,533	2,945	116.25%	(412)	39,248	16,929	43.13%	22,319
81 Office Admin (Typing etc.)	91,066	110,408	121.24%	(19,342)	91,066	99,329	109.07%	(8,263)	-	11,079	0.00%	(11,079)
82 Payroll Preparation	9,211	9,823	106.64%	(612)	9,211	9,823	106.64%	(612)	-	-	0.00%	-
83 Meetings	110,985	25,234	22.74%	85,751	74,327	23,779	31.99%	50,548	36,658	1,456	3.97%	35,203
84 Offsite Planning Board of Directors	-	6,176	0.00%	(6,176)	-	5,622	0.00%	(5,622)	-	554	0.00%	(554)
85 Education & Training	43,389	18,638	42.96%	24,750	15,630	13,021	83.31%	2,609	27,758	5,617	20.24%	22,141
86 Miscellaneous Administrative	291	4,417	1516.33%	(4,126)	291	617	211.81%	(326)	-	3,800	0.00%	(3,800)
87 Inventory & Property Mgt.	12,851	1,359	10.58%	11,492	12,851	1,359	10.58%	11,492	-	-	0.00%	-
88 Employee Benefits	516,511	357,864	69.28%	158,647	111,874	81,373	72.74%	30,501	404,637	276,491	68.33%	128,146
89 Data Processing	235,986	144,810	61.36%	91,176	25,940	16,867	65.02%	9,073	210,046	127,942	60.91%	82,103
90 Travel	58,787	31,150	52.99%	27,637	-	-	0.00%	-	58,787	31,150	52.99%	27,637
91 Accounting & Auditing	355,301	255,427	71.89%	99,874	328,301	229,700	69.97%	98,601	27,000	25,726	95.28%	1,274
92 Personnel Administration	136,555	62,728	45.94%	73,827	66,066	54,199	82.04%	11,867	70,489	8,529	12.10%	61,960
94 Liability Insurance	162,146	130,741	80.63%	31,406	-	-	0.00%	-	162,146	130,741	80.63%	31,406
95 Workers Compensation Insurance	8,757	1,635	18.67%	7,122	-	-	0.00%	-	8,757	1,635	18.67%	7,122
96 Finance Charge	-	323	0.00%	(323)	-	-	0.00%	-	-	323	0.00%	(323)
97 Utilities	120,364	38,161	31.70%	82,203	-	-	0.00%	-	120,364	38,161	31.70%	82,203
98 Telephone Expense	-	2,299	0.00%	(2,299)	-	-	0.00%	-	-	2,299	0.00%	(2,299)
99 Office Supplies	35,288	16,881	47.84%	18,407	-	-	0.00%	-	35,288	16,881	47.84%	18,407
101 Postage	5,287	4,696	88.83%	590	-	-	0.00%	-	5,287	4,696	88.83%	590
102 Dues & Subscriptions	59,765	1,556	2.60%	58,209	-	-	0.00%	-	59,765	1,556	2.60%	58,209
103 Budget Preparation	6,181	25,195	407.63%	(19,014)	6,181	25,195	407.63%	(19,014)	-	-	0.00%	-
104 Achieving & Data Storage	11,064	-	0.00%	11,064	11,064	-	0.00%	11,064	-	-	0.00%	-
105 Lease office equipment	35,138	27,495	78.25%	7,643	-	-	0.00%	-	35,138	27,495	78.25%	7,643
106 Vehicle & Equipment Acquisition	28,547	26,031	91.19%	2,516	-	-	0.00%	-	28,547	26,031	91.19%	2,516
107 Admin Reimb - GM Fund	(239,477)	(109,006)	45.52%	(130,471)	-	-	0.00%	-	(239,477)	(109,006)	45.52%	(130,471)
TOTAL EXPENSES: ADMINISTRATION	\$ 1,931,216	\$ 1,287,332	66.7%	\$ 643,885	\$ 812,514	\$ 602,532	74.2%	\$ 209,982	\$ 1,118,702	\$ 684,799	61.2%	\$ 433,903

O&M 93% 1,478,659
Administration Total Allocated out GM 7% 109,006

BUDGET ITEM	FYE 9/30/21	CURRENT YTD	REMAINING	NON-LABOR
CARRY OVER ITEMS FY 2021				
108 GSA Engagement	462,939	-	462,939	n/a
109 SCADA Alarm Project	20,000	20,000	-	n/a
110 Tree-Trimming	7,525	7,325	200	n/a
111 Embankment Management-Grazing Pilot	42,000	42,000	-	n/a
112 Gate Actuators	36,388	33,462	2,926	n/a
113 Utility Tractor	104,205	100,656	3,549	n/a
TOTAL CARRY OVER ITEMS FY 2021	673,057	203,443	469,613	n/a

Friant Water Authority
Budget vs Actual Expenses
YTD - 06/30/2022

Friant Water Authority		Budget year: 75.0% Completed											
Budget vs Actual Expenses		Total			Labor				Materials				
YTD - 06/30/2022		Annual Budget	YTD Actual	% Of Bud	Projected Remaining	Budget	YTD Actual	Projected Remaining	Budget	YTD Actual	Projected Remaining		
SPECIAL PROJECTS													
114	Pump Back Project - Non-recoverable	\$38,238	\$0	0.0%	\$38,238	\$28,238	\$0	\$0	\$28,238	\$10,000	\$0	\$0	10,000
115	Subsidence - System Wide	58,265	92,051	158.0%	(33,786)	13,306	-	0.0%	13,306	44,959	92,051	204.7%	(47,092)
116	GSA Engagement	207,820	140,163	67.4%	67,657	46,820	-	0.0%	46,820	161,000	140,163	87.1%	20,837
117	Water Quality	82,881	48,872	59.0%	34,009	30,043	21,882	72.8%	8,161	52,838	26,990	51.1%	25,848
TOTAL EXPENSES: SPECIAL PROJECTS		387,204	281,087	72.6%	106,117	118,408	21,882	18.5%	96,526	268,797	259,205	96.4%	9,592

BUDGET TO ACTUALS REPORT

				% of Budget YTD
Consultants	FY 2021 Approved Budget	FY 2022 Actuals	Surplus /(Shortage)	75.00%
General Counsel				
Burke, Williams & Sorenson, LLC	6,000	3,000	0	50.00%
Special Counsel				
Water & Power Law Group	200,000	170,255	0	85.13%
Burke, Williams & Sorensen, LLC	49,800	11,150	0	22.39%
Somach Simmons	119,000	50,763	0	42.66%
BiOps Litigation (Kaplan & Kirsch)	156,000	48,399	0	31.03%
CEQA Litigation (Stoel Rives)	126,000	60,464	0	47.99%
Additional Special Counsel (TBD)	55,500			
Special Counsel Subtotal	706,300	341,032	0	48.28%
Professional Support - Operations				
General Consulting - as needed (Luce, Steve O. & MBK)	192,820	28,001	0	14.52%
Kan Ventures	48,000	36,402	0	75.84%
Additional Legal/Operations Consultant (TBD)	96,000	-	0	
Professional Support - Operations Subtotal	336,820	64,403	0	19.12%
Professional Support - Communications & Outreach				
External Affairs - Federal (Ferguson Group)	40,000	28,436	0	71.09%
External Affairs - State (Villines)	40,000	28,170	0	70.43%
Media & Materials - (Commuter Industries)	40,500	2,633	0	6.50%
Professional Support - Comm. & Outreach Subtotal	120,500	59,239	0	49.16%
Consultants Subtotal	1,169,620	467,673	0	39.99%
Staff				
Leadership	657,758	581,805	0	88.45%
Staff Subtotal	657,758	581,805	0	88.45%
Other Activities				
CDTFA - State Water Resources Control Board	67,500	56,249	0	83.33%
Family Farm Alliance	15,000	15,000	0	100.00%
CVPWA dues	50,000	24,623	0	49.25%
SJV Blueprint	15,000	25,000	0	166.67%
Misc Organizational Contributions	15,000	3,422		
Dues & Fees Subtotal	162,500	124,294	0	76.49%
Other Supplies & Services				
Travel	60,000	8,715	0	14.52%
Hotel	37,500	15,962	0	42.57%
Meals	35,000	24,944	0	71.27%
Miscellaneous visa receipts	10,000	10,048	0	100.48%
Meeting expenses -	55,000	33,463	0	60.84%
Other Supplies & Services Subtotal	197,500	93,133	0	47.16%
Admin Allocation	175,000	118,662	0	67.81%
Direct Expenses (including rent, mileage)				
Mileage	27,500	-	0	
Rent	73,000	49,213	0	67.42%
Office Expenses	10,000	-	0	
Office Supplies	7,500	1,776	0	23.68%
Utilities	6,500	82	0	1.26%
Direct Expenses Subtotal	124,500	51,071	0	41.02%
Other Activities Subtotal	659,500	387,160	0	58.71%
Subtotal Base Budgets	2,486,878	1,436,638	0	57.77%
Special Projects				
BiOps Science Funding	10,000		0	
Total Special Projects	10,000	0	0	0.00%
Total Budgets	2,496,878	1,436,638	0	57.54%

Middle Reach Capacity Correction Project, Phase 1

Bureau of Reclamation and Friant Water Authority

Monthly Financial Status Report - Budget to Actual Spending

Expenditures through June 30, 2022

Sources of Funds	Federal Funding		FWA Spending Plan Funds		Friant Water Authority Funding					
	SJRRP funds	WIIN funds	Advance Payments for Construction Costs		FWA Contractors	Eastern Tule GSA	Pixley GSA	Delano GSA	State Funding-DWR	Total FWA funds
Anticipated Funding	\$41M-\$46.9M	\$ 210,550,000	\$ 118,645,000		\$ 50,000,000	\$125M-\$200M	\$ 11,000,000	\$ 1,200,000	\$ 29,792,000	
Funds Secured/Received to date	\$ 41,000,000	\$ 210,550,000	\$ 18,289,000		\$ 32,006,538	\$ 4,733,243	\$ 11,000,000	In progress	\$ -	\$ 47,739,781
Expenditures to date	(37,328,498)	(45,842,860)	\$ (10,367,456)		(16,814,124)	(4,733,243)	(11,000,000)	-	-	(32,547,367)
Remaining Funding Available	\$ 3,671,502	\$ 164,707,140	\$ 7,921,544		\$ 15,192,414	\$ -	\$ -	In progress	\$ -	\$ 15,192,414

Project Cost Category	Budget Estimate (2022)			Prior Period Expenditures (Cumulative)		June 30, 2022 Expenditures		Total Expenditures through June 30, 2022		Remaining Budget	
	Reclamation	FWA (Non-Federal)	Total	Reclamation Expenditures	FWA Expenditures	Reclamation Expenditures	FWA Expenditures	Reclamation Expenditures	FWA Expenditures	Reclamation	FWA (Non-Federal)
Prior-Period Preconstruction Costs (thru September 30, 2021)	\$ 23,081,048	\$ 3,525,733	\$ 26,606,781	\$ 23,081,048	\$ 3,525,733			\$ 23,081,048	\$ 3,525,733	\$ -	\$ -
ROW & Land Acquisition	\$ 8,288,108	\$ 14,013,460	\$ 22,301,568	\$ 6,852,531	\$ 11,320,733	\$ 103,558	\$ (970,561)	\$ 6,956,089	\$ 10,350,172	\$ 1,332,019	\$ 3,663,288
Legal & Administration (Facilitating Services) & IT Services	\$ 517,667	\$ 506,000	\$ 1,023,667	\$ 261,379	\$ 128,375	\$ 6,152	\$ 27,873	\$ 267,531	\$ 156,248	\$ 250,136	\$ 349,752
Permitting, NEPA/CEQA, Cultural Resources, & Environmental Monitoring	\$ 1,176,106	\$ 500,000	\$ 1,676,106	\$ 735,137	\$ 101,908	\$ 5,058		\$ 740,195	\$ 101,908	\$ 435,911	\$ 398,092
Project Management	\$ 2,360,302	\$ 1,987,500	\$ 4,347,802	\$ 627,192	\$ 114,327	\$ 24,141	\$ 9,978	\$ 651,333	\$ 124,305	\$ 1,708,969	\$ 1,863,195
Construction Management	\$ 12,000,000	\$ -	\$ 12,000,000	\$ 983,664	\$ -	\$ 546,825		\$ 1,530,489	\$ -	\$ 10,469,511	\$ -
Design & Specifications	\$ 1,785,380	\$ -	\$ 1,785,380	\$ 1,343,853	\$ -	\$ -		\$ 1,343,853	\$ -	\$ 441,527	\$ -
Construction Support	\$ 13,561,832	\$ -	\$ 13,561,832	\$ 2,616,197	\$ -	\$ 727,036		\$ 3,343,233	\$ -	\$ 10,218,599	\$ -
Construction Contract - Phase 1 Replacement Pump Stations	\$ 8,629,262	\$ 8,629,262	\$ 17,258,525	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 8,629,262	\$ 8,629,262
Construction Contract - MRCCP Phase 1	\$ 68,226,273	\$ 110,464,022	\$ 178,690,295	\$ 38,770,603	\$ 6,769,000	\$ 6,486,984	\$ 11,520,000	\$ 45,257,587	\$ 18,289,000	\$ 22,968,686	\$ 92,175,022
Construction Contract Contingency	\$ 6,624,022	\$ 6,624,022	\$ 13,248,044	\$ -	\$ -			\$ -	\$ -	\$ 6,624,022	\$ 6,624,022
Total	\$ 146,250,000	\$ 146,250,000	\$ 292,500,000	\$ 75,271,604	\$ 21,960,076	\$ 7,899,754	\$ 10,587,290	\$ 83,171,358	\$ 32,547,367	\$ 63,078,642	\$ 113,702,633

% Cost-Share

50%

50%

72%

28%

Agenda Report

No. 3A

DATE: July 28, 2022

TO: Board of Directors

FROM: Wilson Orvis, CFO

SUBJECT: Financial Statements and Independent Audit Report for Fiscal Year (FY) Ending September 30, 2021

SUMMARY:

Friant Water Authority (FWA) contracted with Hudson, Henderson, & Company (HH&C) in May 2021. The initial scope of services involved completing the independent financial statement audit for Fiscal Years Ending (FYE) September 30, 2019 (FY 2019) and September 30, 2020 (FY 2020) which had been significantly delayed. HH&C completed their audit of Fiscal Year (FY) ending September 30, 2019 in September 2021 and Fiscal Year ending September 30, 2020 in February 2022, completing the outstanding audits.

HH&C has now completed their audit of the Friant Water Authority Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2021 and are presenting them to the Board of Directors for review and acceptance.

In accordance with FWA's O&M Fund Cost Recovery and Reserve Policy (April 2007), based upon the audited financial statements, Friant staff will be refunding, as stipulated in the audited report, for the Fiscal Year Ending September 30, 2021, \$1,259,343 to FKC Contractors using the cost allocation that was in place in FY 2021.

DISCUSSION

Hudson, Henderson, & Co. (HH&C), Certified Public Accountants, performed the audit of the Financial Statements (FYE 2020) and have expressed the opinion that the Financial Statements present fairly, in all material respects, the financial position of the Friant Water Authority (FWA). In addition, HH&C audited FWA's compliance with requirements under Federal grants and found that FWA complied, in all material aspects, with the compliance requirements. In the process of testing, HH&C did identify one significant deficiency that is required to be reported under the Uniform Guidance (2 CFR 200) - Untimely submittal of quarterly financial and performance reports. As for the other two findings from the previous years' audit, HH&C found that FWA had fully implemented corrective actions to address those findings (Untimely completion of the audit and Inadequate, written procurement policies).

For the untimely submittal of quarterly financial and performance reports, FWA has instituted internal procedures to ensure that required financial and performance reports are submitted timely. The Board of Directors approved these procedures as part of a comprehensive update of FWA's purchasing policy at the June 23, 2022 Board of Directors meeting. In addition, FWA created a Project Accountant/Financial Analyst position to assist with ensuring compliance, including reporting

compliance, under financial assistance agreements with Federal agencies. For FY 2022, to date, FWA has been timely on submission of required performance and financial reports.

FINANCE COMMITTEE:

The Finance Committee reviewed the audit report and supplementary information during the July 25, 2022 committee meeting and approved a motion to recommend that the Board of Directors accept the Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2021.

RECOMMENDED ACTION:

The Board of Directors accept the Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2021.

SUGGESTED MOTION:

A motion to accept of the Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2021.

BUDGET IMPACT:

There is no impact to the budget.

ATTACHMENTS:

- 1) SAS 114 – Auditor’s Communication Letter
- 2) Friant Water Authority’s Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2021



June 30, 2022

To the Board of Directors
Friant Water Authority

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Friant Water Authority (the Authority), for the year ended September 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 4, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during 2021. 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 June 30, 2022.

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

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

Restriction on Use

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

Very truly yours,

HUDSON HENDERSON & COMPANY, INC.

A handwritten signature in black ink, appearing to read "Brian Henderson", with a stylized flourish at the end.

By: Brian Henderson, CPA

FRIANT WATER AUTHORITY

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2021**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Friant Water Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities and each major fund of the Friant Water Authority (the Authority) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities and each major fund of the Authority, as of and for the year ended September 30, 2021, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The budgetary comparison schedule- enterprise fund on pages 29-32 is presented for purposes of additional analysis and is not a required part of the basic financial statements. In addition, the schedule of expenditures of federal awards on page 37 is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2022, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

HUDSON HENDERSON & COMPANY, INC.

A handwritten signature in blue ink that reads "Hudson Henderson & Company, Inc." with a stylized flourish at the end.

Fresno, California
June 30, 2022

FRIANT WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

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, 2021. Please read this discussion and analysis in conjunction with the Authority's audited financial statements and the accompanying notes.

OVERALL PROGRAM HIGHLIGHTS

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

FINANCIAL HIGHLIGHTS

- The Authority's total net position increased by \$146,466,926 as a result of this year's operations. Net position of our business-type activities increased by \$146,320,282 and net position of our governmental activities increased by \$146,644. Operating expenses were \$38,622,290, an increase of \$2,154,070 from the prior year.
- For the year, the Authority's governmental activities total expenditures of \$1,874,137 (see page 6, "Changes in Net Position") were less than revenues by \$146,644. Last year, the revenues exceeded expenditures by \$284,223.
- Total liabilities are \$6,459,880, a decrease of \$649,376 from the prior year.
- In the Authority's business-type activities, the total expenses were \$36,748,783 (see page 6, "Changes in Net Position"). The revenues exceeded expenses by \$146,320,282. Last year, the revenues exceeded expenses by \$5,218,699. The Authority had a \$3,810,817 payable representing a combination of FY 2019, 2020, and 2021 refunds due to Friant water service contractors on September 30th consisting of Friant-Kern Canal revenues in excess of costs and San Luis & Delta Mendota Water Authority (SLDMWA) interest revenue.
- Total cost (expenditures/expenses) of the Authority's programs for the year increased from last year by \$2,154,070 (6.0 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, 2021**

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

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

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

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

FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2021

Analysis of Overall Financial Position and Results of Operation

The following analysis presents financial information for the years ended September 30, 2021 and 2020.

Statements of Net Position

	2021			2020
	Governmental Activities	Business-Type Activities	Total	Total Government
ASSETS				
Cash and investments	\$ 967,421	\$ 13,679,228	\$ 14,646,649	\$ 7,926,042
Restricted cash and investments	-	1,808,621	1,808,621	1,706,868
Receivables and deposits	7,020	7,142,189	7,149,209	7,007,594
GSA MRCCP receivable	-	136,000,000	136,000,000	-
Prepays	12,515	1,262,523	1,275,038	1,000,396
Capital assets	-	5,398,379	5,398,379	2,255,873
Total Assets	<u>986,956</u>	<u>165,290,940</u>	<u>166,277,896</u>	<u>19,896,773</u>
LIABILITIES				
Accounts payable	193,562	1,817,994	2,011,556	2,526,561
Payroll liabilities	-	7,485	7,485	-
Compensated absences	129,315	500,707	630,022	587,178
OM&R refund liability	-	3,810,817	3,810,817	3,995,517
Total Liabilities	<u>322,877</u>	<u>6,137,003</u>	<u>6,459,880</u>	<u>7,109,256</u>
DEFERRED INFLOWS				
Advanced Receipts	-	5,640,683	5,640,683	5,077,110
NET POSITION				
Net investment in capital assets	-	5,398,379	5,398,379	2,255,873
Restricted	-	137,808,621	137,808,621	1,706,868
Unrestricted	<u>664,079</u>	<u>10,306,254</u>	<u>10,970,333</u>	<u>3,747,666</u>
Total Net Position	<u>\$ 664,079</u>	<u>\$ 153,513,254</u>	<u>\$ 154,177,333</u>	<u>\$ 7,710,407</u>

The Authority's combined net position from one year ago, increased by \$146,466,926, from \$7,710,407 to \$154,177,333. Last year's net position increased by \$5,502,922. 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. The following analysis 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, 2021

Net position of the Authority's governmental activities increased from \$517,435 in 2020 to \$664,079 in 2021. The increase is due to expenditures for the fiscal year being less than originally anticipated.

The net position of business-type activities increased from \$7,192,972 in 2020 to \$153,513,254 in 2021. Changes in net position are primarily affected by the Authority's policy to refund any revenues in excess of costs after taking into account necessary reserve balances and cash flow adjustments (see Notes, page 20, 'OM&R Revenue Refunds') and legal settlement regarding the MRCCP project. The refund amount due to Friant Division Contractors as of 2021 is \$3,810,817 with a \$1,259,343 for 2021, due to savings from budgeted projects and purchases, special projects carried over to fiscal year 2021, and additional revenues collected principally from temporary contract water deliveries. Spending in both fiscal years were below the budgeted dollars.

Statements of Activities

	2021			2020
	Governmental Activities	Business-Type Activities	Total Government	Total Government
REVENUES				
Membership assessments	\$ 1,931,250	\$ -	\$ 1,931,250	\$ 2,114,000
OM&R charges	-	41,454,446	41,454,446	32,327,877
Capital grants and contributions	-	5,558,005	5,558,005	7,312,451
General revenues				
Gain on disposal of equipment	-	53,247	53,247	13,761
Miscellaneous income	87,887	-	87,887	49,626
Investment earnings (loss)	1,644	3,367	5,011	154,057
MRCCP settlement revenue	-	136,000,000	136,000,000	-
Total Revenues	2,020,781	183,069,065	185,089,846	41,971,772
EXPENSES				
General Member	1,874,137	-	1,874,137	1,893,977
OM&R	-	35,489,441	35,489,441	33,006,346
OM&R reimbursement	-	1,259,342	1,259,342	1,568,527
Total Expenses	1,874,137	36,748,783	38,622,920	36,468,850
Net Change in Net Position	146,644	146,320,282	146,466,926	5,502,922
Net Position, Beginning of Year	517,435	7,192,972	7,710,407	2,207,485
Net Position, End of Year	\$ 664,079	\$ 153,513,254	\$ 154,177,333	\$ 7,710,407

The table above, changes in net position, shows the Authority's total revenues for the year ended September 30, 2021, increased by \$143,118,074 (341.0 percent). The total cost of all activities increased by \$2,154,070 (6.0 percent). Net position increased by \$146,466,926 and our analysis below separately considers the operations of governmental and business-type activities and the primary reasons that led to this year's increase in net position.

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Governmental Activities

Revenues for the governmental activities were lower in 2021 as compared to 2020 with total revenues decreasing by \$157,419 or 7.2 percent. In 2021, decreased revenues were primarily due to reduction of budget expenditures in general membership special projects as well as a reduction in quarterly calls for funds from members to reduce the overall cash balance held by FWA.

Business-type Activities

Revenues of the Authority's business-type activities increased by 360.0 percent, \$183,069,065 (FYE 2021) compared to \$39,793,572 (FYE 2020). The business-type activities fluctuate from year to year based on the expenditures of the fund. The increase is attributed to an increase of revenues collected for costs for delivery of exchange contractor water via SLDMWA and as the result of the legal settlements related to the MRCCP project from two GSA's.

For the current fiscal year, these activities reported total expenses of \$36,748,783. The total expenses showed an increase of 6.3 percent compared to FY 2020. The increase in expenses was primarily due the reasons noted in the revenue discussion above.

The Authority's Funds

The Authority's governmental fund balance (as presented in the Balance Sheet on page 11) is \$793,394 at the end of the fiscal year 2021. This is an increase from last year's total fund balance of \$181,162. 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 \$2,575,000 and actual expenditures \$1,839,619 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 29-32. Formal budgetary integration is employed as a management control device during the year for the Enterprise - OM&R Fund. Annually the board of directors approves, by resolution, budget appropriations for the fiscal year commencing the following October 1. Expenses are controlled by normal internal control processes and user rate reviews.

CAPITAL ASSETS

As of September 30, 2021, the Authority had \$5,398,379 in capital assets, net of depreciation. Capital assets increased by \$3,142,506.

	2021	2020	Net Increase/ (Decrease)
Business-type Activities			
Construction in progress	\$ 3,333,006	\$ -	\$ 3,333,006
Heavy machinery & light vehicles	2,589,887	2,957,082	(367,195)
Tools and other equipment	4,047,535	3,686,291	361,244
Accumulated depreciation	(4,572,049)	(4,387,500)	(184,549)
 Total Capital Assets	 <u>\$ 5,398,379</u>	 <u>\$ 2,255,873</u>	 <u>\$ 3,142,506</u>

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

CAPITAL ASSETS (continued)

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In developing the budget for the 2021/2022 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, 2021**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 967,421	\$ 13,679,228	\$ 14,646,649
Restricted cash and investments	-	1,808,621	1,808,621
Accounts receivable	-	4,367,362	4,367,362
GSA MRCCP receivable	-	136,000,000	136,000,000
Interest receivable	9	7,322	7,331
Prepaid expenses	12,515	1,262,523	1,275,038
Deposits	7,011	2,767,505	2,774,516
Capital assets (not being depreciated)	-	3,333,006	3,333,006
Capital assets (net of accumulated depreciation)	-	2,065,373	2,065,373
Total Assets	<u>986,956</u>	<u>165,290,940</u>	<u>166,277,896</u>
LIABILITIES			
Accounts payable	193,562	1,817,994	2,011,556
Payroll liability	-	7,485	7,485
OM&R refund liability	-	3,810,817	3,810,817
Compensated absences			
Due within one year	59,325	346,147	405,472
Due in more than one year	69,990	154,560	224,550
Total Liabilities	<u>322,877</u>	<u>6,137,003</u>	<u>6,459,880</u>
DEFERRED INFLOWS OF RESOURCES			
Advanced receipts	-	5,640,683	5,640,683
NET POSITION			
Net investment in capital assets	-	5,398,379	5,398,379
Restricted	-	137,808,621	137,808,621
Unrestricted	664,079	10,306,254	10,970,333
Total Net Position	<u>\$ 664,079</u>	<u>\$ 153,513,254</u>	<u>\$ 154,177,333</u>

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

**FRIANT WATER AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General member activities	\$ 1,874,137	\$ -	\$ 1,931,250	\$ -	\$ 57,113	\$ -	\$ 57,113
Total Governmental Activities	1,874,137	-	1,931,250	-	57,113	-	57,113
Business-Type Activities:							
OM&R activities	36,748,783	41,454,446	-	5,558,005	-	10,263,668	10,263,668
Total Business-Type Activities	36,748,783	41,454,446	-	5,558,005	-	10,263,668	10,263,668
Total Primary Government	<u>\$ 38,622,920</u>	<u>\$ 41,454,446</u>	<u>\$ 1,931,250</u>	<u>\$ 5,558,005</u>	57,113	10,263,668	10,320,781
General Revenues:							
Gain on disposal of equipment					-	53,247	53,247
Miscellaneous income					87,887	-	87,887
Investment earnings (loss)					1,644	3,367	5,011
MRCCP settlement revenue					-	136,000,000	136,000,000
Total General Revenues					89,531	136,056,614	136,146,145
Change in Net Position					146,644	146,320,282	146,466,926
Net Position, Beginning of Year					517,435	7,192,972	7,710,407
Net Position, End of Year					\$ 664,079	\$ 153,513,254	\$ 154,177,333

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

**FRIANT WATER AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>General Fund</u>
ASSETS	
Cash and investments	\$ 967,421
Interest receivable	9
Prepaid expenses	12,515
Deposits	<u>7,011</u>
Total Assets	<u><u>\$ 986,956</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	<u>\$ 193,562</u>
Total Liabilities	<u>193,562</u>
Fund Balance	
Unassigned	<u>793,394</u>
Total Fund Balance	<u>793,394</u>
Total Liabilities and Fund Balance	<u><u>\$ 986,956</u></u>
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position:	
Total Fund Balance - Governmental Fund	\$ 793,394
Compensated absences, are not due and payable in the current period and therefore are not reported in the governmental fund but are recorded in the government-wide statement to conform with generally accepted accounting principles.	<u>(129,315)</u>
Total Net Position - Governmental Activities	<u><u>\$ 664,079</u></u>

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

FRIANT WATER AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund
REVENUES	
Membership assessment	\$ 1,931,250
Airborne Snow Observatory	87,887
Interest	3,209
Investment earnings (loss)	(1,565)
Total Revenues	<u>2,020,781</u>
EXPENDITURES	
City of Fresno vs USA (JDA)	8,675
Administrative	167,495
Administrative allocation	159,390
Water supply management	14,128
Friant supply, tracking, policies, & defense	295,110
Delta supply, tracking, policies, & defense	33,690
San Joaquin settlement	64,949
Reconsultation	70,200
Friant sustainability plan	2,361
Upstream storage	2,428
Special projects	662
Snow observatory	297,691
Organization & governance	16,290
Annual strategic planning	1,055
Friant member & grower coordination	77,189
Grants & funding development	1,125
Outreach & engagement	51,396
Legislative affairs	126,238
State regulatory affairs	74,595
External affairs	112,248
Communications & media relations	22,964
Employee holiday, sick, vacation & jury	89,714
Travel expense	17,873
Retirement, health insurance & payroll taxes	104,003
SJV blue print	28,150
Total Expenditures	<u>1,839,619</u>
Net Change in Fund Balance	181,162
Fund Balance, Beginning of Year	<u>612,232</u>
Fund Balance, End of Year	<u>\$ 793,394</u>
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Fund to the Statement of Activities:	
Net change in Fund Balance - Governmental Fund	\$ 181,162
Governmental funds do not include incurred noncurrent compensated absences as expenditures. However, in the Statement of Activities, these expenses are recognized. This is the amount by which compensated absences decreased (increased) in the current period	<u>(34,518)</u>
Change in Net Position - Governmental Activities	<u>\$ 146,644</u>

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

**FRIANT WATER AUTHORITY
STATEMENT OF NET POSITION
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	OM&R Fund
ASSETS	
Current Assets	
Cash and investments	\$ 13,679,228
Restricted cash and investments	1,808,621
Accounts receivable	4,367,362
GSA MRCCP receivable	136,000,000
Prepaid expenses	1,262,523
Interest receivable	7,322
	<hr/>
Total Current Assets	157,125,056
	<hr/>
Noncurrent Assets	
Deposits	2,767,505
Capital assets (not being depreciated)	3,333,006
Capital assets (net of accumulated depreciation)	2,065,373
	<hr/>
Total Noncurrent Assets	8,165,884
	<hr/>
Total Assets	165,290,940
	<hr/>
LIABILITIES	
Current Liabilities	
Accounts payable	1,817,994
Payroll Liabilities	7,485
Compensated absences, current	346,147
OM&R refund liability	3,810,817
	<hr/>
Total Current Liabilities	5,982,443
Noncurrent Liabilities	
Compensated absences, noncurrent	154,560
	<hr/>
Total Liabilities	6,137,003
	<hr/>
DEFERRED INFLOWS OF RESOURCES	
Advanced receipts	5,640,683
	<hr/>
NET POSITION	
Net investment in capital assets	5,398,379
Restricted	137,808,621
Unrestricted	10,306,254
	<hr/>
Total Net Position	\$ 153,513,254
	<hr/>

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, 2021

	OM&R Fund
OPERATING REVENUES	
OM&R charges	\$ 41,454,446
Federal assistance	4,261,820
DWR assistance	<u>1,296,185</u>
Total Operating Revenues	<u>47,012,451</u>
OPERATING EXPENSES	
SLDMWA OM&R expenses	19,578,493
FWA OM&R expenses:	
Maintenance	12,525,696
Operations	1,998,991
Administrative	<u>1,386,261</u>
Total Operating Expenses	<u>35,489,441</u>
Operating Income (Loss)	<u>11,523,010</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment earnings (loss)	3,367
Gain on disposal of equipment	53,247
MRCCP settlement revenue	<u>136,000,000</u>
Total Non-Operating Revenues (Expenses)	<u>136,056,614</u>
OM&R Revenue Refund	<u>1,259,342</u>
Change in Net Position	146,320,282
Net Position, Beginning of Year	<u>7,192,972</u>
Net Position, End of Year	<u><u>\$ 153,513,254</u></u>

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

**FRIANT WATER AUTHORITY
STATEMENT OF CASH FLOWS
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	OM&R Fund
Cash Flows from Operating Activities	
Cash received from customers	\$ 48,715,679
Cash payments to suppliers	(32,148,249)
Cash payments to employees	(6,403,607)
	<hr/>
Net cash provided (used) by operating activities	10,163,823
	<hr/>
Cash Flows from Capital and Related Financing Activities	
Proceeds from sale of property and equipment	114,364
Acquisition of capital assets	(3,773,033)
	<hr/>
Net cash provided (used) by capital and related financing activities:	(3,658,669)
	<hr/>
Cash Flows from Investing Activities	
Investment income	11,506
	<hr/>
Net cash provided (used) by investing activities	11,506
	<hr/>
Net change in cash and investments	6,516,660
Cash and Investments, Beginning of Year	8,971,189
	<hr/>
Cash and Investments, End of Year	\$ 15,487,849
	<hr/> <hr/>
Reconciliation of cash and investments to Statement of Net Position:	
Unrestricted assets - cash and investments	\$ 13,679,228
Restricted assets - cash and investments	1,808,621
	<hr/>
Total cash and investments	\$ 15,487,849
	<hr/> <hr/>

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, 2021**

	OM&R Fund
Reconciliation of Operating Income	
(Loss) to Net Cash Provided (Used)	
by Operating Activities	
Operating income (loss)	\$ 11,523,010
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	569,410
Refund liability	(1,444,042)
Changes in assets and liabilities:	
Accounts receivable	2,583,697
Prepaid expenses	(274,287)
Deposits	(2,767,505)
Accounts payable	(598,358)
Compensated absences	8,325
Deferred inflows	563,573
	<hr/>
Net cash provided (used) by operating activities	<u><u>\$ 10,163,823</u></u>

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

**FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

- Government-Wide Financial Statements

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

- Governmental Fund Financial Statements

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

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

- Proprietary Fund Financial Statement

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

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

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The Authority reports one major governmental fund:

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 28.

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 29.

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

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

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

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

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

Accounts Payable: Certain costs are incurred by the Authority during the current reporting period but are not paid until after the beginning of the next fiscal period. These costs are reported as payables in the financial statements. The Authority's account payable balance as of September 30, 2021 is \$2,011,556.

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, 2021 is \$630,022.

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

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the Authority that is applicable to a future reporting period. Deferred inflows reported by the Authority consist of unearned deferred assessments that have been billed as of year-end, but not yet collected 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, 2021 is \$3,810,817. This is comprised of annual amounts accrued for fiscal years 2019, 2020, and 2021. Those amounts are \$982,947, \$1,568,527, and \$1,259,343, respectively.

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

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

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Governmental Accounting Standards Update: During the year ended September 30, 2021, the Authority implemented the following standards.

GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting periods beginning after December 15, 2020. The adoption of GASB No. 89 had no impact on the Authority's financial statements.

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

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

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

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

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

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

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

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

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

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 June 30, 2022, 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, 2021 is as follows:

Cash in bank	\$ 2,176,671
Local Agency Investment Fund	<u>14,278,599</u>
Total cash and investments	<u>\$ 16,455,270</u>

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

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

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

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

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

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2 – CASH AND INVESTMENTS (continued)

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

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

The LAIF is valued on a fair market value as determined and given by LAIF.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for business-type activities for the year ended September 30, 2021 is as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 3,333,006	\$ -	\$ 3,333,006
Total capital assets not being depreciated	-	3,333,006	-	3,333,006
Capital assets being depreciated:				
Vehicles and heavy equipment	2,957,082	78,783	(445,978)	2,589,887
Tools and other	3,686,291	361,244	-	4,047,535
Total capital assets being depreciated	6,643,373	440,027	(445,978)	6,637,422
Less accumulated depreciation	4,387,500	569,410	(384,861)	4,572,049
Total capital assets being depreciated, net	2,255,873	(129,383)	(61,117)	2,065,373
Total capital assets, net	<u>\$2,255,873</u>	<u>\$ 3,203,623</u>	<u>\$ (61,117)</u>	<u>\$ 5,398,379</u>

Depreciation expense for the year ended September 30, 2021 is \$569,410.

NOTE 4 – 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, 2021 was \$546,237.

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4 – DEFINED CONTRIBUTION AND DEFERRED COMPENSATION PLANS (continued)

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 occurs after two more years of continuous service on December 31, 2022.

NOTE 5 – RESTRICTED NET POSITION

Restricted for Emergency: Under the Transfer Agreement, the Authority is required to establish an "Emergency Reserve Fund," for purposes of funding extraordinary operations and maintenance activities. The Emergency Reserve Fund may also be used for short-term working capital needs. The Emergency Reserve Fund is required to reach 15% of the average of the three immediately preceding years' operation and maintenance costs of the Friant-Kern Canal. The Authority used the operations and maintenance costs that were incurred in the Authority for the fiscal years September 2019-2021 to calculate the restricted amount of \$1,808,621.

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, 2021 is \$136,000,000.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

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

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

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

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

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 6 – COMMITMENTS AND CONTINGENCIES (continued)

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

	September 30, 2021
Total assets	\$ 271,770,359
Deferred outflows of resources	1,189,142
Total liabilities	123,558,690
Deferred inflows of resources	(409,721)
Net position	<u>\$ 149,810,532</u>
Total revenues	\$ 200,883,781
Total expenditures	174,760,456
Net increase in net position	<u>\$ 26,123,325</u>

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

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

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

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

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.

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 7 – DEFICIENCY OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2021, expenditures exceeded appropriations as follows:

Expenditures	Amount
General Fund - General Member	
Friant supply, tracking, policies & defense	274,217
Consultation	70,200
Friant Sustainability Plan	1,664
Special Projects	412
NASA Airborne Snow Observatory	19,069
Annual Strategic Planning	1,055
Enterprise Fund-OM&R Fund	
Canal maintenance	1,718,008

NOTE 8 – COVID-19 CONTINGENCY

On March 4, 2020, Governor Newsom issued an emergency proclamation declaring a State of Emergency in California due to the novel Coronavirus (COVID-19). The COVID-19 outbreak is ongoing. Actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. A vaccination has been created and is being administered throughout the State, including the Authority's service area. The ultimate impact of COVID-19 on the Authority is unknown.

FRIANT WATER AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
Revenues				
Membership assessment	\$ 2,575,000	\$ 2,575,000	\$ 1,931,250	\$ (643,750)
Airborne snow observatory	-	-	87,887	87,887
Interest	-	-	3,209	3,209
Investment earnings (loss)	-	-	(1,565)	(1,565)
Total Revenues	<u>2,575,000</u>	<u>2,575,000</u>	<u>2,020,781</u>	<u>(554,219)</u>
Expenditures				
City of Fresno vs USA (JDA)	12,633	12,633	8,675	3,958
GM administrative costs	230,157	230,157	167,495	62,662
Administration allocation	212,500	212,500	159,390	53,110
Water supply management	21,798	21,798	14,128	7,670
Friant supply, tracking, policies & defense	20,893	20,893	295,110	(274,217)
Delta supply, tracking, policies & defense	235,401	235,401	33,690	201,711
San Joaquin Settlement	111,499	111,499	64,949	46,550
Consultation	-	-	70,200	(70,200)
Friant sustainability plan	697	697	2,361	(1,664)
Upstream storage	6,191	6,191	2,428	3,763
Special projects	250	250	662	(412)
NASA airborne snow observatory	278,622	278,622	297,691	(19,069)
Organization & governance	18,663	18,663	16,290	2,373
Annual strategic planning	-	-	1,055	(1,055)
Friant member & grower coordination	117,991	117,991	77,189	40,802
Grants & funding development	2,859	2,859	1,125	1,734
Outreach & engagement	66,818	66,818	51,396	15,422
Legislative affairs	177,356	177,356	126,238	51,118
State regulatory affairs	154,835	154,835	74,595	80,240
External affairs	229,509	229,509	112,248	117,261
Communications & media relations	27,955	27,955	22,964	4,991
Employee holiday, sick, vacation & jury	262,070	262,070	89,714	172,356
Travel expense	20,615	20,615	17,873	2,742
Retirement, health ins. & payroll taxes	321,063	321,063	104,003	217,060
Utilities	3,874	3,874	-	3,874
Reconsultation	618	618	-	618
SJV blue print	40,133	40,133	28,150	11,983
Total Expenditures	<u>2,575,000</u>	<u>2,575,000</u>	<u>1,839,619</u>	<u>735,381</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	181,162	<u>\$ (1,289,600)</u>
Fund Balance, Beginning of Year			612,232	
Fund Balance, End of Year			<u>\$ 793,394</u>	

FRIANT WATER AUTHORITY

SUPPLEMENTARY INFORMATION

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
REVENUES				
FWA OM&R revenues	\$ 15,098,862	\$ 15,098,862	\$ 30,588,714	\$ 15,489,852
OM&R federal assistance	-	-	4,261,820	4,261,820
OM&R DWR assistance	-	-	1,296,185	1,296,185
FKC-MRCCP cost-share revenues			10,865,732	10,865,732
Interest	120,000	120,000	38,997	(81,003)
Decrease in investment fair value	-	-	(35,630)	(35,630)
Miscellaneous	-	-	53,247	53,247
MRCCP settlement revenue	-	-	136,000,000	136,000,000
Total FWA OM&R Revenues	<u>15,218,862</u>	<u>15,218,862</u>	<u>183,069,065</u>	<u>167,850,203</u>
Total Revenues:	<u>15,218,862</u>	<u>15,218,862</u>	<u>183,069,065</u>	<u>167,850,203</u>
Expenses:				
Canal maintenance				
Vehicle and equipment acquisition	214,596	214,596	-	214,596
Vehicle and equipment service	599,680	599,680	629,151	(29,471)
Supervision	225,040	225,040	460,645	(235,605)
Communications and information	-	-	9,369	(9,369)
Capacity and correction	-	-	71,137	(71,137)
Right of way management	59,513	59,513	4,307	55,206
Weed and pest control	643,989	643,989	786,028	(142,039)
Friant Biological Opinion Imp	44,791	44,791	-	44,791
Road maintenance	158,684	158,684	14,820	143,864
Yard and building maintenance	205,772	205,772	304,634	(98,862)
Structure and gate maintenance	483,102	483,102	336,474	146,628
Cleaning right-of-way	49,247	49,247	55,446	(6,199)
Bargate, guardrail and lock maintenance	42,336	42,336	41,827	509
Embankment maintenance	111,937	111,937	80,133	31,804
Bridge maintenance	62,070	62,070	41,737	20,333
Miscellaneous maintenance	23,305	23,305	89,924	(66,619)
Concrete lining maintenance	292,661	292,661	230,706	61,955
Drain ditch and channel maintenance	35,887	35,887	71,635	(35,748)
Fence maintenance	46,597	46,597	43,584	3,013
Mud jacking	20,260	20,260	448	19,812
Painting	38,629	38,629	33,410	5,219
Sump pump maintenance	1,988	1,988	2,752	(764)
Cross drainage and structure maintenance	7,394	7,394	-	7,394
Rip-rapping	4,595	4,595	-	4,595
USBR Pump-Back project	25,000	25,000	1,228,962	(1,203,962)
FKC subsidence pumping	4,996,478	4,996,478	3,512,979	1,483,499
FKC Capacity Correction (FWA)	-	-	369,843	(369,843)
FKC Capacity Correction-Consultant	-	-	197,151	(197,151)
FKC Title Transfer	-	-	61,801	(61,801)

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
GSA Engagement	\$ 536,600	\$ 536,600	\$ 106,761	\$ 429,839
Operations supervision	54,972	54,972	-	54,972
Water supply coordination				
& monitoring	324,085	324,085	327,667	(3,582)
Water quality	59,603	59,603	41,419	18,184
Legal - direct	-	-	10,902	(10,902)
Safety and first aid training	48,095	48,095	35,993	12,102
Payroll preparation	1,226	1,226	2,435	(1,209)
Meeting expenses	46,018	46,018	420,476	(374,458)
Training and education	54,204	54,204	14,112	40,092
Procurement expense	8,523	8,523	324	8,199
Inventory and property management	4,125	4,125	8,026	(3,901)
Employee holiday, sick, vacation and jury duty	248,418	248,418	362,817	(114,399)
Travel	9,387	9,387	8,691	696
Personnel administration	4,871	4,871	214,598	(209,727)
Employee Retirement	238,564	238,564	358,561	(119,997)
Medical & Disability	541,227	541,227	657,130	(115,903)
Workers' compensation				
insurance	85,042	85,042	-	85,042
Payroll Taxes	34,151	34,151	55,128	(20,977)
Utilities	82,774	82,774	102,908	(20,134)
Telephone	-	-	51,097	(51,097)
Merit Awards	279	279	13,003	(12,724)
Dues and subscriptions	22,194	22,194	64,054	(41,860)
Budget Preparation	5,694	5,694	8,091	(2,397)
Achieving & Data Storage	4,085	4,085	9,766	(5,681)
Data processing	-	-	155,142	(155,142)
Implementation of Bio Opinion	-	-	5,030	(5,030)
Lease office equipment	-	-	24,238	(24,238)
Liability Insurance	-	-	4,620	(4,620)
MRCCP	-	-	619,654	(619,654)
Depreciation	-	-	164,150	(164,150)
Total canal maintenance	10,807,688	10,807,688	12,525,696	(1,718,008)
Water operations				
Vehicle and equipment				
acquisition	48,201	48,201	-	48,201
Vehicle and equipment service	1,057	1,057	3,724	(2,667)
Weed and pest control	243,819	243,819	322,091	(78,272)
Road maintenance	2,280	2,280	-	2,280
Yard and building maintenance	76,987	76,987	30,819	46,168
Structure and gate maintenance	252,872	252,872	312,560	(59,688)
Cleaning right-of-way	1,200	1,200	1,790	(590)
Bargate, guardrail and				
lock maintenance	4,905	4,905	2,282	2,623
Sump pump maintenance	28,304	28,304	3,478	24,826
Reverse flow pumping	-	-	181,099	(181,099)

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
Communications and information	\$ 257,749	\$ 257,749	\$ 162,731	\$ 95,018
Meter repair and calibration	123,236	123,236	147,370	(24,134)
Canal patrol	302,199	302,199	241,543	60,656
Operations reports	82,930	82,930	89,310	(6,380)
Supervision	89,530	89,530	-	89,530
Water measurement	37,524	37,524	9,837	27,687
Water quality	40,397	40,397	10,590	29,807
Miscellaneous	7,803	7,803	(37,875)	45,678
Ground water and seepage well measurement	-	-	347	(347)
Safety and first aid training	10,145	10,145	7,099	3,046
Water supply coordination & monitoring	-	-	(39,446)	39,446
Meeting expenses	5,974	5,974	3,747	2,227
Training and education	20,991	20,991	12,073	8,918
Employee holiday, sick, vacation and jury duty	98,299	98,299	104,803	(6,504)
Personnel administration	-	-	123	(123)
Utilities	30,565	30,565	6,460	24,105
Telephone expenses	-	-	9,807	(9,807)
Employee retirement	106,280	106,280	95,640	10,640
Medical and disability insurance	263,074	263,074	206,431	56,643
Payroll taxes	15,154	15,154	-	15,154
Workers' compensation insurance	3,048	3,048	12,956	(9,908)
Postage	-	-	56	(56)
Depreciation	-	-	97,546	(97,546)
Total water operations	2,154,523	2,154,523	1,998,991	155,532
Administration				
Vehicle and equipment acquisition	31,211	31,211	-	31,211
Maintenance supervision	72,650	72,650	-	72,650
Communications and information	25,094	25,094	3,726	21,368
Water supply coordination & monitoring	5,447	5,447	1,119	4,328
Legal expense-direct	56,375	56,375	26,215	30,160
FKC subsidence pumping	3,522	3,522	1,766	1,756

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	Budgeted Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
FKC Capacity Correction (FWA)	\$ -	\$ -	\$ 18,977	\$ (18,977)
Administrative supervision	15,382	15,382	5,928	9,454
Safety and first aid training	35,519	35,519	12,431	23,088
Office admin	136,010	136,010	101,475	34,535
Payroll preparation	11,437	11,437	11,233	204
Meeting expense	268,359	268,359	104,360	163,999
Training and education	48,844	48,844	4,161	44,683
Miscellaneous	289	289	4,238	(3,949)
Inventory and property management	423	423	-	423
Employee holiday, sick, vacation and jury duty	121,221	121,221	48,654	72,567
Data processing	149,554	149,554	34,003	115,551
Travel expense	37,747	37,747	30,342	7,405
Accounting and auditing	362,466	362,466	314,773	47,693
Personnel administration	95,641	95,641	41,807	53,834
Liability insurance	158,286	158,286	99,273	59,013
Workers' compensation insurance	7,475	7,475	79,040	(71,565)
Legal services	25,625	25,625	-	25,625
Utilities	54,764	54,764	8,353	46,411
Telephone expense	95,087	95,087	17,154	77,933
Office supplies	40,129	40,129	-	40,129
Employee incentives and awards	38,814	38,814	-	38,814
Postage	5,337	5,337	-	5,337
Dues and subscriptions	101,193	101,193	42,044	59,149
Budget preparation	-	-	9,149	(9,149)
Lease office equipment	27,054	27,054	10,065	16,989
Employee retirement	118,375	118,375	74,094	44,281
Medical and disability insurance	182,689	182,689	119,578	63,111
Payroll taxes	17,268	17,268	12,005	5,263
Depreciation	-	-	309,688	(309,688)
Administration allocated	-	-	(159,390)	159,390
Total administration	2,349,287	2,349,287	1,386,261	963,026
Total FWA OM&R expenses	\$15,311,498	\$15,311,498	\$15,910,948	\$ (599,450)

FRIANT WATER AUTHORITY

OTHER AUDITORS' REPORTS



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

To the Board of Directors
Friant Water Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities and each major fund of the Friant Water Authority (the Authority) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and we have issued our report thereon dated June 30, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, as noted in the accompanying schedule of findings and questioned costs as item No. 2021-001.

Authority's Response to Findings

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

Purpose of this Report

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

HUDSON HENDERSON & COMPANY, INC.

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

Fresno, California
June 30, 2022



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

To the Board of Directors
Friant Water Authority

Report on Compliance for Each Major Federal Program

We have audited the Friant Water Authority's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2021. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2021-001. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we did identify during the course of the audit one instance of a significant deficiency that is required to be reported in accordance with the Uniform Guidance, and which is described in the accompanying schedule of findings and questioned costs as item No. 2021-001. Our opinion on each major federal program is not modified with respect to these matters.

The Authority's response to the internal control over the compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Purpose of this Report

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

HUDSON HENDERSON & COMPANY, INC.

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

Fresno, California
June 30, 2022

**FRIANT WATER AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

<u>Federal Grantor/ Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA No.</u>	<u>Grant Number</u>	<u>Pass- Through to Sub- recipients</u>	<u>Federal Expenditures</u>
<u>U.S. DEPARTMENT OF THE INTERIOR</u>				
Direct Programs				
FKC Capacity Correction Project				
San Joaquin River Restoration Settlement	15.555	R19AC00013	\$ -	\$ 4,189,790
Subtotal- FKC Capacity Correction Project			<u>-</u>	<u>4,189,790</u>
TOTAL U.S. DEPARTMENT OF INTERIOR			<u>-</u>	<u>4,189,790</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ -</u>	<u>\$ 4,189,790</u>

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

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

NOTE 1 – BASIS OF PRESENTATION

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

NOTE 2 – INDIRECT COST RATE LIMITATION

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

NOTE 3 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

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

NOTE 4 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA)

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

FRIANT WATER AUTHORITY

FINDINGS AND QUESTIONED COSTS

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

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting

• Material weakness identified?	_____	Yes	_____ X _____	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____	Yes	_____ X _____	No
Noncompliance material to financial statements noted?	_____	Yes	_____ X _____	No

Federal Awards

Internal control over major federal programs:

• Material weakness identified?	_____	Yes	_____ X _____	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	_____ X _____	Yes	_____	No
Noncompliance material to federal awards?	_____	Yes	_____ X _____	No
Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a).	_____ X _____	Yes	_____	No

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

Identification of major programs:

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

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

Auditee qualified as a low risk auditee?	_____	Yes	_____ X _____	No
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**FRIANT WATER AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

SECTION II – FINANCIAL STATEMENT FINDINGS

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

SECTION III – FEDERAL AWARD FINDINGS

Finding 2021-001 – Significant Deficiency

Program: San Joaquin River Restoration Settlement

CFDA No.: 15.555

Federal Agency: U.S. Department of the Interior

Award Number: R19AC00013

Award Year: 2020/21

Compliance Requirement: Reporting

Questioned Costs: N/A

Criteria:

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

Condition:

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

Cause:

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

Effect:

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

Recommendation:

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

Management's Response:

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

**FRIANT WATER AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

SECTION II – FINANCIAL STATEMENT FINDINGS

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

SECTION III – FEDERAL AWARD FINDINGS

Finding 2020-001 – Significant Deficiency

Program: San Joaquin River Restoration Settlement

CFDA No.: 15.555

Federal Agency: U.S. Department of the Interior

Award Number: R19AC00013

Award Year: 2019/20

Compliance Requirement: Reporting

Questioned Costs: N/A

Criteria:

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

Condition:

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

Cause:

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

Effect:

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

Recommendation:

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

Management's Response:

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

Current Year Status:

Implemented.

FRIANT WATER AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

Finding 2020-002 – Significant Deficiency

Program: San Joaquin River Restoration Settlement

CFDA No.: 15.555

Federal Agency: U.S. Department of the Interior

Award Number: R19AC00013

Award Year: 2019/20

Compliance Requirement: Procurement, Suspension & Debarment

Questioned Costs: N/A

Criteria:

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

Condition:

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

Cause:

There was a lack of understanding of federal laws and regulations relating to this requirement subsequent to fiscal year-end 2020.

Effect:

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

Recommendation:

We recommend that the Friant Water Authority establish written procurement policies and procedures as required by the Uniform Guidance and as stated in the Assistance Agreements and implement them to monitor for compliance and performance with the updated policies and procedures.

Management's Response:

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

**FRIANT WATER AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Current Year Status:

Implemented. There were no contracts issued for the current year, however, the Authority has adopted an updated procurement policy which is in line with the required federal guidelines which they will follow when issuing further contracts for this grant.

Finding 2020-003 – Significant Deficiency

Program: San Joaquin River Restoration Settlement

CFDA No.: 15.555

Federal Agency: U.S. Department of the Interior

Award Number: R19AC00013

Award Year: 2019/20

Compliance Requirement: Reporting

Questioned Costs: N/A

Criteria:

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

Condition:

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

Cause:

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

Effect:

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

Recommendation:

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

Management's Response:

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

Current Year Status:

See current year finding 2021-001.

Cliff Loeffler
Lindsay-Strathmore I.D.
Chairman of the Board

Edwin Camp
Arvin-Edison W.S.D.
Vice Chairman

Jim Erickson
Madera I.D.
Secretary/Treasurer

Kole Upton
Chowchilla W.D.

Tim Orman
City of Fresno

George Porter
Fresno I.D.

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Chief Executive Officer

854 N. Harvard Ave.
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Sacramento, CA 95814

(559) 562-6305

Corrective Action Plan For the Fiscal Year Ended September 30, 2021

Finding	2021-001
Type of Finding:	Significant Deficiency
Program:	San Joaquin River Restoration Settlement
CFDA No.:	15.555
Federal Agency:	U.S. Department of the Interior
Award Number:	R19AC00013
Award Year:	2020/21
Compliance Requirement:	Reporting
Questioned Costs:	N/A

The Authority recognizes that need to improve timeliness of the report submission to comply with all financial and performance reports submissions within 30 days of each quarter end.

Corrective Action Plan:

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

Contact:

Wilson Orvis, Chief Financial Officer
559-420-1602
worvis@friantwater.org

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PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Reference 2020-001

Type of Finding: Significant Deficiency - Reporting

Criteria:

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

Condition:

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

Cause:

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

Effect:

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

Recommendation:

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

Current Year Status:

Implemented.

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Reference

2020-002

Type of Finding:

Significant Deficiency - Procurement, Suspension & Debarment

Criteria:

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

Condition:

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

Cause:

There was a lack of understanding of federal laws and regulations relating to this requirement subsequent to fiscal year-end 2020.

Effect:

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

Recommendation:

We recommend that the Friant Water Authority establish written procurement policies and procedures as required by the Uniform Guidance and as stated in the Assistance Agreements and implement them to monitor for compliance and performance with the updated policies and procedures.

Current Year Status:

Implemented. There were no contracts issued for the current year, however, the Authority has adopted an updated procurement policy which is in line with the required federal guidelines which they will follow when issuing further contracts for this grant.

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Reference

2020-003

Type of Finding:

Significant Deficiency - Reporting

Criteria:

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

Condition:

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

Cause:

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

Effect:

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

Recommendation:

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

Current Year Status:

See current year finding 2021-001.



No. 4.A

Begin Phase 1 Project

Avenue 136

LTRID

TPDWD

Avenue 128

Siphon 4

Road 208

T

T

T

SID

Avenue 120

Avenue 112

Siphon 5

T

T

Avenue 104

Deer Creek Check/Siphon

DCTRA

SID

T

TBID

Siphon 6

Siphon 7

Road 208

T

SID

Avenue 88

Siphon 8

Avenue 80

Siphon 9

T

SID

T

DEID

Siphon 10

Avenue 64

End Phase 1 Project

FRIANT-KERN CANAL MIDDLE REACH CAPACITY CORRECTION PROJECT PHASE 1

Construction Progress Report: June 2022

Porterville
Municipal
Airport

Highway 65

Elmco

Terra Bella

Avenue 95

65

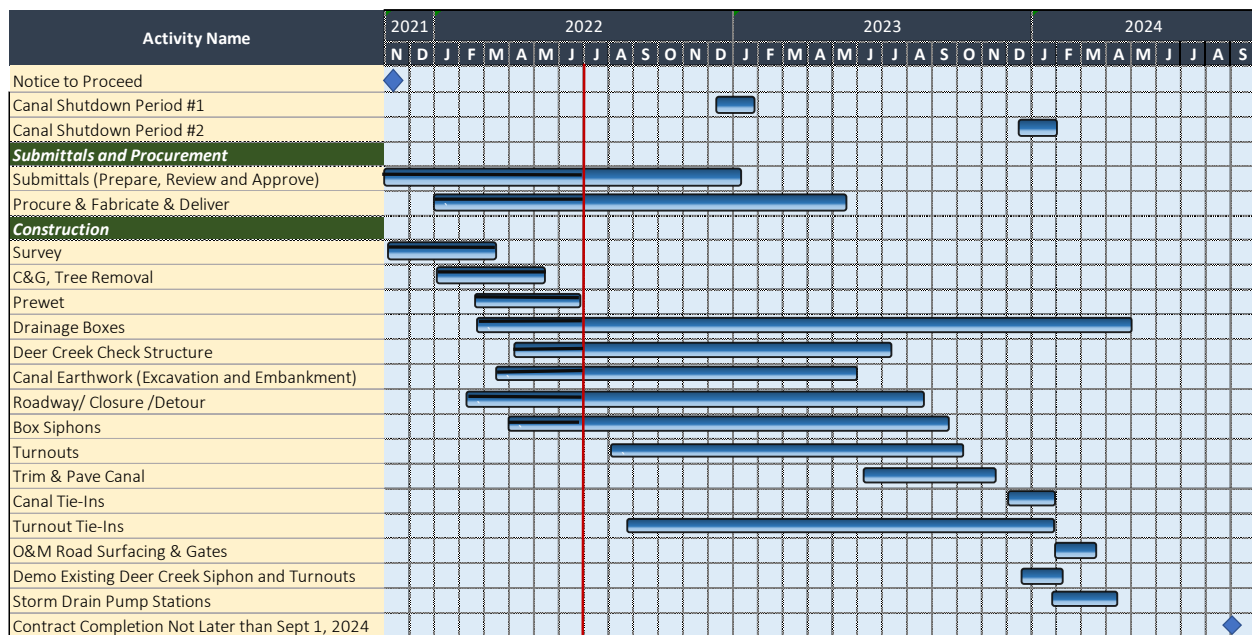
65



Summary of Work Accomplished

- Completed mobilization activities that included setting up the concrete batch plant at the Terra Bella Irrigation District (TBID) staging area. The waterline from the canal to the staging was installed.
- Prewet systems installation and operation continued at the TBID borrow area.
- Completed canal embankments foundation preparation.
- Continued canal excavation and embankment placement along the new alignment. The majority of the new canal prism has been excavated to invert between Avenue 136 and Terra Bella Avenue, and the alignment between Terra Bella Avenue to the end is partially excavated to invert.
- Placed engineered fill in the Deer Creek check/siphon area.
- Completed excavation for the roadway crossing siphon at Avenue 88 and started placing concrete formwork.
- Started excavation for the roadway crossing siphon at Avenue 112.
- Both Southern California Electric (SCE) and Southern California Gas Company were on-site to conduct utility relocations of their facilities that conflict with the planned construction. SCE started the 220kV tower raise south of Avenue 88.

Schedule Progress



Work completed to-date (based on cost) is approximately 28.7 percent of the original contract amount, and the elapsed time (through June) represents approximately 23.5 percent of the total contract time

Construction Narrative

The Contractor completed mobilization activities this month that included setting up the concrete batch plant at the TBID staging area site. The installation of the water line for the batch plant from the canal was completed and the batch plant started delivering concrete for the project. Good progress continued to be made on submittal preparation and requests for information to clarify information needs of the Project. Work on the irrigation and drainage extensions at five locations continued this month. The Contractor placed the slab and wall concrete for the 5-ft by 4-ft drainage extension box south of Avenue 128, placed and backfilled the 48-inch pipes at north of Avenue 88 and north of Terra Bella Avenue; excavated for the box south of Road 208 and for the pipe south of Avenue 88. Prewet systems installation and operations continued this month at the TBID borrow area site. Potholing an irrigation pipe at Avenue 88 was conducted. SCE started work on the 220kV tower raise south of Avenue 88.

Canal foundation preparation activities were completed this month. Canal excavation and embankment placement continued, with work being performed between Avenue 136 and Deer Creek and between Road 208 and Avenue 80. The daily earthwork production rate ranged from approximately 12,000 cubic yards (cy) to 17,000 cy per shift. Materials from the TBID borrow source continued to be placed in the canal embankments, and compaction tests performed with all areas passing compaction tests prior to the placement of the next lift. Additional sources of borrow were from the existing canal embankment left and the Teapot Dome Water District recharge basin area. Over excavation in the Deer Creek check/siphon area was completed and inspected by the project geotechnical engineers. Engineered fill was placed in this area and the groundwater dewatering system continued to operate. Excavation for the new roadway siphon in Avenue 88 was completed and the Contractor placed concrete formwork panels using cranes and a boom loader. The wall forms were braced and bolted to each other with steel anchor rods driven into the ground for stability. Excavation for the new roadway siphon at Avenue 112 was complete to 4-foot above grade.

Environmental

Biological construction monitoring in areas of active construction continued. To-date, no evidence has been found to indicate the presence of kit fox or burrowing owls within the work area. Reduced buffer areas for nesting birds are currently in place at five locations after consultation with the United States Fish and Wildlife Service/Migratory Bird Treaty Act branch.

Change Orders

There were five change orders this month, ranging from \$8,955 to \$300,000 for a total change order amount of \$445,140. The largest change order was to support AT&T utility relocations to keep the project on schedule.

Construction Progress Photographs¹



Engineered fill backfill and compaction at the Deer Creek check/siphon area



Installation of 48-inch pipe north of Terra Bella Avenue



Avenue 88 roadway siphon concrete formwork



Drainage box south of Avenue 128



220kV tower raise south of Avenue 88



Drainage pipes north of Avenue 88

¹ Photographs courtesy of Reclamation



Deer Creek check/ siphon foundation



TBID borrow area



Avenue 88 siphon construction

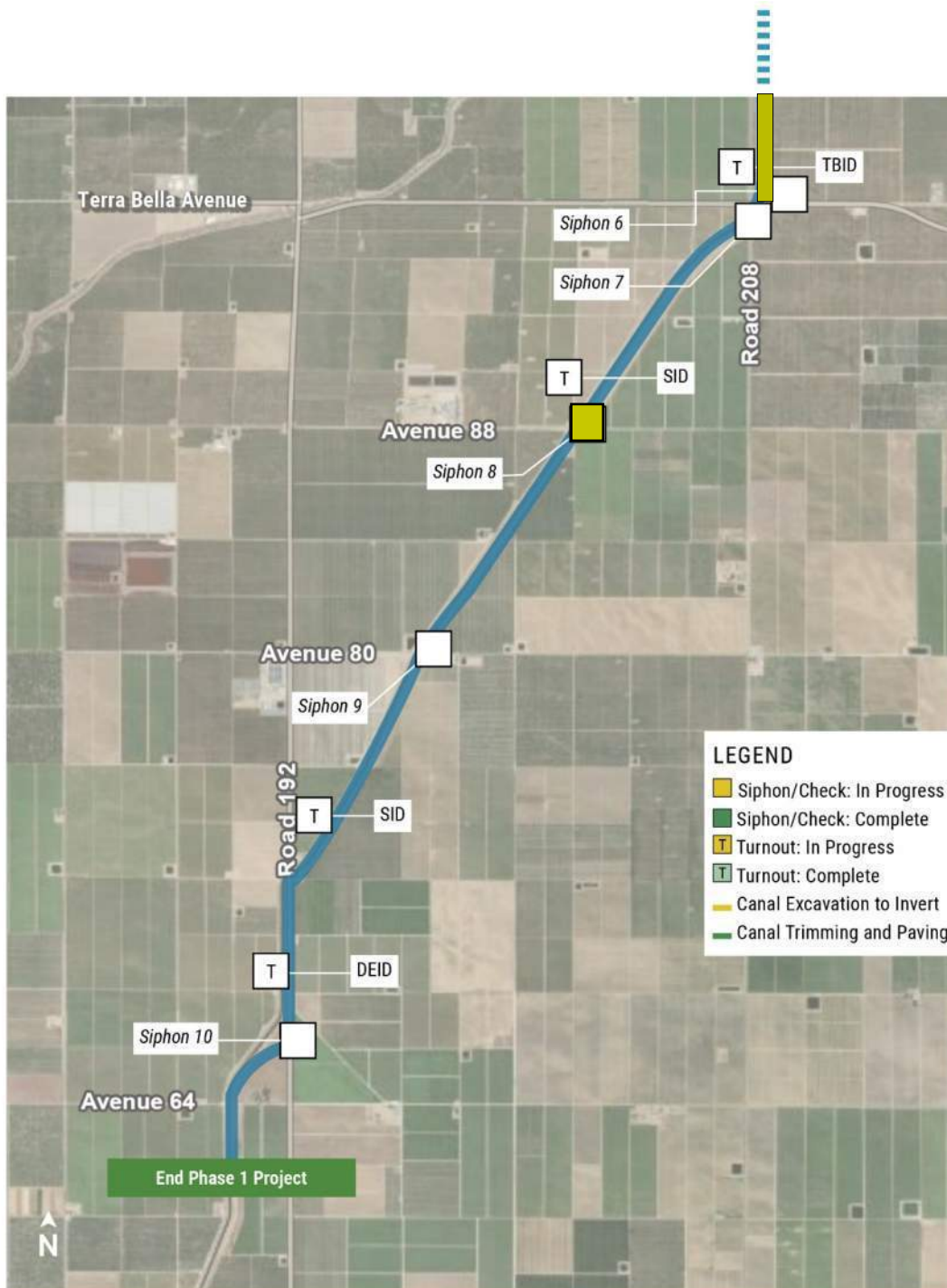


Canal embankment construction north of Avenue 128 and adjacent Teapot Dome WD recharge basin

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 June 30, 2022

Sources of Funds	Federal Funding		FWA Spending Plan Funds		Friant Water Authority Funding					
	SJRRP funds	WIIN funds	Advance Payments for Construction Costs		FWA Contractors	Eastern Tule GSA	Pixley GSA	Delano GSA	State Funding-DWR	Total FWA funds
Anticipated Funding	\$41M-\$46.9M	\$ 210,550,000	\$ 118,645,000		\$ 50,000,000	\$125M-\$200M	\$ 11,000,000	\$ 1,200,000	\$ 29,792,000	
Funds Secured/Received to date	\$ 41,000,000	\$ 210,550,000	\$ 18,289,000		\$ 32,006,538	\$ 4,733,243	\$ 11,000,000	In progress	\$ -	\$ 47,739,781
Expenditures to date	(37,328,498)	(45,842,860)	\$ (10,367,456)		(16,814,124)	(4,733,243)	(11,000,000)	-	-	(32,547,367)
Remaining Funding Available	\$ 3,671,502	\$ 164,707,140	\$ 7,921,544		\$ 15,192,414	\$ -	\$ -	In progress	\$ -	\$ 15,192,414

Project Cost Category	Budget Estimate (2022)			Prior Period Expenditures (Cumulative)		June 30, 2022 Expenditures		Total Expenditures through June 30, 2022		Remaining Budget	
	Reclamation	FWA (Non-Federal)	Total	Reclamation Expenditures	FWA Expenditures	Reclamation Expenditures	FWA Expenditures	Reclamation Expenditures	FWA Expenditures	Reclamation	FWA (Non-Federal)
Prior-Period Preconstruction Costs (thru September 30, 2021)	\$ 23,081,048	\$ 3,525,733	\$ 26,606,781	\$ 23,081,048	\$ 3,525,733			\$ 23,081,048	\$ 3,525,733	\$ -	\$ -
ROW & Land Acquisition	\$ 8,288,108	\$ 14,013,460	\$ 22,301,568	\$ 6,852,531	\$ 11,320,733	\$ 103,558	\$ (970,561)	\$ 6,956,089	\$ 10,350,172	\$ 1,332,019	\$ 3,663,288
Legal & Administration (Facilitating Services) & IT Services	\$ 517,667	\$ 506,000	\$ 1,023,667	\$ 261,379	\$ 128,375	\$ 6,152	\$ 27,873	\$ 267,531	\$ 156,248	\$ 250,136	\$ 349,752
Permitting, NEPA/CEQA, Cultural Resources, & Environmental Monitoring	\$ 1,176,106	\$ 500,000	\$ 1,676,106	\$ 735,137	\$ 101,908	\$ 5,058		\$ 740,195	\$ 101,908	\$ 435,911	\$ 398,092
Project Management	\$ 2,360,302	\$ 1,987,500	\$ 4,347,802	\$ 627,192	\$ 114,327	\$ 24,141	\$ 9,978	\$ 651,333	\$ 124,305	\$ 1,708,969	\$ 1,863,195
Construction Management	\$ 12,000,000	\$ -	\$ 12,000,000	\$ 983,664	\$ -	\$ 546,825		\$ 1,530,489	\$ -	\$ 10,469,511	\$ -
Design & Specifications	\$ 1,785,380	\$ -	\$ 1,785,380	\$ 1,343,853	\$ -	\$ -		\$ 1,343,853	\$ -	\$ 441,527	\$ -
Construction Support	\$ 13,561,832	\$ -	\$ 13,561,832	\$ 2,616,197	\$ -	\$ 727,036		\$ 3,343,233	\$ -	\$ 10,218,599	\$ -
Construction Contract - Phase 1 Replacement Pump Stations	\$ 8,629,262	\$ 8,629,262	\$ 17,258,525	\$ -	\$ -	\$ -		\$ -	\$ -	\$ 8,629,262	\$ 8,629,262
Construction Contract - MRCCP Phase 1	\$ 68,226,273	\$ 110,464,022	\$ 178,690,295	\$ 38,770,603	\$ 6,769,000	\$ 6,486,984	\$ 11,520,000	\$ 45,257,587	\$ 18,289,000	\$ 22,968,686	\$ 92,175,022
Construction Contract Contingency	\$ 6,624,022	\$ 6,624,022	\$ 13,248,044	\$ -	\$ -			\$ -	\$ -	\$ 6,624,022	\$ 6,624,022
Total	\$ 146,250,000	\$ 146,250,000	\$ 292,500,000	\$ 75,271,604	\$ 21,960,076	\$ 7,899,754	\$ 10,587,290	\$ 83,171,358	\$ 32,547,367	\$ 63,078,642	\$ 113,702,633

% Cost-Share

50%

50%

72%

28%

Agenda Report

No. 4.B

DATE: July 28, 2022

TO: Board of Directors

FROM: Ian Buck-Macleod, Water Resources Manager

SUBJECT: Water Operations Update

SUMMARY:

The Friant Class 1 allocation was increased to 30% on July 20th; all other CVP allocations have remained the same. The most recent CVO forecast was released on June 29th, which showed fairly minimal changes at most locations compared to the May forecast. Releases from Friant for the Exchange Contractors began on April 1st and ended on July 15th. The most recent recommendation from the Restoration Administrator has Restoration Flows resuming in October.

DISCUSSION:

Inflow Forecasts

June and July precipitation has been generally near average in most locations throughout the State, although in most areas, average is near zero. Temperatures in June and July have generally been slightly above average, however have oscillated between above and below normal. Snowpack melted out in nearly all locations by mid-June. Precipitation across the State as a percent of normal currently ranges from 58% to 79%. Little to no precipitation is forecasted in the coming weeks except for potential monsoonal rains in the central and southern Sierra, while current temperature forecasts show near normal to about 10 degrees above normal temperatures for the northern half of the State.

Table 1 shows the unimpaired inflow forecasts for Shasta Lake and Millerton Lake from the California Nevada River Forecast Center (CNRFC) and the California Department of Water Resources (DWR), respectively, along with a Millerton inflow forecast from the South-Central California Area Office (SCCAO). Forecasts for both Shasta and Millerton have converged across a small range at this point in the water year. The June 7 update was the final Bulletin 120 forecast for the year. As a result of the defined shortage criteria, it is a Shasta Critical year; unimpaired inflow to Shasta in WY 2022 needed to be at least 4.0 MAF this year to be non-critical.

Table 1. Unimpaired Inflow Forecasts for WY 2022

Item	Exceedance		
	90%	50%	10%
CNRFC Shasta Unimpaired Inflow (TAF) ¹	2,890	2,900	2,910
DWR Shasta Unimpaired Inflow (TAF) ²	2,915	2,960	3,030
CNRFC Millerton Unimpaired Inflow (TAF) ¹	1,030	1,030	1,030
DWR Millerton Unimpaired Inflow (TAF) ²	1,007	1,044	1,090
SCCAO Millerton Unimpaired Inflow (TAF) ³	1,027	1,033	1,046

Notes:

¹ As of July 26.² As of June 7 (final B120).³ As of July 8 (60%DWR/40%NWS).**CVP NOD Operations**

Overall CVP North-of-Delta reservoirs are at mostly below-normal storage levels for this week based on their 15-year average – Trinity, Shasta, and Folsom are 49%, 59%, and 103% of average, respectively. Releases from all upstream reservoirs have been mostly holding steady to meet downstream demands and to maintain water quality and exports in the Delta.

CVO provided a June projection at the 90% exceedance level, which used the final June Bulletin 120 inflow forecasts. As such, all reservoir and operations projections included in this document include CVO's June 90% projection, along with an internal FWA projection which uses the May 1 Bulletin 120 90% exceedance forecast but was adjusted based on observed conditions.

In late March, the CVP, various State agencies, and the Sacramento River Settlement Contractors agreed on an approach for Shasta operations for the mid-April through September period. The operation creates a flow target of 3,000 cfs at Wilkins Slough, with releases from Keswick to be no higher than 4,500 cfs on a monthly average. This operation seeks to preserve as much coldwater in Shasta for as long as possible. This operation is expected to result in only 15-20% of supplies available for the Settlement Contractors. Based on improved water supply conditions an additional TUCP for the July through August period was not filed by CVO and the SWP. The recent TUCP/TUCO expired on July 1st. The projects are currently operating to the standard D-1641 requirements in the Delta.

Figures 1 and 2 show the projected Shasta Lake and Folsom Lake storage through September based off the most recent CVO and internal projections, respectively, as compared to actuals to date. Inflow from the April and May storms, along with lower spring releases has allowed Shasta storage to trend above both the 90% exceedance projection from CVO and the internal projection. The 90% CVO projection currently indicates an end of September Shasta storage volume of 1.39 MAF, and the internal projection shows 1.29 MAF. Folsom storage has generally trended near or above forecasted as the American River watershed was on or near the target of the April and May storm events. This, along with lower than expected spring releases, allowed Folsom to reach approximately 90% full. Folsom storage topped out for the year at 865 TAF and is now dropping as releases are being made to support Delta water quality and increased Delta exports.

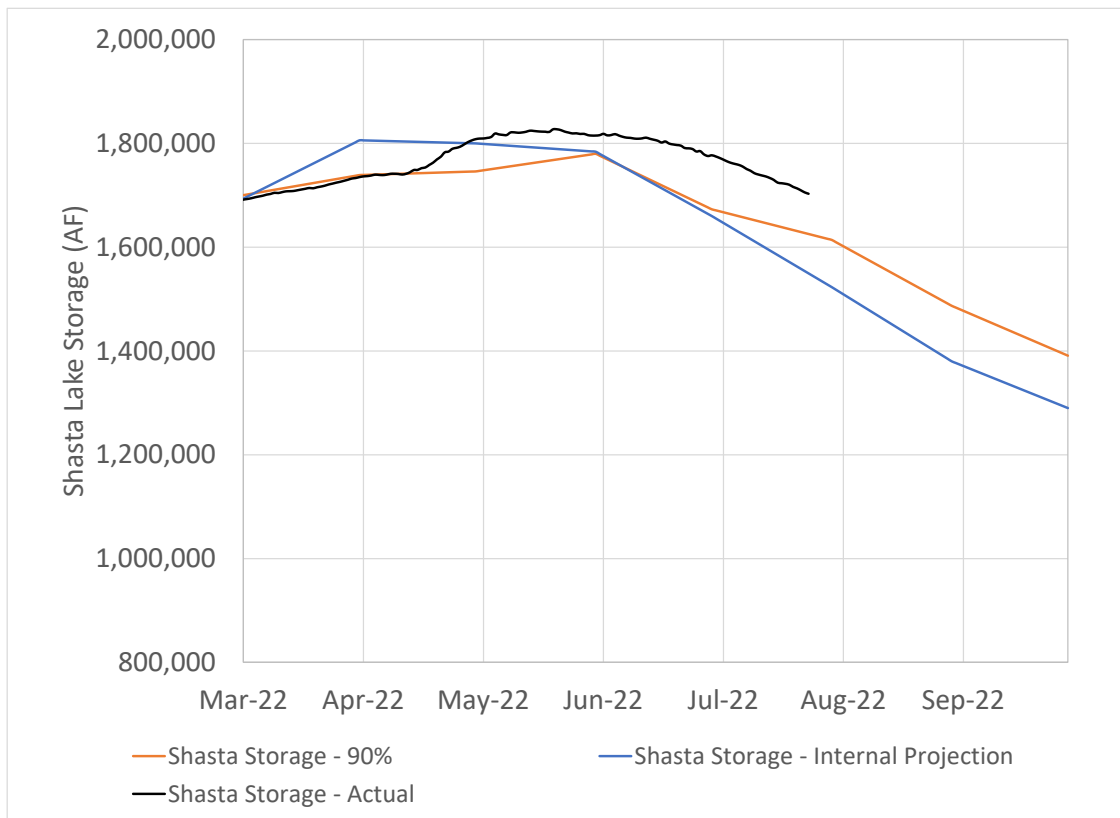


Figure 1. Shasta Lake Storage – June CVO and Internal Forecast Compared to Actuals

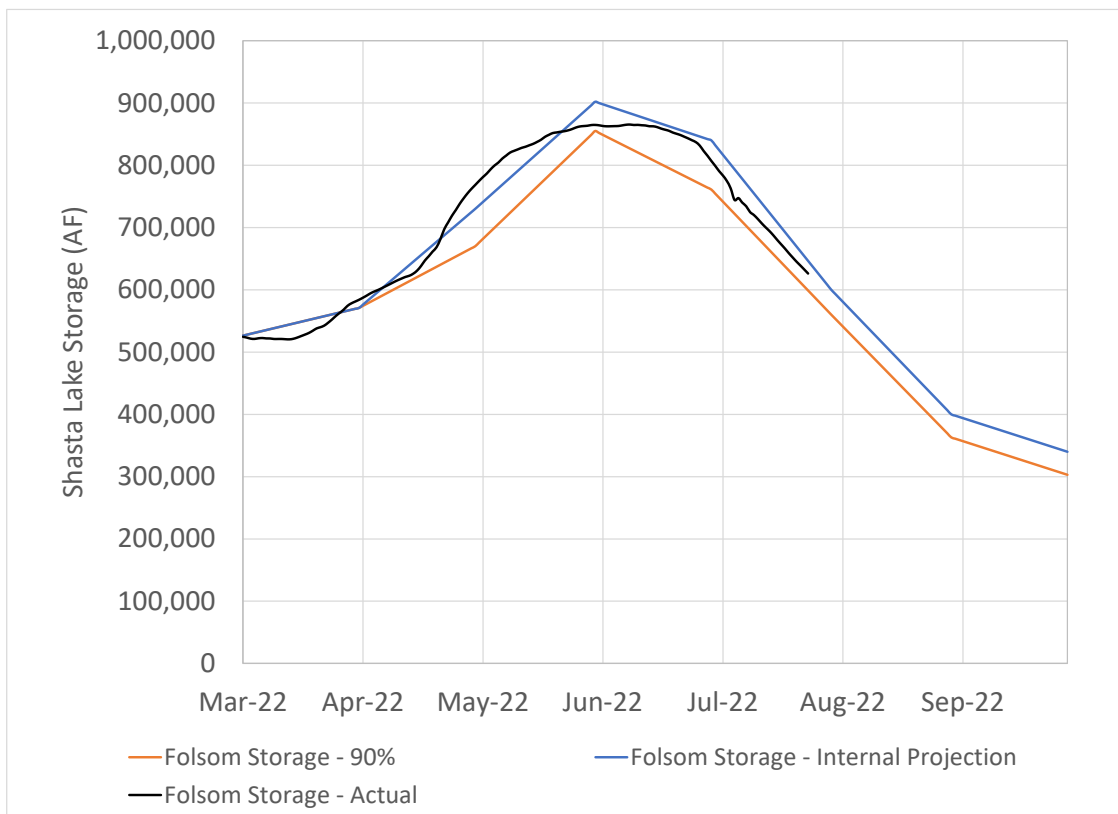


Figure 2. Folsom Lake Storage – June CVO and Internal Forecast Compared to Actuals

CVP SOD Operations

Delta Operations

Jones exports were at a one-unit operation from April until the end of June. Exports had been limited by TUCO limits, overall availability, and the Vernalis 1:1 requirement. On July 1, Jones exports increased to a two-unit operation and then a three-unit operation on July 11. CVO anticipates being able to hold three units through at least through the end of August, but operations may be adjusted based on water quality conditions in the Delta. Figure 3 shows the projected daily Jones pumping through September as compared to actuals to date. Of this increased Jones pumping, approximately 300 cfs is considered to be part of north-of-Delta, Yuba River transfers to San Luis and Delta-Mendota Water Authority water contractors, which will total less than 30 TAF when complete.

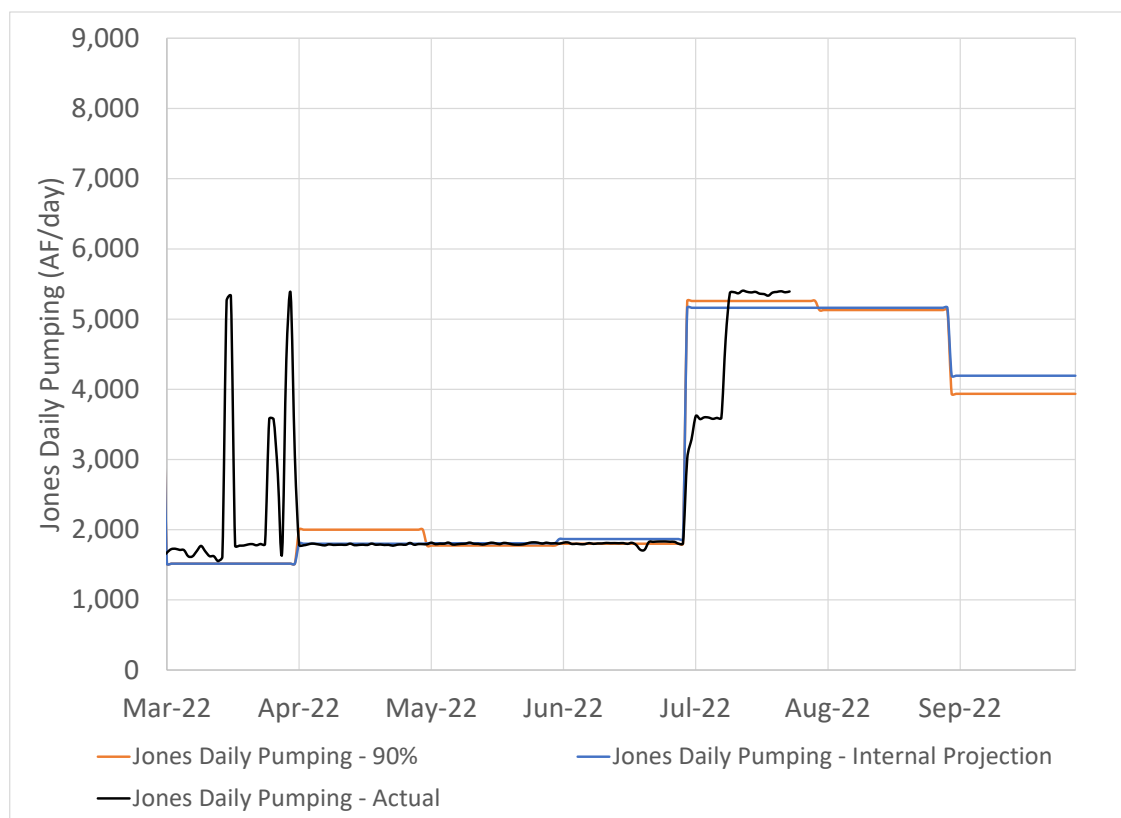


Figure 3. Daily Jones Pumping – June CVO and June Internal Exceedance Projections Compared to Actuals

As of July 19, water right curtailments were in effect for a number of tributaries in the Sacramento and San Joaquin Valleys, with all rights in the San Joaquin watershed being curtailed to at least a 1900 priority, all rights in the Sacramento watershed being curtailed to at least a 1917 priority, and all rights in the Legal Delta also being curtailed to a 1917 priority. At this time, the SWRCB anticipates many of these curtailments to remain in effect for most of the summer.

San Luis Operations

CVP San Luis Reservoir storage is at 181 TAF—63% of its 15-year average. At the end of May there was approximately 254 TAF of rescheduled and non-Project water in CVP San Luis, with most contractors expecting to slowly use this throughout the season. This leaves approximately 83 TAF of Project supply currently available. Figure 4 shows the 90% June exceedance projection from CVO and the June internal projection for San Luis Federal storage through September as compared to actuals. Please note both projections display actual storage, which currently includes approximately 250 TAF of non-project water at the end of May. The CVO projection currently shows CVP San Luis physical storage reaching low-point in October, but remaining positive.

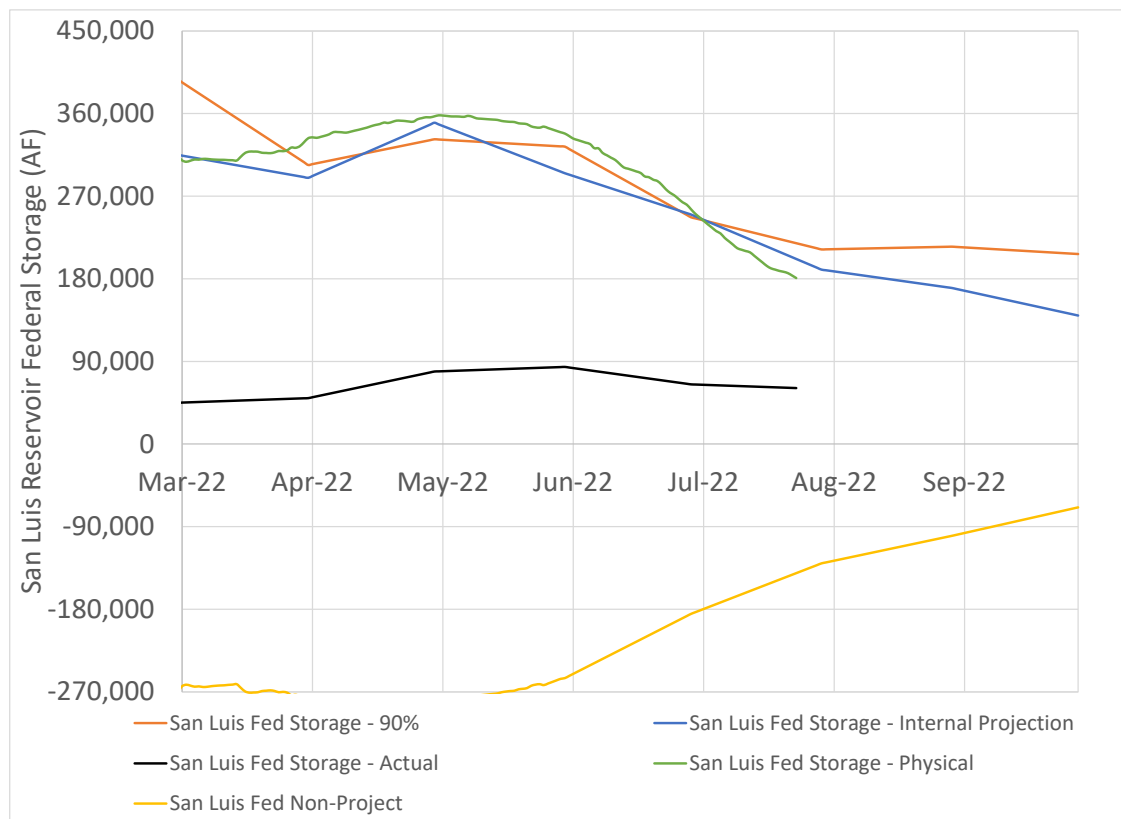


Figure 4. San Luis Federal Storage – June CVP and Internal Exceedance Projections as Compared to Actuals

Exchange Contract

On April 1st water began being released from Friant to meet Exchange Contractor demands. Releases from Millerton began decreasing on June 22 and are currently about 230 cfs. Delivery of Friant water to Exchange Contractors ceased on July 15, with flows dropping to Holding Contract minimum at Gravelly Ford. Total delivery to Exchange Contractors of Friant supply was 32 TAF in April, 63 TAF in May, 62 TAF in June, and approximately 8 TAF in July, removing losses.

Friant Division

Millerton and Friant Allocation

Figure 5 shows the Millerton Lake storage through September based off the most recent SCCAO 90% projection, as compared to actuals to date. The projection shows a 30% Class 1 available supply (240 TAF) on top of 37 TAF of carryover supply, and 54 TAF of URFs (note recent change to URF's in next section). This projection includes the approximately 211 TAF that has been released for the Exchange Contractors, with no additional releases for the Exchange Contractors this year. Millerton Lake storage had trended above the forecast due to somewhat higher snowmelt runoff and upstream reservoir releases than forecasted, but has since aligned with the forecast. Storage peaked for the year at about 376 TAF.

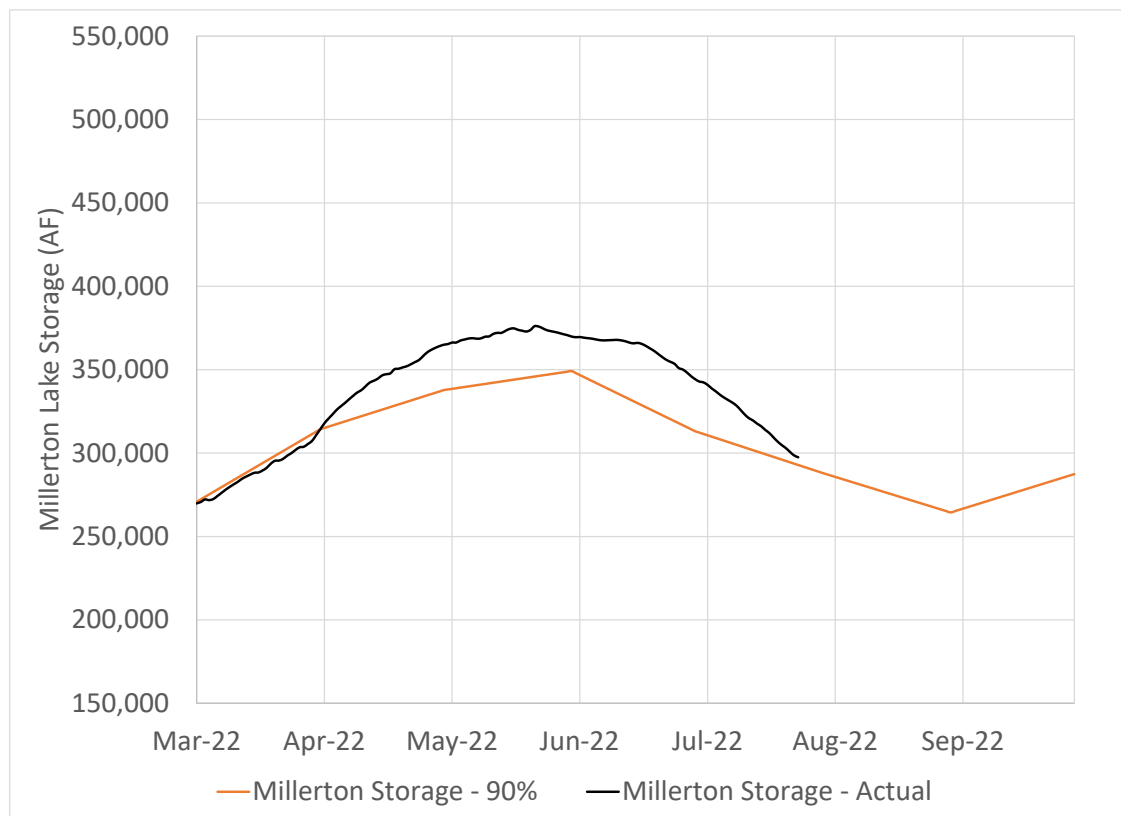


Figure 5. Millerton Lake Storage – SCCAO 90% Exceedance Projection Compared to Actuals

Friant Division Contractors

The CVP Friant allocation for 2022 was increased to 30% of Class 1 supplies (240 TAF) on July 20. In May, 42 TAF of Gross URFs were sold. Another 26 TAF of Gross URFs were accepted for URF Exchanges (10.5 TAF of which from 2018 agreement) in May through July. Finally, 33 TAF Gross URFs were sold in July, totaling 101 TAF of Gross URFs this year. Based on recent forecasts for south-of-Delta and Millerton operations, **FWA does not estimate another change to the Class 1 allocation this contract year.**

San Joaquin River Restoration Allocation

On May 13th, Reclamation notified the Restoration Administrator (RA) of the final allocation update for WY 2022/23 of 232,470 AF, as measured at Gravelly Ford. On July 12th the RA submitted a revised schedule for the remainder of the restoration year. The recommendation includes no Restoration Flow releases

through September in order to preserve coldwater pool in Millerton. The recommendation has been approved by Reclamation following completion of a water supply test related to shifting 19.8 TAF of releases from summer to fall months, which concluded there would be no material reduction to Friant Contractor deliveries as a result of the revised schedule. Restoration flows previously ceased on April 10th due to capacity limitations in Reach 2 and the need for Exchange Contractor supply, which have priority over Restoration flows. The last day of Restoration flows past Sack Dam was April 12th.

San Joaquin River Restoration Recapture

Recapture at Mendota Pool is unlikely this year except for at the beginning and end of Restoration Flow releases in October and February, respectively. The temporary transfer petition for recapture at PID and BCID was delayed due to the uncertainty regarding availability of Restoration Flows due to the releases for the Exchange Contractors. The petition for temporary transfer will be resubmitted in the near future with the expectation of being able to recapture Restoration Flows at PID or BCID when Restoration Flows resume.

AGENDA REPORT

NO. 4.C

DATE: July 28, 2022

TO: Board of Directors

FROM: Alex Biering, Government Affairs and Communications Manager
Johnny Amaral, Chief of External Affairs

SUBJECT: External Affairs Update

SUMMARY:

Update on State and Federal affairs and communications activities.

RECOMMENDED ACTION:

None; informational only.

SUGGESTED MOTION:

None; informational only.

DISCUSSION:

State Affairs

CA 2022/2023 Budget

As of today, the Legislature is currently on a summer break and will reconvene on August 1 to handle the remaining policy and budget bills for the 2021/2022 session. Although the second \$100 million for SB 559 projects was included in the 2022/2023 budget California passed last month, we still have opportunities to increase that number and are working actively to do so. On July 18, Senator Hurtado sent a letter (attached) to the Senate and Assembly budget committee chairs requesting additional funding for the SB 559 projects in a forthcoming trailer bill; the letter was cosigned by five San Joaquin Valley and/or Bay Area members.

Legislative Schedule for Remainder of 2022

- 8/1** Legislature reconvenes.
- 8/12** Last day for fiscal committees (Appropriations) to report bills to the floor.
- 8/25** Last day to amend bills on the floor.
- 8/31** Last day to pass bills; final recess begins.

Legislation of Interest

Below are bills FWA has flagged for interest or discussed with other groups or members of the Legislature.

- AB 1001 (Garcia, C): Would require mitigation measures under CEQA for air or water quality impacts to DACs. *This bill did not pass the Senate Environmental Quality Committee and is now dead.*
- AB 2108 (Rivas): Would require that one of the Governor's appointees to the SWRCB and to each regional board be qualified in the field of water supply and water quality relating to disadvantaged or tribal communities. *This bill has passed through the Senate Natural Resources & Water Committee and is now in Appropriations.*
- AB 2201 (Bennett): Would prohibit a county, city, or any other water well permitting agency from approving a permit for a new groundwater well or for an alteration to an existing well in a basin subject to SGMA and classified as medium- or high-priority unless specified conditions are met, including that it obtains a written verification from the GSA that the well is consistent with the GSP. *Recent amendments make this bill mostly consistent with Gov. Newsom's March 2022 Executive Order. This bill has passed out of the Senate Government & Finance Committee and is now in Appropriations.*
- ACA 13 (Mathis): Would require the Treasurer to annually transfer an amount equal to 2% of all state revenues from the General Fund to the Water Infrastructure Trust Account, which the measure would create. *This bill was triple-referred to Assembly committees on Water, Parks & Wildlife and Natural Resources.*
- SB 1205 (Allen): Would require the SWRCB to develop and adopt regulations to require more detailed and comprehensive water availability analyses that are submitted by water right permit applicants. *This bill passed the Senate Natural Resources Committee and is now in Appropriations.*

Federal Affairs

House Passes First FY 2023 Spending Minibus

The House last week passed a \$402 billion, six-bill appropriations minibus, H.R. 8294, which contains the FY 2023 Interior-EPA, Energy-Water, Transportation-Housing and Urban Development, Agriculture-Rural Development, Financial Services-General Government, and Military Construction-Veterans Affairs spending bills. The final vote was 220-207, along party lines. GOP members offered numerous amendments to decrease spending levels and add policy riders, but all were defeated by House Majority Democrats.

House leadership is hoping to pass another spending package soon that could include the Commerce-Justice-Science, State-Foreign Operations, and Labor, Health & Human Services-Education spending bills. Defense and Homeland Security bills are expected to be delayed due to disagreements over spending levels and immigration policies. The Senate, meanwhile, has yet to move any spending bills but we expect that Majority Democrats will release their draft versions of FY 2023 spending bills later this week, since no

bipartisan agreement has been reached between House and Senate Democrats and Republicans on overall FY 2023 spending levels.

House Democrats Move Large Drought, Wildfire Package to the House Floor

House Democrats are moving the "Wildfire Response and Drought Resiliency Act," H.R. 5118, a package of 48 bills related to wildfire, forest management and drought to the House floor this week. The authorizing legislation would boost spending on wildland fire fighting, forest management projects that make federal forests more fire resilient, and several near-term water projects like reuse, recycling, desalination, and conservation to increase drought resiliency in the West. Over 40 amendments were filed with the House Rules Committee, but only a handful were approved for consideration this week. House Republicans derided the measure as incomplete and falling short of providing for pressing needs. While the House package may pass along party lines, it faces an uphill battle in the Senate, although parts of the bill may become part of a future negotiated bipartisan House-Senate natural resource title later this year.

Senate Expected to Vote on WRDA Bill

The Senate is expected to consider H.R. 7776, their "Water Resources Development Act (WRDA) of 2022" as soon as this week. The legislation would provide the Army Corps of Engineers with new climate-focused policies and authorize about \$37 billion worth of new water and environmental projects. The Senate WRDA legislation S. 4137 was unanimously approved by the Senate Environment and Public Works Committee earlier this year. The House last month passed their version of WRDA that differs from the Senate version, so it will be amended by the Senate vote to reflect those changes. The House must then take up and pass the Senate version once approved to send it to the President's desk.

Hoover Dam Transformer Catches Fire

A transformer at the Bureau of Reclamation's Hoover Dam on the Colorado River briefly caught on fire last week but was quickly extinguished. The water and power agency said there were no injuries to visitors or staff related to the incident, and power generation continued at the dam during the fire. The Hoover Dam, completed in 1935, remains the nation's tallest concrete dam at 726.4 feet, but Lake Mead behind the dam has receded over 180 feet from full pool due to several decades of drought conditions in the Basin.

Biden Administration Reverses Trump-Era ESA Habitat Rule

As expected, the Biden Administration's U.S. Fish and Wildlife Service last week formally reversed a key Trump Administration Endangered Species Act (ESA) rule defining critical habitat under the ESA. The agency announced that they are rescinding the ESA critical habitat rule in the Federal Register which starts a 30-day countdown for when the rescission takes effect. Under the ESA, critical habitat is considered "essential for the conservation of the species." The law provides for exclusions from critical habitat designation that are subject to interpretation by the agency, which are at the crux of the Trump-era rule that expanded the use of such exclusions.

Upper Colorado River Basin States Say Drought has Already Curtailed Water Usage

States in the Upper Colorado River Basin (Wyoming/Colorado/Utah/New Mexico) through the Upper Colorado River Commission (UCRC) recently told the Bureau of Reclamation that persistent drought in the Basin has already diminished their available water supplies through state water right cuts under the prior

appropriation doctrine (aka Western water law), and that any additional water use cuts in the Basin should focus on water used by the Lower Basin states of Arizona, California and Nevada. The UCRC letter called for enhanced water measurement, monitoring, and reporting infrastructure to improve water management, but stopped short of identifying any water cutbacks in the Upper Basin.

Reclamation Commissioner Camille Touton announced last month at a congressional drought hearing before the Senate Energy and Natural Resource Committee that Colorado River Basin states would need to cut between 2- and 4- million acre-feet of water to protect "critical levels" in Lakes Powell and Mead in 2023. The Colorado River Compact of 1922 divided the Colorado River between seven Western states and the Country of Mexico and designates how to share 16.5- million acre-feet of water. However, recent estimates say the Basin produces a total volume more like 11- million acre-feet of water. The Lower Basin has experienced Tier 1 shortages cutting water supply deliveries to Arizona (-18%) and Nevada (-7%) beginning last year.

BUDGET IMPACT:

None.

ATTACHMENTS:

Budget Request Letter from Sen. Hurtado (July 18, 2022); Family Farm Alliance Executive Director's Report for July 2022; TFG Legislative Tracker (July 25, 2022).

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SENATOR.HURTADO@SENATE.CA.GOV
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California State Senate

SENATOR
MELISSA HURTADO

FOURTEENTH SENATE DISTRICT



COMMITTEES
HUMAN SERVICES
CHAIR

AGRICULTURE
VICE CHAIR

STANDING COMMITTEES
BUSINESS PROFESSIONS AND
ECONOMIC DEVELOPMENT

HEALTH

INSURANCE

SELECT COMMITTEES
CALIFORNIA, ARMENIA AND ARTSAKH
MUTUAL TRADE, ART AND
CULTURAL EXCHANGE

CALIFORNIA'S WINE INDUSTRY

CAREER TECHNOLOGY AND
THE NEW ECONOMY

PORTS AND
GOODS MOVEMENT

July 18, 2022

The Honorable Nancy Skinner
Chair, Assembly Committee on Budget
1021 O Street, Suite 8230
Sacramento, CA 95814

Assembly Member Phil Ting
Chair, Senate Committee on Budget
1021 N Street, Suite 8630
Sacramento, CA 95814

Dear Senator Skinner:

We are writing to urge your support for an increase in the allocation of state budget resources for repair of water conveyance facilities from \$100 million to \$300 million, consistent with the threefold increase in budget surplus that went from a projected \$30 billion in January to \$97 billion today.

The Friant-Kern Canal, Delta Mendota Canal, San Luis Canal, and California Aqueduct have experienced a significant loss in their design flow capacity – some facilities upwards of 60% - due to impacts from land subsidence. This loss in capacity doesn't only harm nearby farms, communities, and wildlife refuges, it also impacts Southern California's cities and disadvantaged communities who rely on imported water to serve the 27 million Californians reliant on these facilities for drinking water supplies.

We appreciate the Legislature and Governor's leadership in allocating \$100 million last year and for the \$100 million already included in the 2022 state budget to advance these important repairs. However, given the statewide importance of these facilities and the significant surplus California is projecting, we request that the funding allocation for these facilities be scaled to the increase in the projected budget surplus and commensurately increased to \$300 million.

This \$300 million from the General Fund would continue California's commitment to providing one-third of the total funding need of \$2.4 billion over 10 years – funding that will jumpstart essential repairs and help put us on a path to ensuring an affordable and reliable water supply for a large majority of our state. It will take federal, state, and local funding to address this problem, and we are committed to continuing to work with our federal partners to match state and local funding provided for these essential repairs.

We, therefore, respectfully urge your support for this request to increase the funding for water conveyance facility repairs from \$100 million as currently allocated in the legislative budget to \$300 million to make these essential investments and advance the repair of our state's most critical water delivery infrastructure.

Sincerely,



Melisa Hurtado
Senator, 14th District



Dave Cortese
Senator, 15th District



Anna Caballero
Senator, 12th District



Adam Gray
Assemblymember, 21st District



Carlos Villapudua
Assemblymember, 13th District



Rudy Salas
Assemblymember, 32nd District



MEMORANDUM

TO: FRIANT WATER AUTHORITY BOARD OF DIRECTORS
FROM: DAN KEPPEL, EXECUTIVE DIRECTOR
SUBJECT: UPDATE REPORT
DATE: JULY 17, 2022

This memo is intended to keep you apprised as to what is happening behind the scenes on policy issues the Family Farm Alliance is engaged in. In the past month, much of our efforts have focused on preparing for multiple Congressional hearings, monitoring federal agency implementation of the *Infrastructure Investment and Jobs Act*, working with Congressional staff on hearings and draft legislation, and expanding public outreach associated with global food insecurity and the importance of Western irrigated agriculture. These issues and other matters important to our members are further discussed in this memo.

UKRAINE, WESTERN DROUGHT, INFLATION & FOOD INSECURITY

Driven by concerns of rising food prices and the Russian invasion of Ukraine, the Family Farm Alliance board of directors at its meetings in Reno last February prioritized the need to improve communications on what rising inflation and the Ukraine crisis means to American consumers. We continue our efforts to educate the public and policy makers, as global realization of the looming food crisis grows every day.

1. A Wake-up Call to Our National Leaders from an American Rancher

The Alliance in March released a brief report – “[A Wake-up Call to Our National Leaders from an American Rancher](#)” – which further describes current and projected food shortages resulting from the Russia-Ukraine war. Alliance President Patrick O'Toole emphasizes that food security is something that Alliance leaders have warned policymakers about for over fifteen years. The Global Agricultural Productivity (GAP) Report in 2010 first quantified the difference between the current rate of agricultural productivity growth and the pace required to meet future world food

needs. That report predicted that total global agricultural output would have to be doubled by the year 2050 to meet the food needs of a growing global population.

2. Western Drought Policies Hurt Western Food Production

Nearly the entire state of California, which has the nation's largest agricultural economy by far (and is ranked in the top 10 in the world) is currently in the "severe" drought category or worse, and three-quarters is experiencing "extreme" to "exceptional" drought, according to U.S. Drought Monitor. California's agricultural economy last year shouldered \$1.2 billion in direct costs due to drought. [California Farm Water Coalition](#) estimates that up to 690,000 acres of California farmland will go fallow this year. Undoubtedly, the Western drought has reduced the amount of water for many users, including irrigated agriculture. However, in places like California and Oregon, much of the water that once flowed to farms and ranches is currently being re-directed by the federal government for environmental purposes. In other words, federal water policy is shutting down water availability for hundreds of thousands of acres of productive farmland. At a time when the future of Ukraine's ability to help feed the outside world is at risk, our ability to increase productivity is being further curtailed. The grim global hunger conditions we once expected to encounter in 2050 may now hit us decades sooner.

3. Record Hunger on the Rise

Earlier this month, the [State of Food and Nutrition in the World 2022](#) (SOFI) report showed that after years of seeing global hunger numbers drop, it is back – and at record levels and rising. The report shows that an unprecedented count of up to 828 million people went hungry in 2021, an increase of 46 million from the previous year and a leap of 150 million people since the start of the COVID-19 pandemic. World leaders fear global price spikes in food, fuel and fertilizers will lead to widespread famine, prompting global destabilization, starvation and mass migration on an unprecedented scale.

4. Millions in Sri Lanka Face Food Crisis

Sri Lankan President Gotabaya Rajapaksa fled the country early on Wednesday, just days after thousands of protesters stormed his residence over the nation's crippling economic crisis. This came after months of demonstrations against Sri Lankan officials as the South Asian country grapples with severe food and fuel shortages and skyrocketing inflation. Canadian Broadcasting Association [reports](#) that domestic food production also took a hit by the government of Sri Lanka's April 2021 decision to ban the importation of chemical fertilizers and agrichemicals, including herbicides and pesticides, in an apparent shift to organic agriculture. But the move was abrupt, with no plan to import organic fertilizers and no boost in domestic production. By the time the ban was partially reversed in November, farmers reported a 40 to 50 per cent loss in rice paddy crops. Fruit, vegetable and tea crops also suffered. The cost of chemical fertilizer has also risen dramatically since that time, amid a global shortage, leaving farmers in the lurch.

5. When Farmers Revolt

Farmers in the Netherlands are taking to the streets in anger, protesting sweeping environmental policy change that threatens to upend the extraordinary agricultural productivity of the tiny country, which ranks second only to the U.S. in global exports. Amazingly, the Netherlands accomplished that impressive output with a land base that is approximately 270 times smaller than that of the U.S. – roughly one-third the size of Wisconsin.

In December 2021, the Netherlands Environmental Assessment Agency released a 13-year, 25-billion-euro plan to cut nitrogen oxide and ammonia emissions by 50% by 2030. The plan in its current state would reduce the Netherlands' population of cattle, pigs, and poultry by roughly 30%. The potential methods of doing so include voluntary buy-outs, relocation, and even expropriation-forced sale of emission rights and even land itself to the state ([Dairy Herd Management](#)). Farmers have taken their frustrations to the streets by blocking highways, storming a provincial assembly and driving a caravan of tractors into the heart of the country's administrative and royal capitol city, The Hague. The protests have ensued for nearly three years, with a massive "freedom convoy" of trucks, tractors, and other farm implements currently rolling across the country (*Farm Progress*).

6. Recent Biden Administration Actions

The U.S. Department of Agriculture on July 12 announced it would reduce the economic risk of raising two crops on the same land in one year, making it easier for U.S. soybean and sorghum farmers to grow food in America, increase food supply, and lower food costs for American families. This action is part of a broader [set of commitments made earlier this year by President Biden and Secretary Vilsack](#) to increase domestic food production amid potential global food shortages related to the invasion of Ukraine. To reduce the risk of raising two crops on the same land in one year – a practice known as double cropping - USDA's Risk Management Agency (RMA) is expanding double crop insurance opportunities in over 1,500 counties where double cropping is viable. [See maps for where expanded opportunities for soybeans and sorghum are located.](#)

7. Other Family Farm Alliance Actions

In April, the Alliance partnered with California Farm Water Coalition and Klamath Basin producers to place a full-page ad in the *Wall Street Journal* warning of the consequences if State and federal officials ignore the need for reliable water supplies and a stable, affordable, domestic food supply. We are part of a small working group that did the heavy lifting of raising the money for the WSJ ad, which was a great first step, but it was only a first step. I've previously reported on some of the good progress our small working group has been doing on this front to advance the message teed up in the ad.

Working with CFWC, efforts are underway to do some focused social media advertising, as a follow-up to the full-page ad. With contributor support, we extended its reach into a digital ad program on Facebook and Instagram using the same artwork, message, and link to the landing page: <https://www.farmwater.org/food-security-and-water/>. As of July 8, our efforts had resulted in 1,677,343 impressions, a reach of 582,176, and 84,144 clicks, or individual visits to the web site. Our friends at CFWC are seeing another surge in food cost-related articles, although that surge is relative; the sheer volume of Roe vs. Wade articles to food articles is significant. Still, I think the message we're delivering is right. The analytics show that people continue to respond in strong numbers.

BIDEN ADMINISTRATION DEVELOPMENTS

8. IIJA Implementation

As the Bureau of Reclamation (Reclamation) continues to steadily advance implementation of the \$8.3 billion for Western water projects provided by the Infrastructure Investment and Jobs Act (IIJA), inflation is taking a toll on water projects across the country. Consumer prices surged 8.6% in May over last year, the highest rate since 1981, according to the U.S. Department of Labor. Prices for some key materials in infrastructure construction have risen even more. Inflation is driving up costs so much that some state and local officials are postponing projects, scaling back others and reprioritizing their needs. Many of our members are concerned about how rising energy costs and availability of petroleum products with impact current and near-term projects, many of them funded with the \$8.3 billion for Western water projects provided by the infrastructure plan President Joe Biden signed into law seven months ago. The IIJA allocates \$8.3 billion for Reclamation water infrastructure projects to repair aging water delivery systems, secure dams, complete rural water projects, protect aquatic ecosystems and fulfill Indian Water Rights Settlements.

Reclamation is conducting a stakeholder informational update session on its implementation of the Bipartisan Infrastructure Law on **Thursday, July 28 at 12 pm – 1 pm Mountain Daylight Time**. [Click here to join the meeting](#) or join by phone: 1-202-640-1187, passcode: 648180667#. A moderated question-and-answer format will be enabled. For additional information or to view previous informational updates, please visit www.usbr.gov/bil.

a. \$25.5 Million for Water Efficiency Projects in 8 Western States

Reclamation appears to be on track towards putting the IIJA funds to work on the ground. The Department of the Interior last month announced \$25.5 million in IIJA funds for WaterSMART Water and Energy Efficiency Grants to safeguard local water supplies in the face of severe western drought. Fourteen projects in eight western states will be awarded funding to help local communities improve water use efficiency by lining canals, upgrading water meters, installing automated gates to control water flow and making other infrastructure improvements. The projects are anticipated to save more than 12 billion gallons of water annually through reductions in

residential water use and improvements to increase irrigation efficiency. Two of the projects will also receive funding for solar energy installations to power the affiliated water facility and water district buildings. Including non-federal funding contributions, the projects represent more than \$130 million in water management improvements. The latest funding announcement is part of the \$160 million in WaterSMART grants provided by the IJA in 2022. Local governments in eight states set to receive funding must complete their project within three years.

b. Reclamation: ARPA Funds Count as Non-Federal Cost-Share for Grant Programs

In recent months, the Commissioner's office has been fielding questions regarding the use of funding provided under the America Rescue Plan Act (ARPA) as the nonfederal match for WaterSMART grants. Mat Maucieri, the point person on IJA implementation for Reclamation in the Commissioner's office, says, in general, yes, funding provided to states, U.S. territories, and Tribal governments under ARPA may be counted toward non-Federal cost-share requirements for WaterSMART and similar Reclamation grant programs. Each Notice of Funding Opportunity describes other requirements applicable to all cost-share contributions.

9. Environmental Protection Agency (EPA): WOTUS Regional Roundtables

EPA has wrapped up ten virtual stakeholder meetings regarding changes to the definition of "Waters of the U.S." (WOTUS) under the federal Clean Water Act. This rule, which has been defined by the agencies since the 1970s, establishes the geographic scope of federal authority under the Clean Water Act (CWA). Last year, the federal agencies under the Biden administration rewrote the 2020 Trump administration WOTUS rule, with public comments on the draft due this past February. The Alliance and many other agricultural interests said the Trump Administration's version of WOTUS, the Navigable Waters Protection Rule, provided clearer guidelines while ensuring clean water. In 2015, after the WOTUS rule was written, federal courts blocked its implementation in more than half of the states.

After accepting a proposal by the California Farm Bureau to lead a Western geographic region roundtable, EPA and the Army Corps of Engineers (Corps) participated in a livestream discussion June 16. EPA and Corps officials heard from business and farm groups, water managers, government agencies and others on the application of WOTUS in each of their respective states. I represented the Family Farm Alliance at the WOTUS Western Region roundtable. Our thanks go out to California Farm Bureau (CFB) for including us in their formal regional roundtable proposal to EPA. CFB also did a nice job summarizing the hearing and some of my testimony in their June 23 issue of *Ag Alert*, as did *Progressive Farmer*, in [this June 20 article](#).

My comments at the Roundtable emphasized that the proposed WOTUS rule vastly expands regulatory jurisdiction beyond just returning to the pre-2015 regulations and guidance as proposed in the rule. I warned that any possible expansion of WOTUS in a future rulemaking could transform the CWA into a federal land-use regulation. I advocated for the need of crystal-clear exclusions from CWA jurisdiction from all of the western irrigation infrastructure. Otherwise, the

entire western irrigation and drainage system could be classified as a WOTUS. Without exemptions for irrigation infrastructure, the rule could disrupt the timing of water deliveries, result in fallowing, and lead to lengthy and costly litigation. Exemptions for construction, operation and maintenance of ditches and maintenance of canals and drains, provide important assurances that irrigated agriculture can continue to function without the need for CWA permits to work on these man-made features. Other participants in the roundtable said the rule as proposed could impact Western farming communities by adding new, regulatory burdens for important infrastructure projects. They argued that would increase risks of litigation and undercut local and state water management.

Many participating stakeholders – including yours truly - suggested that the agencies postpone finalizing its pending WOTUS rule until the U.S. Supreme Court issues its decision in the pending case, *Sackett v. Environmental Protection Agency*. The Supreme Court will hear the *Sackett* case on October 3. A decision in that case could trigger the Biden administration to revise its pending WOTUS rule, which is expected to be finalized prior to the decision. EPA and the Corps are still working on the first phase of the pre-2015 regulations that were revised to reflect the Supreme Court's decisions in *Rapanos* and *SWANCC*. EPA currently does not plan to release a proposed rule to redefine WOTUS until November 2023, with no date specified for finalizing the rule, according to the latest version of the Unified Agenda, the regulatory blueprint of the Biden Administration. The Unified Agenda indicates that the "Part 1" final rule is expected this August, followed by the proposed "Part 2" rule in November, 2023 - after the Supreme Court rules on the *Sackett* case. The Administration appear to be giving themselves an opportunity to wrap all of this up before any potential change in administration following the 2024 elections.

10. U.S. Department of Agriculture (USDA) Forest Service: Time for “Bold Action”

With the 2022 wildfire season on track to be one of the worst in the past decade, the USDA and some Members of Congress are urging the Forest Service to take bold action to restore forests and improve resilience. USDA Secretary Tom Vilsack on June 23 issued a memorandum to the USDA Forest Service directing the agency to take “bold actions” to restore forests, improve resilience, and address the climate crisis. This direction comes, in part, in response to President Biden’s “Executive Order on Strengthening the Nation’s Forests, Communities, and Local Economies,” which tasks the USDA with a series of actions to pursue science-based, sustainable forest and land management. This includes intensifying work to reduce wildfire risk, accelerate reforestation, restore ecosystems, support forest products jobs and markets in rural communities, and define and inventory old-growth and mature forests on federally managed lands. These plans include the forthcoming Forest Service strategies for climate adaptation, reforestation, and recreation.

Secretary Vilsack also highlighted the Forest Service’s 10-year “Confronting the Wildfire Crisis” strategy, which aims to treat 20 million acres of national forests and 30 million acres of other federal, state, Tribal, and private lands over the next decade to improve conditions and reduce wildfire risk across the landscape. USDA and partner agencies also announced earlier in June that federal wildland firefighters would receive a substantial pay raise to bring their pay into alignment

with their state and local government counterparts, and build a more stable, permanent wildland firefighting workforce.

The 2.7 million acres burned so far this year in the U.S. is a stark contrast to where the nation stood one year ago to date. As of June 15, a total of 27,732 fires had burned 981,356 acres of land. California is one of five states including Texas, North Carolina, Georgia and Florida that have seen the most wildfires caused by humans so far this year, according to a report issued by the National Interagency Fire Center. House Committee on Natural Resources Ranking Member Bruce Westerman (R-Ark.) and Western Caucus Chair Dan Newhouse (R-Wash.) in late June led a letter to Forest Service Chief Moore, urging the Forest Service to increase the pace and scale of essential forest management activities. They claim that a substantial portion of this acreage burned as a result of escaped prescribed burns initiated by the Forest Service. The Biden Administration imposed a 90-day pause on the use of prescribed fire in order to review protocols, tools, and practices after a poorly conducted Forest Service prescribed fire resulted in the largest wildfire in New Mexico's history.

11. FWS and NMFS: Definition of “Habitat” Rescinded

The U.S. Fish and Wildlife Service (FWS) and National Marine Fisheries Service (NMFS) are rescinding a 2020 Trump Administration rule that established a regulatory definition of “habitat” specific to critical habitat under the federal Endangered Species Act (ESA). The decision follows President Joe Biden's Executive Order 13990, signed 5 days into his presidency. That order directed all federal agencies to review and address agency actions to ensure consistency with Biden-Harris administration objectives. FWS and NMFS (or, “the Services”) concluded that codifying a single definition of “habitat” could impede the Services' ability to fulfill their obligations to designate critical habitat based upon the best available science. Critical habitat designations identify those areas and habitat features that are essential for recovery of listed species. Federal agencies must ensure that actions funded, permitted or conducted by those agencies do not destroy or adversely modify designated critical habitats.

The Family Farm Alliance and other agricultural organizations in 2020 believed that the final definition of habitat proposed then would continue to improve implementation of the ESA, which defines critical habitat and establishes separate criteria depending on whether the area is within or outside the geographical area occupied by the species at the time of listing. The Alliance has long supported efforts to balance effective, science-based conservation with common-sense policy designed to bring the ESA into the 21st century. We felt the 2020 Final Rule was a strong step in this direction. The Alliance and others last November formally opposed the Services' proposal to rescind the definition of “habitat”. The 2020 final rule marked the first instance that “habitat” was defined and interpreted for purposes of application to ESA critical habitat designations. The recent decision rescinding the rule is the antithesis of promoting transparency, clarity, and consistency. Some Western Members of Congress claim the Services' action will result in inflated, unscientific critical habitat designations and infringement on personal property rights.

DEVELOPMENTS IN CONGRESS

The House has released a multi-bill FY 2023 spending package, [H.R. 8294](#) that would fund EPA and the Department of the Interior, the Army Corps and Bureau of Reclamation, and Department of Energy, along with Transportation, Agriculture, Financial Services, and Military Construction. The House Appropriations Committee marked up all 12 spending bills over the past three weeks, without bipartisan agreement over top-line spending limits. The House Rules Committee accepted proposed amendments to the package by last Wednesday, with floor time expected this week. The Senate has not yet released their versions of FY 2023 spending bills, nor have they scheduled any subcommittee markups at this time.

House Democratic appropriators fought for additional federal spending in FY 2023 to fund their priorities while Republicans complained about elevated spending over FY 2022 levels. Democrats were also able to fend off GOP sponsored policy rider amendments in the markups. GOP appropriators used the subcommittee markups as an opportunity to complain about high energy prices as well as other Biden Administration policies associated with, among other things, moving forward with a proposed rulemaking redefining “waters of the U.S.” (WOTUS) under the Clean Water Act (CWA) prior to the U.S. Supreme Court rules on the *Sackett v. EPA* CWA case later this year.

On July 21, the Senate Energy and Natural Resources Committee will mark up its water bills. Senator Feinstein’s STREAM Act may be marked up in this first tranche of water bills. Other bills are further along. There may be another markup in September, and there is the potential for a Reclamation Title for drought (authorizations only) legislation that could be tacked onto the Water Resources Development Act or other legislative vehicle.

12. House GOP Energy Forum

Family Farm Alliance Director Steve Benson – a vegetable and seed crop grower from California’s Imperial Valley – last month testified remotely before a forum hosted by the House Natural Resources Committee and Energy and Commerce Committee Republicans on how rising energy prices are impacting American households and businesses. House Committee on Natural Resources Ranking Member Bruce Westerman (R-Ark.) and House Committee on Energy and Commerce Ranking Member Cathy McMorris Rodgers (R-Wash.) hosted a June 24 joint forum to hear from Americans across the country about how soaring energy costs are hurting their businesses and paychecks. Members heard from Mr. Benson and over a dozen other witnesses across the country who are experiencing the impacts of rising energy prices firsthand and discuss solutions to address skyrocketing costs.

Mr. Benson testified that it now costs more to ship vegetables across the United States than the cost to grow. His written testimony also explained that fossil fuels are critical ingredients towards tackling challenges associated with aging infrastructure, water conservation and improving water

efficiencies. Water conservation and modernization of small and large water systems throughout the West rely on petroleum and natural gas for fuels and the many modern materials that go into these improvement projects. Resins for pipe, coatings, and canal and reservoir linings are refined from natural gas and petroleum. Coal and petroleum are used for carbon black that protects polyethylene products from ultraviolet rays. In some areas, PVC and HDPE are great plastic materials that are expected to last more than a century. Corrosion blocking and life extending coatings of steel and other metallic pipe and fittings also come from petroleum. You can view the archived video recording of the forum [here](#).

13. House Passes 2022 WRDA Legislation: Senate Next

On a 384-37 vote, the House of Representatives last month passed H.R. 7776, their version of a Water Resource Development Act (WRDA), a bill that would set policy priorities and authorize new studies and construction of water, flood, navigation, and environmental projects for the Army Corps of Engineers (Corps). The Senate Environment and Public Works (EPW) Committee approved its version of the WRDA bill, S. 4137, with unanimous support in May. The House bill would authorize construction of 18 projects and four existing project modifications. Their total cost would hover around \$40 billion. The Senate bill would authorize 17 new projects and four modifications for a total of about \$37 billion.

Recent versions of the Water Resources Development Act (WRDA) have also included provisions for Bureau of Reclamation projects, something the 2022 WRDA does not provide. The 2022 WRDA being advanced in each chamber of Congress are more Corps-centric, although there are provisions that focus on the Western U.S. The Senate bill includes several sections of interest to Western water users. We'll be keeping an eye on those areas of the Senate WRDA that address agency coordination on Western water matters, water supply conservation provisions, Columbia River flood management, NEPA reporting, and assessing Western water infrastructure. The Senate now can move forward in passing their version which differs from the House passed bill, requiring negotiations in a conference committee to combine the bills into one that can pass Congress and be signed into law by the President.

14. Bipartisan WIFIA Bill Introduced

Congresswoman Kim Schrier, M.D. (D-WA) on June 16 introduced the *Water Infrastructure Finance and Innovation Act Amendments of 2022*, a bipartisan bill to fund critical water and wastewater infrastructure projects in Washington State. Representatives Dan Newhouse (R-WA), Doug LaMalfa (R-CA), John Garamendi (D-CA), Jim Costa (D-CA), and Sharice Davids (D-KS) are co-leading this bill with Rep. Schrier. The bill makes common-sense fixes and includes parts of previously introduced legislation to improve the *Water Infrastructure Finance and Innovation Act of 2014* (WIFIA), a law which created a federal credit program administered by the EPA for eligible water and wastewater infrastructure projects. Our Western membership will require funding and financing from many sources, and this amendment would open an entire suite of common-sense, fiscally responsible financing tools that would be very helpful to us in this effort.

The program was reauthorized through 2026 by the Infrastructure Investment and Jobs Act (IIJA), signed into law by President Biden last November. Specifically, the bill:

- Broadens WIFIA funding and financing eligibility to state and federal projects and entities. This includes state-led water storage projects, transferred works of the Bureau of Reclamation, and congressionally authorized Army Corps of Engineers (USACE) projects.
- Authorizes the use of collaborative project delivery methods for WIFIA projects, allowing more flexibility and reducing time and cost of the project.
- Allows certain federal water infrastructure loans to have maturity dates of up to 55 years.
- Reauthorizes USACE WIFIA program through FY2026.
- Directs the USACE to implement its WIFIA program, which it has not done despite its authorization in 2014.

Our quote in support of the legislation was included in a press release issued by Rep. Schrier.

15. House Conservation and Forestry Subcommittee Hearing: Farm Bill and Forestry

Last Wednesday, I monitored the House Conservation and Forestry Subcommittee hearing about what is and is not working from the forestry provisions of the 2018 Farm Bill. The Committee heard from Forest Service Chief Randy Moore, who fielded questions for about an hour from the Subcommittee. The hearing recessed for some time, and a second panel of witnesses representing industry, environmental, and forestry-focused organizations testified. Following his opening statement, Chief Moore was questioned at length by Subcommittee Members on a variety of topics, including emerging markets for wood products, regulatory red tape, agency capacity, forest management, and fire suppression. [CLICK HERE](#) to watch the video of the hearing. Additional hearing information, including names, bios and written testimony from all the witnesses can be found [here](#). I also prepared an internal memo, which summarizes the key issues raised at last week's hearing. Please let me know if you'd like me to share a copy with you.

JUDICIAL DEVELOPMENTS

16. *West Virginia v. EPA*

The Supreme Court's 6-3 decision last Thursday in *West Virginia v. EPA* strikes a blow to President Biden's climate agenda and has Democrats and activists scrambling to salvage the president's pledge to reduce greenhouse gas pollution by 50 percent by 2030. While the formal adoption of the "major questions doctrine" by the Court was covered by the media as primarily a blow to EPA's proposed regulations to combat global climate change, the news coverage largely missed the decision's true significance. Check out this *Washington Post* [guest editorial](#) from our friend, Hugh Hewitt. He notes that the larger, more important take away from the Court's decision is that federal bureaucrats need explicit permission from the Congress to undertake the sort of

regulatory regime they propose to implement. It will be interesting to see how this stacks up against the Chevron Doctrine, the consistent federal deference to agencies in court proceedings.

17. Court Issues Yuba Order

The Fresno Superior Court three weeks ago issued a ruling supporting the Yuba Water Agency and finding that the State Water Board does not have the authority under the Clean Water Act and its regulations to issue a 401 certification without an application from the Agency. The order commands the State Water Board to set aside and vacate its July 17, 2020 Clean Water Act section 401 certification to Yuba Water Agency. The Minute Order is [here](#).

18. Federal Judge Strikes Down Trump ESA Rules

A federal judge has struck down controversial Trump Administration rules over how the federal Endangered Species Act (ESA) is implemented. Even though the Biden Administration is rewriting the regulations, they had sought to keep them in place temporarily until a final rule could be promulgated. U.S. Northern District Court of California Judge Jon Tigar instead sided with environmental groups in vacating the 2019 ESA rules. At issue was how the rules impacted the Fish and Wildlife Service and NOAA Fisheries implementation of the ESA in designating critical habitat, extending “take” protections to threatened species, and how the agencies prevent federal actions that could harm listed species and their critical habitat. The Department of the Interior is reviewing the court’s ruling.

ALLIANCE INITIATIVES

19. 2022 Farmer Lobbyist Trip

Mark your calendars! This year’s farmer lobbyist trip is scheduled for the week of September 26. The Family Farm Alliance annual farmer lobbyist trip is one of the cornerstone programs of our organization. It was created to allow farmers, ranchers and water managers to interact directly with elected officials and other policymakers in Washington, D.C. It presents a unique opportunity for our members to share with Members of Congress and the Administration the important issues that impact our industry.

Monday and Friday would be travel days, Tuesday-Thursday would be three days of back-to-back meetings with some high-calorie dinners mixed in between. We’re also working with The Ferguson Group to set up a “Western drought briefing” that will allow representatives from our contingent to directly share stories with a host of Congressional and agency staff in one fell swoop. Participants will have the opportunity to engage directly with high-level Biden Administration officials and Congressional committee staff, and gain insight into what lawmakers and policymakers are saying about the issues impacting Western irrigated agriculture. The farmer lobbyist meetings will allow us to again deliver the diverse but unified voice of irrigated agriculture champions in Washington, D.C.

20. Crisis on the Colorado River

Reclamation last month issued a call to the public for assistance in developing future long-term operating provisions on the Colorado River. This announcement came within days of Reclamation Commissioner Camille Touton's message to a Senate Committee that the seven states of the Colorado River Basin must come up with an emergency deal by mid-August to conserve between 2 and 4 million acre-feet of water in the next year in order to protect the entire Colorado River system. She told the Senate Energy and Natural Resources Committee that shortages on the Colorado River system need at least 2 million acre-feet of reduction in water use by 2023 just to keep Lake Mead functioning and physically capable of delivering drinking water, irrigation and power to millions of people. During the hearing, Sen. John Barrasso (R-WY), acknowledged the severity of the drought, but spoke to the dangers of diverting water away from agricultural uses in his state. Wyoming rancher and Family Farm Alliance President Patrick O'Toole [told the Senate committee](#) that farmers and ranchers are always the first ones asked to make sacrifices.

Since Commissioner Touton's announcement at the Senate hearing, there's been a flurry of forums and meetings of agriculture landowners and organizations in the Imperial Valley and Yuma to discuss the crisis and how to respond to it. Imperial Irrigation District (IID) and other districts – as well as groups of individual producers and local commodity associations – are meeting regularly to assess how to respond to the Commissioner's call to action. A local meeting hosted by Yuma agricultural water users drew several hundred people to see a presentation on one proposal that asks for several billion dollars to be paid in a large-scale fallowing program that could take hundreds of thousands of acres of farmland out of production.

a. Concerns of Lower Basin Water Users

Farmers along the Lower Colorado River in Southern Arizona and Southern California are bracing for severe reductions next year in their river water supplies — cuts they say could lead to widespread crop production cutbacks, major economic dislocation and, possibly, food shortages. [CLICK HERE](#) for “Lower Colorado River Farmers Fear Economic Calamity from Water Cuts” by Tony Davis, which was published by [Tucson.com](#) on July 9.

b. Upper Basin Concerns

Colorado's water leaders have released an updated blueprint detailing how the state will manage and conserve water supplies as climate change and population growth [strain the system in unprecedented ways](#). However, Colorado has no plans to make additional cuts to water use next year to meet the Bureau of Reclamation's demand to conserve millions of acre-feet of water. Instead, Colorado officials insist that other states should do the cutting. Amy Ostdiek, a section chief with the Colorado Water Conservation Board, [told the Colorado Springs Gazette](#) the Upper Basin states — Colorado, New Mexico, Wyoming and Utah — dramatically reduced their water use in 2021 because of drought conditions. Specifically, they cut

1 million acre-feet in use in 2021 compared with 2020, bringing it down to 3.5 million acre-feet. But, at the same time, total water use in the Lower Basin has not been cut enough to preserve levels in the lakes, said Ms. Ost diek. Wyoming’s role in the effort to address short-term emergency concerns on the Colorado River is discussed further in [this July 8 article](#) published in the Cowboy State Daily. Alliance President O’Toole is quoted in this article.

c. Reclamation Seeks Input on Long-Term Operating Guidelines

While the short-term actions are front and center, Reclamation does not want to put the 2026 long-term needs on the back burner. Reclamation [published a Federal Register notice](#) on June 24 to assist in its efforts to develop future Colorado River operating provisions. The notice seeks specific input on how to foster meaningful participation by all stakeholders in preparation for beginning the National Environmental Policy Act process to develop post-2026 operating approaches for the Colorado River, and operating strategies to address post-2026. [CLICK HERE](#) to learn more about the operations on the Colorado River.

d. Family Farm Alliance Engagement

The Family Farm Alliance board of directors on March 11 formally adopted a policy brief that sets forth Colorado River principles developed in collaboration with several key agricultural interests. We have helped organize a group of Basin agricultural water users from the headwaters to the Mexican border to come together to present key principles and expectations that are critical to sustainable and durable operation of the Colorado River into the future. We believe this group can play a major role as the seven Colorado River Basin States and Basin stakeholders engage to replace the 2007 Interim Guidelines for Lower Basin Shortages and the Coordinated Operations for Lake Powell and Lake Mead. The Interim Guidelines are set to expire in 2026.

The [Alliance policy brief](#) urges Colorado River Compact decision-makers to incorporate 8 principles into new operating guidelines. It has already been adopted by IID, Palo Verde Irrigation District, Dolores Water Conservancy District, Yuma County Ag Water Coalition, Wellton-Mohawk Irrigation & Drainage District, Central Arizona Irrigation and Drainage District and the Maricopa Stanfield Irrigation and Drainage District. Other agricultural water districts throughout the Colorado River Basin are also considering adopting the policy brief.

ADMINISTRATIVE AND MISCELLANEOUS

- Alliance President O’Toole – [who was recently inducted into the Wyoming Agriculture Hall of Fame, along with his wife Sharon](#) – last Friday participated in the closing panel of the University of Arizona’s Water Resources Research Center (WRRC) 2022 Annual Conference, *Arizona’s Agricultural Outlook: Water, Climate and Sustainability*. Pat was joined on the panel by Meghan Scott (Noble Law) and Grady Gammage Jr. (Gammage & Burnham). Dr. Sharon Megdal, WRRC Director, moderated the discussion. Former Alliance board member Ron Rayner (A Tumbling T Ranch) participated in a “storytelling”

panel, and his son, Ross, provided the “Next Generation” farmers’ perspective on another panel. Alliance Advisory Committee Member Tom Davis (Yuma County Water Users Association) provided a historical account of irrigated agriculture in the Yuma area.

- July is “Smart Irrigation Month”, and Jim Lauria (Mazzei Injector Company) and Adam Tank (Transcend Water) conducted an interview with me [entitled “Expanding Your Solution Story To Reach Diverse Stakeholders”](#). This is the second in the Smart Irrigation Voices series, sponsored by [Water Online](#). On the “Water We Talking About?” podcast, we discuss a variety of topics, including why food security starts with water security. More “Water We Talking About?” episodes can be found [here](#).

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



117th Legislative Tracker

Last Updated: July 15, 2022

Overview

The following legislative tracker provides the status of legislation introduced in the 117th Congress of interest to the Friant Water Authority. Each of the bill numbers is hyperlinked to the bill text, FiscalNote (FN) Outlook information and other related details.

The FN Outlook on the right side of each bill provides the legislation's pre-Floor (left) and Floor (right) likelihood of passing. The percentages shown are the status of the bill in the Chamber where it is currently under consideration (this is shown under 'Status'). The pre-Floor score is defined as the bill's likelihood of passing after it has been introduced but while it is being considered in that chamber's committees - before it has moved to the Floor for a vote.

Bills of Interest

Friant Water Authority (64)

Bill Number	Last Action	Status	FN Outlook
S 914	By Senator Carper From Committee On Environment And Public Works Filed Written Report Report No 117 20 2021 05 10	In House	<div><div>79.0%</div><div>48.8%</div></div>
Title Drinking Water and Wastewater Infrastructure Act of 2021	Bill Summary: Last edited by TFG Reports at May 7, 2021, 3:32 PM This bill amends the Safe Drinking Water Act and the Federal Water Pollution Control Act to reauthorize programs under those Acts. Specifically, it supports programs to provide safe drinking water or treat wastewater, such as sewer overflows or stormwater.		
Primary Sponsors Tammy Duckworth	Introduction Date: 2021-03-23		

Bill Number	Last Action	Status	FN Outlook
HR 2008	Received In The Senate And Read Twice And Referred To The Committee On Environment And Public Works 2021 06 16	In Senate	<div><div>11.7%</div><div>52.3%</div></div>
Title Local Water Protection Act	Bill Summary: Last edited by TFG Reports at May 7, 2021, 3:49 PM This bill reauthorizes through FY2026 grants to states for (1) programs that manage and control nonpoint source pollution (e.g., runoff from a variety of sources) added to navigable waters, and (2) groundwater quality protection activities to advance state implementation of such programs.		
Primary Sponsors Angie Craig	Introduction Date: 2021-03-18		

Bill Number

HR 8127

Last Action

Referred To The Subcommittee On Water
Resources And Environment 2022 06 17

Status

In House

FN Outlook

5.4%

59.1%

Title

Water Infrastructure Finance and Innovation Act Amendments of
2022

Bill Summary: Last edited by TFG Reports at Jun 17, 2022, 6:09 PM

This bill would reauthorize the Water Infrastructure Finance and
Innovation Act of 2014, and for other purposes.

Primary Sponsors

Kim Schrier

Introduction Date: 2022-06-16

Bill Number

S 4231

Last Action

Committee On Energy And Natural Resources
Subcommittee On Water And Power Hearings
Held 2022 05 25

Status

In Senate

FN Outlook

5.7%

52.3%

Title

STREAM Act

Bill Summary: Last edited by TFG Reports at May 18, 2022, 8:43 PM

This bill would support water infrastructure in Reclamation States, and
other purposes. It would authorize \$750 million for storage, \$300 million
for water recycling, \$150 million for desalination, \$100 million for
drinking water for disadvantaged communities and \$150 million in a
new, low-interest loan program for water supply projects.

Primary Sponsors

Dianne Feinstein

Introduction Date: 2022-05-17

Bill Number

S 4176

Last Action

Committee On Energy And Natural Resources
Subcommittee On Water And Power Hearings
Held 2022 05 25

Status

In Senate

FN Outlook

16.8%

47.3%

Title

A bill to amend the Infrastructure Investment and Jobs Act to
modify the eligibility requirements for certain small water storage
and groundwater storage projects and to authorize the use of
funds for certain additional Carey Act projects, and for other
purposes.

Bill Summary: Last edited by TFG Reports at May 13, 2022, 4:39 PM

This bill would amend the Infrastructure Investment and Jobs Act to
modify the eligibility requirements for certain small water storage and
groundwater storage projects and to authorize the use of funds for
certain additional Carey Act projects, and for other purposes.

Primary Sponsors

Jim Risch

Introduction Date: 2022-05-10

Bill Number

S 4175

Last Action

Committee On Energy And Natural Resources
Subcommittee On Water And Power Hearings
Held 2022 05 25

Status

In Senate

FN Outlook

7.1%

47.7%

Title

A bill to amend the Omnibus Public Land Management Act of 2009
to authorize certain extraordinary operation and maintenance
work for urban canals of concern.

Bill Summary: Last edited by TFG Reports at May 13, 2022, 4:40 PM

This bill would amend the Omnibus Public Land Management Act of
2009 to authorize certain extraordinary operation and maintenance
work for urban canals of concern.

Primary Sponsors

Jim Risch

Introduction Date: 2022-05-10

Bill Number

S 4136

Last Action

By Senator Carper From Committee On
Environment And Public Works Filed Written
Report Report No 117 124 2022 06 22

Status

In Senate

FN Outlook

7.3%

50.6%

Title

Water Resources Development Act of 2022

Primary Sponsors

Tom Carper

Bill Summary: Last edited by TFG Reports at May 13, 2022, 4:06 PM

This bill would authorize much-needed investments in the projects and programs of the U.S. Army Corps of Engineers across the country. The bill would update the Corps' emergency authorities; authorize the Corps to protect and restore other federal lands; allow non-federal interests to request studies that directly address climate change impacts; and authorize a new Corps workforce development and STEM outreach program with priority given to economically disadvantaged communities, among other provisions.

Introduction Date: 2022-05-04

Bill Number

S 4137

Last Action

Read Twice And Referred To The Committee
On Environment And Public Works 2022 05 04

Status

In Senate

FN Outlook

22.2%

56.6%

Title

Water Resources Development Act of 2022

Primary Sponsors

Tom Carper

Bill Summary: Last edited by TFG Reports at May 13, 2022, 4:09 PM

This bill would authorize much-needed investments in the projects and programs of the U.S. Army Corps of Engineers across the country. The bill would also update the Corps' emergency authorities; authorize the Corps to protect and restore other federal lands; allow non-federal interests to request studies that directly address climate change impacts such as tidal flooding and sea level rise; and authorize a new Corps workforce development and STEM outreach program with priority given to economically disadvantaged communities, among other provisions.

Introduction Date: 2022-05-04

Bill Number

S 3539

Last Action

Committee On Energy And Natural Resources
Subcommittee On Water And Power Hearings
Held 2022 05 25

Status

In Senate

FN Outlook

4.8%

53.0%

Title

Watershed Results Act

Primary Sponsors

Ron Wyden

Bill Summary: Last edited by TFG Reports at Feb 23, 2022, 10:10 PM

This bill would require the Secretary of the Interior to work in coordination with the Secretary of Agriculture and the Administrator of the EPA to establish two to five watershed restoration pilot programs across the country. Each pilot program must incorporate predictive data analysis to analyze millions of acres of a watershed to precisely locate the most effective acres for restoration that will make the largest impact. Outcomes of these pilots can include a quantifiable reduction in nutrient or sediment runoff or thermal load, quantifiable increases in dissolved oxygen and surface water or groundwater that functionally benefits fish and wildlife species, and any other quantifiable benefits identified to support watershed restoration.

Introduction Date: 2022-02-01

Bill Number HR 6491	Last Action Subcommittee Hearings Held 2022 03 17	Status In House	FN Outlook 5.4% 53.4%
Title Salmon FISH Act	Bill Summary: Last edited by TFG Reports at Apr 15, 2022, 6:27 PM This bill seeks to identify, restore, and protect the most outstanding salmon rivers and watersheds in America, and to ensure funding needed to sustain thriving salmon populations.		
Primary Sponsors Jared Huffman	Introduction Date: 2022-01-25		

Bill Number HR 5793	Last Action Referred To The House Committee On Financial Services 2021 11 01	Status In House	FN Outlook 11.1% 47.0%
Title NFIP Risk Rating 2.0 Delay Act of 2021	Bill Summary: Last edited by TFG Reports at Nov 4, 2021, 6:44 PM This bill temporarily limits the authority of the Administrator of the Federal Emergency Management Agency to prescribe chargeable premium rates for flood insurance under the National Flood Insurance Program.		
Primary Sponsors Mario Diaz-Balart	Introduction Date: 2021-11-01		

Bill Number HR 5716	Last Action Referred To The Subcommittee On Water Oceans And Wildlife 2021 10 29	Status In House	FN Outlook 9.3% 54.3%
Title Securing Access for the central Valley and Enhancing (SAVE) Water Resources Act	Bill Summary: Last edited by TFG Reports at Dec 6, 2021, 7:30 PM This bill aims to increase water storage opportunities, spur innovation in water sustainability, and make responsible federal investments in aging water infrastructure. The bill also establishes a water infrastructure and drought solutions fund to provide \$750 million for water surface and groundwater storage, water reclamation and reuse, and WaterSMART program projects.		
Primary Sponsors Josh Harder	Introduction Date: 2021-10-25		

Bill Number HR 5438	Last Action Referred To The Subcommittee On Environment And Climate Change 2021 10 01	Status In House	FN Outlook 9.2% 75.3%
Title Water Advanced Technologies for Efficient Resource Use Act of 2021	Bill Summary: Last edited by TFG Reports at Jan 14, 2022, 6:15 PM This bill provides incentives for the purchase of water-efficient products.		
Primary Sponsors Matt Cartwright	Introduction Date: 2021-09-30		

Bill Number

S 2869

Last Action

Read Twice And Referred To The Committee
On Banking Housing And Urban Affairs 2021
09 28

Status

In Senate

FN Outlook

3.8%

47.2%

Title

NFIP Risk Rating 2.0 Delay Act of 2021

Primary Sponsors

Marco Rubio

Bill Summary: Last edited by TFG Reports at Nov 4, 2021, 6:44 PM

This bill temporarily limits the authority of the Administrator of the Federal Emergency Management Agency to prescribe chargeable premium rates for flood insurance under the National Flood Insurance Program.

Introduction Date: 2021-09-28

Bill Number

S 2831

Last Action

Read Twice And Referred To The Committee
On Banking Housing And Urban Affairs 2021
09 23

Status

In Senate

FN Outlook

57.0%

45.4%

Title

Flood Insurance Flexibility Act

Primary Sponsors

Mike Lee

Bill Summary: Last edited by TFG Reports at Nov 4, 2021, 6:45 PM

This bill requires the National Flood Insurance Program to accept mid-term cancellations of flood insurance coverage if the insured acquires alternative coverage.

Introduction Date: 2021-09-23

Bill Number

S 2807

Last Action

Read Twice And Referred To The Committee
On Environment And Public Works 2021 09 22

Status

In Senate

FN Outlook

40.1%

53.0%

Title

Watershed Results Act

Primary Sponsors

Ron Wyden

Bill Summary: Last edited by TFG Reports at Feb 23, 2022, 10:10 PM

This bill would require the Secretary of the Interior to work in coordination with the Secretary of Agriculture and the Administrator of the EPA to establish two to five watershed restoration pilot programs across the country. Each pilot program must incorporate predictive data analysis to analyze millions of acres of a watershed to precisely locate the most effective acres for restoration that will make the largest impact. Outcomes of these pilots can include a quantifiable reduction in nutrient or sediment runoff or thermal load, quantifiable increases in dissolved oxygen and surface water or groundwater that functionally benefits fish and wildlife species, and any other quantifiable benefits identified to support watershed restoration.

Introduction Date: 2021-09-22

Bill Number

HR 4915

Last Action

Referred To The House Committee On Natural
Resources 2021 08 03

Status

In House

FN Outlook

0.0%

0.0%

Title

Water Supply Permitting Coordination Act

Primary Sponsors

Tom McClintock

Bill Summary: Last edited by TFG Reports at Aug 16, 2021, 4:14 PM

This bill authorizes the Secretary of the Interior to coordinate Federal and State permitting processes related to the construction of new surface water storage projects on lands under the jurisdiction of the Secretary of the Interior and the Secretary of Agriculture and to designate the Bureau of Reclamation as the lead agency for permit processing.

Introduction Date: 2021-08-03

Bill Number

HR 4763

Last Action

Referred To The Subcommittee On
Conservation And Forestry 2021 08 18

Status

In House

FN Outlook

5.4%

69.2%

Title

Future of Agricultural Resiliency And Modernization Act

Primary Sponsors

Josh Harder

Bill Summary: Last edited by TFG Reports at Dec 6, 2021, 7:38 PM

This bill directs the Department of Agriculture (USDA) to award grants to certain entities, including states, local governments, and nonprofit organizations, to carry out projects that further agricultural resiliency and modernization, such as projects that reduce greenhouse gas emissions; improve air, water, and soil health; and increase carbon sequestration.

Introduction Date: 2021-07-28

Bill Number

HR 4712

Last Action

Referred To The Subcommittee On Water
Oceans And Wildlife 2021 08 09

Status

In House

FN Outlook

7.7%

67.7%

Title

Desalination Development Act

Primary Sponsors

Mike Levin

Bill Summary: Last edited by TFG Reports at Aug 16, 2021, 4:09 PM

This bill authorizes \$260 million over the next five years for desalination projects and creates new environmental safeguards for the funded projects. This bill directs the Bureau of Reclamation to submit project funding recommendations to Congress based on specific criteria, prioritizing projects that benefit drought-stricken communities. The legislation would also require projects to comply with all state environmental laws, maximize the use of renewable energy and energy efficiency, and reduce reliance on imported water supplies from imperiled ecosystems.

Introduction Date: 2021-07-27

Bill Number

S 2430

Last Action

Read Twice And Referred To The Committee
On Finance Sponsor Introductory Remarks On
Measure Cr S 5052 2021 07 22

Status

In Senate

FN Outlook

15.9%

73.2%

Title

Water Conservation Rebate Tax Parity Act

Primary Sponsors

Dianne Feinstein

Bill Summary: Last edited by TFG Reports at Aug 6, 2021, 5:56 PM
This bill amends the Internal Revenue Code of 1986 to expand the exclusion for certain conservation subsidies to include subsidies for water conservation or efficiency measures and storm water management measures.

Introduction Date: 2021-07-22

Bill Number

S 2404

Last Action

Committee On Banking Housing And Urban
Affairs Hearings Held 2021 12 15

Status

In Senate

FN Outlook

5.1%

79.1%

Title

Western Wildfire Support Act of 2021

Primary Sponsors

Catherine Cortez Masto

Bill Summary: Last edited by TFG Reports at Aug 10, 2021, 3:06 PM
This bill will provide at-risk communities across the western U.S. with additional resources to help prevent wildfires before they start, combat those that do spark, and help communities touched by wildfire recover and restore their surrounding landscapes. The legislation also establishes a grant program to help federal, state, and local agencies acquire state-of-the-art firefighting equipment. The bill also provides \$100 million in funding to help communities impacted by wildfires conduct long-term rehabilitation projects.

Introduction Date: 2021-07-20

Bill Number

S 2383

Last Action

Read Twice And Referred To The Committee
On Finance 2021 07 20

Status

In Senate

FN Outlook

5.4%

74.4%

Title

Water and Agriculture Tax Reform Act of 2021

Primary Sponsors

Mike Crapo

Bill Summary: Last edited by TFG Reports at Aug 6, 2021, 6:14 PM
This bill amends the Internal Revenue Code of 1986 to facilitate water leasing and water transfers to promote conservation and efficiency.

Introduction Date: 2021-07-20

Bill Number

S 2334

Last Action

Committee On Energy And Natural Resources
Subcommittee On Water And Power Hearings
Held 2022 05 25

Status

In Senate

FN Outlook

3.3%

52.9%

Title

Large Scale Water Recycling Project and Drought Resiliency
Investment Act

Primary Sponsors

Catherine Cortez Masto

Bill Summary: Last edited by TFG Reports at Jul 15, 2021, 2:36 PM
This bill directs the Secretary of the Interior to establish a grant program to provide grants on a competitive basis to eligible entities for large-scale water recycling and reuse projects, to amend the Omnibus Public Land Management Act of 2009 to make certain modifications to the Cooperative Watershed Management Program, to provide emergency drought funding, and for other purposes.

Introduction Date: 2021-07-13

Bill Number

HR 4284

Last Action

Referred To The Subcommittee On
Environment And Climate Change 2021 07 01

Status

In House

FN Outlook

5.4%

45.0%

Title

Clean Drinking Water Equity Act

Bill Summary: Last edited by TFG Reports at Aug 6, 2021, 5:47 PM

This bill amends the Safe Drinking Water Act with respect to assistance for disadvantaged communities, and for other purposes.

Primary Sponsors

Raul Ruiz

Introduction Date: 2021-06-30

Bill Number

S 2286

Last Action

Read Twice And Referred To The Committee
On Energy And Natural Resources 2021 06 24

Status

In Senate

FN Outlook

5.5%

74.6%

Title

Western Water, Jobs, and Infrastructure Act

Bill Summary: Last edited by TFG Reports at Aug 6, 2021, 5:54 PM

This bill authorizes the Secretary of the Interior to use designated funding to pay for construction of authorized rural water projects, and for other purposes.

Primary Sponsors

Jon Tester

Introduction Date: 2021-06-24

Bill Number

HR 4099

Last Action

Subcommittee Hearings Held 2021 06 29

Status

In House

FN Outlook

9.2%

72.5%

Title

Large-Scale Water Recycling Project Investment Act

Bill Summary: Last edited by TFG Reports at Jun 24, 2021, 3:52 PM

This bill directs the Secretary of the Interior to establish a grant program to provide grants on a competitive basis to eligible entities for large-scale water recycling and reuse projects.

Primary Sponsors

Grace Napolitano

Introduction Date: 2021-06-23

Bill Number

S 2185

Last Action

Read Twice And Referred To The Committee
On Energy And Natural Resources 2021 06 23

Status

In Senate

FN Outlook

4.6%

45.3%

Title

Western Water Infrastructure Act of 2021

Bill Summary: Last edited by TFG Reports at Aug 6, 2021, 6:10 PM

This bill reauthorizes expiring programs for the Bureau of Reclamation (BOR) and authorizes funding to eliminate the BOR infrastructure maintenance backlog. The bill will also create a new program to restore water storage capacity at BOR and U.S. Army Corps of Engineers reservoirs by developing and implementing sediment management plans at the request of project beneficiaries.

Primary Sponsors

John Barrasso

Introduction Date: 2021-06-23

Bill Number

HR 4018

Last Action

Sponsor Introductory Remarks On Measure Cr
H 3093 2021 06 24

Status

In House

FN Outlook

13.1%

50.2%

Title

NEED Water Act

Primary Sponsors

David Valadao

Bill Summary: Last edited by TFG Reports at Sep 14, 2021, 5:06 PM
This bill provides emergency drought relief for the Central Valley. The legislation would protect water currently in the Central Valley Project system for human needs and reduce regulatory burdens in order to lessen the negative impacts of the drought on Central Valley residents. The bill would also extend the California provisions of the WIIN Act.

Introduction Date: 2021-06-17

Bill Number

HR 3751

Last Action

Referred To The Subcommittee On Water
Resources And Environment 2021 06 09

Status

In House

FN Outlook

6.4%

46.8%

Title

Clean Water Infrastructure Resilience and Sustainability Act of 2021

Primary Sponsors

Salud Carbajal

Bill Summary: Last edited by TFG Reports at Oct 1, 2021, 8:16 PM
This bill amends the Federal Water Pollution Control Act to establish a program to make grants to eligible entities to increase the resilience of publicly owned treatment works to natural disasters.

Introduction Date: 2021-06-08

Bill Number

HR 3691

Last Action

Referred To The Subcommittee On Water
Resources And Environment 2021 06 07

Status

In House

FN Outlook

7.7%

52.5%

Title

Wastewater Infrastructure Modernization Act

Primary Sponsors

Carolyn Bourdeaux

Bill Summary: Last edited by TFG Reports at Aug 9, 2021, 7:51 PM
This bill amends the Federal Water Pollution Control Act to establish a smart wastewater infrastructure technology grant program, and for other purposes.

Introduction Date: 2021-06-04

Bill Number

S 1855

Last Action

Read Twice And Referred To The Committee
On Agriculture Nutrition And Forestry 2021 05
26

Status

In Senate

FN Outlook

5.3%

73.8%

Title

Wildfire Emergency Act of 2021

Primary Sponsors

Dianne Feinstein

Bill Summary: Last edited by TFG Reports at Jun 9, 2021, 3:50 PM
This bill directs the Secretary of Agriculture to select and implement landscape-scale forest restoration projects, to assist communities in increasing their resilience to wildfire. The bill authorizes \$250 million for this initiative. The legislation also authorizes \$100 million for a new grant program to protect critical infrastructure and allow for greater energy flexibility. In addition, the bill provides \$50 million to help disadvantaged communities plan and collaborate on forest restoration, wildland-urban interface and tribal projects as well as projects increasing equitable access to environmental education and volunteer opportunities.

Introduction Date: 2021-05-26

Bill Number

HR 3404

Last Action

Referred To The Subcommittee On Water
Resources And Environment 2021 05 21

Status

In House

FN Outlook

9.3%

75.0%

Title

FUTURE Western Water Infrastructure and Drought Resiliency Act

Primary Sponsors

Jared Huffman

Bill Summary: Last edited by TFG Reports at Jun 4, 2021, 5:42 PM

This bill includes major investments to provide drought preparedness and improve water supply reliability to the Nation. It also includes provisions for ecosystem restoration and protection, water job training and education, improved technology and data, and infrastructure development.

Introduction Date: 2021-05-20

Bill Number

HR 3293

Last Action

Reported Amended By The Committee On
Energy And Commerce H Rept 117 77 Part I
2021 06 29

Status

In House

FN Outlook

11.0%

52.4%

Title

Low-Income Water Customer Assistance Programs Act of 2021

Primary Sponsors

Lisa Blunt Rochester

Bill Summary: Last edited by TFG Reports at Aug 6, 2021, 6:02 PM

This bill amends the Safe Drinking Water Act and the Federal Water Pollution Control Act to establish programs to assist low-income households in maintaining access to drinking water and wastewater services, and for other purposes.

Introduction Date: 2021-05-18

Bill Number

HR 3282

Last Action

Referred To The Subcommittee On
Environment And Climate Change 2021 05 18

Status

In House

FN Outlook

15.7%

50.0%

Title

Drinking Water Funding for the Future Act of 2021

Primary Sponsors

David McKinley

Bill Summary: Last edited by TFG Reports at Jun 4, 2021, 5:51 PM

This bill reauthorizes funding for drinking water programs under the Safe Drinking Water Act and America's Water Infrastructure Act of 2018, and for other purposes.

Introduction Date: 2021-05-17

Bill Number

HR 3218

Last Action

Referred To The Subcommittee On Water
Resources And Environment 2021 05 14

Status

In House

FN Outlook

7.8%

50.2%

Title

Wastewater Infrastructure Improvement Act of 2021

Primary Sponsors

David Rouzer

Bill Summary: Last edited by TFG Reports at Oct 1, 2021, 8:21 PM

This bill amends the Federal Water Pollution Control Act to reauthorize certain water pollution control programs.

Introduction Date: 2021-05-13

Bill Number

HR 3112

Last Action

Referred To The Subcommittee On Water
Oceans And Wildlife 2021 06 19

Status

In House

FN Outlook

4.5% 53.6%

Title

Western Water Recycling and Drought Relief Act of 2021

Primary Sponsors

Jerry McNerney

Bill Summary: Last edited by TFG Reports at Oct 21, 2021, 4:33 PM
This bill authorizes the Department of the Interior to participate in the design, planning, and construction of specified recycled water system facilities in California.

Introduction Date: 2021-05-11

Bill Number

HR 3023

Last Action

Sponsor Introductory Remarks On Measure Cr
H 2345 2021 05 14

Status

In House

FN Outlook

6.5% 55.0%

Title

Restoring WIFIA Eligibility Act

Primary Sponsors

Jim Costa

Bill Summary: Last edited by TFG Reports at May 13, 2021, 1:45 PM
This bill amends the Water Infrastructure Finance and Innovation Act of 2014 with respect to budgetary treatment of certain amounts of financial assistance, and for other purposes.

Introduction Date: 2021-05-07

Bill Number

HR 2979

Last Action

Referred To The Subcommittee On
Environment And Climate Change 2021 05 05

Status

In House

FN Outlook

6.5% 70.1%

Title

To amend the Water Infrastructure Finance and Innovation Act of 2014 with respect to the final maturity date of certain loans, and for other purposes.

Primary Sponsors

John Garamendi

Bill Summary: Last edited by TFG Reports at May 18, 2021, 9:39 PM
This bill amends the Water Infrastructure Finance and Innovation Act of 2014 with respect to the final maturity date of certain loans, and for other purposes.

Introduction Date: 2021-05-04

Bill Number

S 1341

Last Action

Read Twice And Referred To The Committee
On Environment And Public Works 2021 04 22

Status

In Senate

FN Outlook

4.8% 76.4%

Title

Water Resources Research Amendments Act

Primary Sponsors

Ben Cardin

Bill Summary: Last edited by TFG Reports at Jul 6, 2021, 3:29 PM
This bill reauthorizes through FY2025 the Water Resources Research Act Program and otherwise revises the program, including by increasing the federal share of grant funding under the program for water resources research and technology institutes.

Introduction Date: 2021-04-22

<div>Bill Number</div> <div>HR 2660</div>	<div>Last Action</div> <div>Referred To The Subcommittee On Water Resources And Environment 2021 04 20</div>	<div>Status</div> <div>In House</div>	<div>FN Outlook</div> <div>7.8%78.9%</div>
<div>Title</div> <div>WATER Act</div> <div>Primary Sponsors</div> <div>Bob Latta</div>	<div>Bill Summary:</div> <div>Last edited by TFG Reports at Jun 17, 2021, 2:26 PM This bill amends the Federal Water Pollution Control Act to codify the definition of the term “waters of the United States”, and for other purposes.</div> <div>Introduction Date:</div> <div>2021-04-19</div>		
<div>Bill Number</div> <div>HR 2612</div>	<div>Last Action</div> <div>Referred To The Subcommittee On Courts Intellectual Property And The Internet 2021 05 19</div>	<div>Status</div> <div>In House</div>	<div>FN Outlook</div> <div>17.9%61.0%</div>
<div>Title</div> <div>RESTORE Act of 2021</div> <div>Primary Sponsors</div> <div>Doug LaMalfa</div>	<div>Bill Summary:</div> <div>Last edited by TFG Reports at May 7, 2021, 2:08 PM This bill provides new authorities to USDA to work with states on landscape-scale management projects to prioritize reduction of wildlife risk, restoration of ecological health, and climate adaptation and resiliency. Specifically, the bill provides the Secretary of Agriculture the authority to conduct landscape-scale forest management projects in states where the Governor requests such activities, and provides an authorization of appropriations for the program.</div> <div>Introduction Date:</div> <div>2021-04-16</div>		
<div>Bill Number</div> <div>HR 2606</div>	<div>Last Action</div> <div>Placed On The Union Calendar Calendar No 259 2022 06 03</div>	<div>Status</div> <div>In House</div>	<div>FN Outlook</div> <div>12.9%48.9%</div>
<div>Title</div> <div>SUSTAINS Act</div> <div>Primary Sponsors</div> <div>G.T. Thompson</div>	<div>Bill Summary:</div> <div>Last edited by TFG Reports at May 7, 2021, 2:06 PM This bill provides an opportunity for the private sector to partner with USDA to engage farmers and ranchers in supporting conservation initiatives, including to expand land use practices to sequester carbon, improve wildlife habitat, protect sources of drinking water, and address other natural resource priorities.</div> <div>Introduction Date:</div> <div>2021-04-15</div>		
<div>Bill Number</div> <div>HR 2552</div>	<div>Last Action</div> <div>Referred To The Subcommittee On Water Oceans And Wildlife 2021 06 08</div>	<div>Status</div> <div>In House</div>	<div>FN Outlook</div> <div>6.5%54.5%</div>
<div>Title</div> <div>Canal Conveyance Capacity Restoration Act</div> <div>Primary Sponsors</div> <div>Jim Costa</div>	<div>Bill Summary:</div> <div>Last edited by TFG Reports at Feb 22, 2022, 3:57 PM This bill authorizes the Bureau of Reclamation to provide financial assistance for various projects in California to mitigate the sinking or settling of the ground (i.e., subsidence mitigation), specifically for projects related to the Friant-Kern Canal, the Delta-Mendota Canal, and certain parts of the San Luis Canal/California Aqueduct.</div> <div>Introduction Date:</div> <div>2021-04-15</div>		

Bill Number

HR 2197

Last Action

Referred To The Subcommittee On
Environment And Climate Change 2021 03 29

Status

In House

FN Outlook

11.0%

77.5%

Title

IMAGINE Act

Primary Sponsors

David Cicilline

Bill Summary: Last edited by TFG Reports at Mar 29, 2021, 5:54 PM

This bill encourages the research and use of innovative materials and associated techniques in the construction and preservation of the domestic transportation and water infrastructure system, and for other purposes.

Introduction Date: 2021-03-26

Bill Number

S 953

Last Action

Committee On Energy And Natural Resources
Subcommittee On Water And Power Hearings
Held 2022 05 25

Status

In Senate

FN Outlook

2.2%

79.7%

Title

Water for Conservation and Farming Act

Primary Sponsors

Ron Wyden

Bill Summary: Last edited by TFG Reports at Aug 9, 2021, 7:48 PM

This bill establishes a funding source for certain water resources development projects in western states. The bill also reauthorizes and expands existing water resources development programs, as well as establishes new programs. Specifically, the bill establishes the Bureau of Reclamation Infrastructure Fund to fund water-related programs, including water reclamation and reuse projects, dam safety projects, and the WaterSMART program (which provides assistance to eligible government entities to increase water supply). The bill also reauthorizes through FY2028 the Fisheries Restoration and Irrigation Mitigation program (which funds fish passage projects in certain areas that drain into the Pacific Ocean). The bill also establishes new programs directed at western states to provide assistance to agricultural producers to create and maintain waterbird and shorebird habitats, award grants to eligible government entities and nonprofit conservation organizations for habitat restoration projects that improve watershed health, and prepare plans to sustain the survival of critically important fisheries during periods of drought.

Introduction Date: 2021-03-24

Bill Number

S 939

Last Action

Read Twice And Referred To The Committee
On Environment And Public Works 2021 03 24

Status

In Senate

FN Outlook

4.7%

74.2%

Title

IMAGINE Act

Primary Sponsors

Sheldon Whitehouse

Bill Summary: Last edited by TFG Reports at Mar 25, 2021, 7:41 PM

This bill encourages the research and use of innovative materials and associated techniques in the construction and preservation of the domestic transportation and water infrastructure system, and for other purposes.

Introduction Date: 2021-03-24

Bill Number	Last Action	Status	FN Outlook
HR 2173	Referred To The Subcommittee On Water Resources And Environment 2021 03 24	In House	7.7% 60.7%
<hr/>			
Title Wastewater Workforce Investment Act	Bill Summary: Last edited by TFG Reports at Apr 2, 2021, 6:28 PM This bill amends the Federal Water Pollution Control Act with respect to wastewater infrastructure workforce development, and for other purposes.		
Primary Sponsors Greg Stanton	Introduction Date: 2021-03-23		

Bill Number	Last Action	Status	FN Outlook
S 916	Read Twice And Referred To The Committee On Environment And Public Works 2021 03 23	In Senate	4.4% 55.1%
<hr/>			
Title Water Affordability, Transparency, Equity, and Reliability Act of 2021	Bill Summary: Last edited by TFG Reports at Jun 4, 2021, 5:47 PM This bill provides funding for several programs related to controlling water pollution or protecting drinking water, revises requirements concerning the clean water state revolving fund (SRF) and the drinking water SRF, and creates or reauthorizes several grant programs for water infrastructure. In addition, the bill makes permanent a grant program for household water well systems in rural areas. It also increases the amount of appropriations for grant programs, including a program that awards grants to prevent lead from contaminating drinking water fountains in schools and day care facilities.		
Primary Sponsors Bernie Sanders	Introduction Date: 2021-03-23		

Bill Number	Last Action	Status	FN Outlook
HR 1915	Placed On The Union Calendar Calendar No 48 2021 06 22	In House	20.9% 53.7%
<hr/>			
Title Water Quality Protection and Job Creation Act of 2021	Bill Summary: Last edited by TFG Reports at Mar 18, 2021, 4:50 PM This bill amends the Federal Water Pollution Control Act to reauthorize certain water pollution control programs, and for other purposes.		
Primary Sponsors Peter DeFazio	Introduction Date: 2021-03-16		

Bill Number	Last Action	Status	FN Outlook
HR 1881	Referred To The Subcommittee On Water Resources And Environment 2021 03 15	In House	4.5% 74.5%
<hr/>			
Title To amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes.	Bill Summary: Last edited by TFG Reports at Mar 15, 2021, 3:14 PM This bill amends the Federal Water Pollution Control Act with respect to permitting terms.		
Primary Sponsors John Garamendi	Introduction Date: 2021-03-12		

Bill Number

S 722

Last Action

Read Twice And Referred To The Committee
On Energy And Natural Resources 2021 03 11

Status

In Senate

FN Outlook

2.2% 77.2%

Title

Wastewater Efficiency and Treatment Act of 2021

Primary Sponsors

Jeff Merkley

Bill Summary: Last edited by TFG Reports at May 7, 2021, 3:51 PM

This bill amends the Energy Policy Act of 2005 to establish a program to provide grants and loan guarantees to improve the energy efficiency of publicly owned wastewater treatment facilities, and for other purposes.

Introduction Date: 2021-03-11

Bill Number

HR 1660

Last Action

Referred To The Subcommittee On Water
Resources And Environment 2021 03 09

Status

In House

FN Outlook

6.4% 53.1%

Title

Stop Sewage Overflow Act

Primary Sponsors

Lori Trahan

Bill Summary: Last edited by TFG Reports at Mar 15, 2021, 3:05 PM

This bill makes certain municipalities eligible for grants under the Federal Water Pollution Control Act, and for other purposes.

Introduction Date: 2021-03-08

Bill Number

HR 1563

Last Action

Referred To The Subcommittee On Water
Oceans And Wildlife 2021 04 21

Status

In House

FN Outlook

11.1% 67.3%

Title

To extend the authorities under the Water Infrastructure Improvements for the Nation Act of 2016 providing operational flexibility, drought relief, and other benefits to the State of California.

Primary Sponsors

Mike Garcia

Bill Summary: Last edited by TFG Reports at Mar 5, 2021, 4:41 PM

This bill extends the authorities under the Water Infrastructure Improvements for the Nation Act of 2016 providing operational flexibility, drought relief, and other benefits to the State of California.

Introduction Date: 2021-03-03

Bill Number

HR 1352

Last Action

Referred To The Subcommittee On
Conservation And Forestry 2021 04 05

Status

In House

FN Outlook

7.8% 50.0%

Title

Water Affordability, Transparency, Equity, and Reliability Act of 2021

Primary Sponsors

Brenda Lawrence

Bill Summary: Last edited by TFG Reports at Jun 4, 2021, 5:48 PM

This bill increases funding for water infrastructure, including funding for several programs related to controlling water pollution or protecting drinking water. Specifically, it establishes a Water Affordability, Transparency, Equity, and Reliability Trust Fund. The bill increases the corporate income tax rate to 24.5% to provide revenues for the fund. In addition, the bill revises requirements concerning the clean water state revolving fund (SRF) and the drinking water SRF. It also creates or reauthorizes several grant programs for water infrastructure.

Introduction Date: 2021-02-25

Bill Number

HR 1015

Last Action

Referred To The Subcommittee On Water
Oceans And Wildlife 2021 03 15

Status

In House

FN Outlook

13.1%

71.2%

Title

Water Recycling Investment and Improvement Act

Primary Sponsors

Grace Napolitano

Bill Summary: Last edited by TFG Reports at Mar 25, 2021, 7:44 PM

This bill makes permanent, and otherwise revises, the Bureau of Reclamation's grant program for the funding of water recycling and reuse projects. Specifically, the bill removes priority under the program for projects in areas that, in the preceding four-year period, have been (1) identified as experiencing severe, extreme, or exceptional drought; or (2) designated as a disaster area by a state. Additionally, the bill increases through FY2025 the authorization of appropriations for the program and otherwise revises provisions related to program funding.

Introduction Date: 2021-02-11

Bill Number

HR 866

Last Action

Referred To The Subcommittee On Water
Oceans And Wildlife 2021 03 03

Status

In House

FN Outlook

7.8%

76.7%

Title

Federally Integrated Species Health Act

Primary Sponsors

Ken Calvert

Bill Summary: Last edited by TFG Reports at Feb 18, 2021, 6:34 PM

This bill amends the Endangered Species Act of 1973 to vest in the Secretary of the Interior functions under that Act with respect to species of fish that spawn in fresh or estuarine waters and migrate to ocean waters, and species of fish that spawn in ocean waters and migrate to fresh waters.

Introduction Date: 2021-02-05

Bill Number

HR 895

Last Action

Referred To The Subcommittee On
Commodity Exchanges Energy And Credit 2021
03 03

Status

In House

FN Outlook

4.5%

52.6%

Title

Emergency Assistance for Rural Water Systems Act of 2021

Primary Sponsors

David Rouzer

Bill Summary: Last edited by TFG Reports at May 7, 2021, 3:56 PM

This bill allows, and provides funds for, the Department of Agriculture (USDA) to provide grants and loans, as well as loan forgiveness, modification, and refinancing, to rural water, wastewater, or waste disposal facilities. Specifically, USDA may provide such assistance for purposes of ensuring public health, safety, and order and to address financial hardships, in particular those due to the COVID-19 (i.e., coronavirus disease 2019) public health emergency.

Introduction Date: 2021-02-05

Bill Number

S 209

Last Action

Read Twice And Referred To The Committee
On Agriculture Nutrition And Forestry 2021 02
03

Status

In Senate

FN Outlook

2.7% 55.9%

Title

Emergency Assistance for Rural Water Systems Act of 2021

Primary Sponsors

Jeanne Shaheen

Bill Summary: Last edited by TFG Reports at Feb 5, 2021, 5:09 PM

This bill provides assistance for rural water, wastewater, and waste disposal systems affected by the COVID-19 pandemic, and for other purposes.

Introduction Date: 2021-02-03

Bill Number

HR 737

Last Action

Referred To The Subcommittee On Water
Oceans And Wildlife 2021 02 23

Status

In House

FN Outlook

11.1% 81.0%

Title

RENEW WIIN Act

Primary Sponsors

David Valadao

Bill Summary: Last edited by TFG Reports at Feb 5, 2021, 5:10 PM

This bill extends the authorities under the Water Infrastructure Improvements for the Nation Act of 2016 (WIIN Act) providing operational flexibility, drought relief, and other benefits to the State of California.

Introduction Date: 2021-02-02

Bill Number

HR 616

Last Action

Referred To The Subcommittee On
Environment And Climate Change 2021 02 02

Status

In House

FN Outlook

9.3% 47.1%

Title

Emergency Water is a Human Right Act

Primary Sponsors

Rashida Tlaib

Bill Summary: Last edited by TFG Reports at Feb 16, 2021, 6:11 PM

This bill prohibits water shutoffs during the COVID-19 emergency period, and provides drinking and waste water assistance to households.

Introduction Date: 2021-01-28

Bill Number

HR 481

Last Action

Referred To The Subcommittee On Economic
Development Public Buildings And Emergency
Management 2021 02 04

Status

In House

FN Outlook

6.4% 80.1%

Title

Flood Resiliency and Taxpayer Savings Act of 2021

Primary Sponsors

David Price

Bill Summary: Last edited by TFG Reports at Feb 19, 2021, 4:12 PM

This bill safeguards taxpayer resources and strengthens the Nation's resilience against severe storms and flooding.

Introduction Date: 2021-01-25

Bill Number

S 29

Last Action

Read Twice And Referred To The Committee
On Environment And Public Works 2021 01 22

Status

In Senate

FN Outlook

16.2%

52.3%

Title

Local Water Protection Act

Primary Sponsors

Amy Klobuchar

Bill Summary: Last edited by TFG Reports at May 7, 2021, 3:49 PM

This bill reauthorizes through FY2025 programs within the Environmental Protection Agency that award grants to states for managing nonpoint source water pollution or protecting groundwater quality. Water pollution from nonpoint sources is caused by precipitation picking up pollution as it moves over or through the ground.

Introduction Date: 2021-01-22

Bill Number

HR 74

Last Action

Referred To The Subcommittee On Economic
Development Public Buildings And Emergency
Management 2021 02 04

Status

In House

FN Outlook

5.4%

52.9%

Title

Protecting Local Communities from Harmful Algal Blooms Act

Primary Sponsors

Vern Buchanan

Bill Summary: Last edited by TFG Reports at Feb 12, 2021, 5:56 PM

This bill amends the Robert T. Stafford Disaster Relief and Emergency Assistance Act to include algal blooms in the definition of a major disaster.

Introduction Date: 2021-01-04

Bill Number

HR 59

Last Action

Subcommittee Hearings Held 2021 11 16

Status

In House

FN Outlook

8.4%

80.1%

Title

Strengthening Fishing Communities and Increasing Flexibility in
Fisheries Management Act

Primary Sponsors

Don Young

Bill Summary: Last edited by TFG Reports at Feb 12, 2021, 5:50 PM

This bill amends the Magnuson-Stevens Fishery Conservation and Management Act to provide flexibility for fishery managers and stability for fishermen.

Introduction Date: 2021-01-04

Powered by

FiscalNote



Operations & Maintenance Report

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

June 2022

OPERATION & MAINTENANCE REPORT

SAFETY, EDUCATION & TRAINING

- Operations Department held tailgate safety meetings in the Lindsay yard, and outlying field office staff attended the Canal and Maintenance meeting.
- Friant staff received environmental training on endangered species completing the annual review.
- Delano, Lindsay, and Orange Cove Foremen held tailgate safety meetings discussing safety hazards and precautions associated with employees' work assignments. Delano Forman discussed FWA rules and regulations on heat illness. Items such as drinking water availability, access to shade daytime temperatures, first aid, and Emergency response.

ACCIDENTS & INJURIES

- Friant staff has worked 2167 days without a lost-time injury accident.
- Friant staff has worked 202 days without a liability accident.

MAINTENANCE SUPERVISION

GENERAL SUPERINTENDENT REPORT

SUBSIDENCE

- Staff worked with Stantec on the Water Quality monitor program.
- Staff continued working with the County of Tulare and Stantec for middle reach plan reviews.
- Staff continued with the State Waterboard and the City of Orange Cove on city expansions.
- Staff attended MRRCP field meetings and weekly Teams meetings with USBR and JV contractor.
- Managed system leaks in the construction zone and met with Bureau and Contractor representatives on system tie-ins.
- Attended a budget workshop with all Friant departments for the FY23 OM&R budget.

PERSONNEL ITEMS

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

CONSTRUCTION & MAINTENANCE

FOREMEN REPORTS: DELANO, LINDSAY, & ORANGE COVE MAINTENANCE

EED & PEST CONTROL

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

PRODUCTS	UNITS	MAINTENANCE YARD USAGE			TOTAL USAGE	END OF MONTH ON-HAND
		Delano	Lindsay	Orange Cove		
Clearcast	Gal	0	0	0	0	2.50
Copper Sulfate - Old Bridge	Lbs.	10,950	2,450	4,750	18,150	50,787
Copper Sulfate - Chem One	Lbs.	0	0	0	0	17,150.00
Argos Copper	Gal	0	0	0	0	0
Captain XTR	Gal	0	0	0	0	0
Deploy	Gal	0	0	0	0	0
Diphacinone	Lbs.	0	0	37	37	10
Diuron 4L - Loveland	Gal	0	0	0	0	625.00
Diuron 4L - Drexel	Gal	0	0	0	0	1,890
Lifeline	Oz	0	0	0	0	0
Weather Guard Complete	Oz	0	0	0	0	67.00
Finale	Oz	0	0	0	0	0
Milestone VM	Oz	0	0	0	0	156
Roundup - Custom	Gal	4	125.50	89	218.50	244.50
Roundup - Pro Conc	Gal	48	176	62	286	343
Forfeit 280	Oz	0	0	0	0	0
Sonar Genesis	Gal	0	0	0	0	2.00
Cheetah	OZ	0	30	4,772	4,802	2,020

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

- Lindsay maintenance staff continued rodent control and damage repair.



Lindsay staff removed weeds in the problematic areas



Lindsay staff filled washouts at various places

CANAL & DIVERSION STRUCTURES

- Lindsay maintenance staff hauled and stockpiled asphalt grindings for future use as leveling or fill material
- Delano staff continues their structure gate maintenance for the year, Repairs Radial and Slide gates such as oil leaks, gearboxes, motor couplers, wire rope inspection, etc. Staff will Lubed all grease points and wire ropes, repair all metalwork, security fence repairs, deck cleaning, touch-up painting, Buoy ball and wire rope replacement, and debris removal.



Lindsay maintenance staff created drainage channels for areas with insufficient drainage



Delano staff perform maintenance on slide gate at MP .144.86



Delano staff painted pump at MP.121.50



OC staff cleared debris from inlets

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



OC staff continued Bridge maintenance



OC staff made repairs to security fencing

O&M ROADS

- Orange Cove maintenance staff made repairs to security fencing.

YARD & BUILDING

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

RIGHT-OF-WAY MAINTENANCE

- Delano, Lindsay, and Orange Cove maintenance staff continued the removal of illegally dumped trash and removed debris from gate structures to the local solid waste/recycling facility.
- Delano and Orange Cove maintenance staff continued to repair and install security fencing to prevent public access from entering the Friant-Kern Canal right-of-way and structured areas.
- Delano maintenance staff continued painting bar gates, bollard posts, guard railings, warning signs, liner markers, structures, security fence wings, electrical panels, and blockhouse doors.
- Orange Cove staff continued to remove illegally dumped items along the right-of-way. Trash and debris were removed and transported to the local solid waste/recycling facility or stored for future disposal.
- Lindsay maintenance staff repaired bargate and bollard post that had collapsed due to soft soil and poor compaction. The gate and bollard were removed and reset with concrete.
- Lindsay maintenance staff made multiple repairs to the chain link fence in the Strathmore area where pedestrian traffic is most active.



Lindsay maintenance staff used boom truck and dipping screen to remove trash from syphons and Buoy lines.

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

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

ENGINEERING ACTIVITIES

ENGINEER AND ENGINEER TECHNICIAN REPORT

JUNE

RIGHT OF WAY

- Staff continues to work with USBR to ensure ROW boundaries are maintained.
- Staff submitted a report of the systemwide audit of the FKC for internal review.
- Staff updated structures list based on observations found while conducting systemwide audit and submitted for internal review.
- Staff continues to respond to developers and consultants to maintain the FKC and ROW.

GROUNDWATER SUSTAINABILITY AGENCYS

- Staff continues to attend GSA meetings, public workshops, and committee meetings.
- Staff continues to review GSPs within the San Joaquin and Tulare Lake Basins.

WATER QUALITY

- Staff provided a Proposal to Amend current Reclamation wellhead thresholds associated with the Friant Division Groundwater Quality Pump-in Program.
- Staff calculated the human health, ecological, and agronomical risks associated with a 0% allocation and current 15% allocation.
- Staff modeled the risk assessment results using the Water Quality Program Forecast Model.
- Staff provided a technical report to the Reclamation Environmental Compliance Unit detailing the assumptions and model results.
- Staff continues to review and develop the FWA Water Quality Guidelines with the Water Resources Manager.
- Staff continues to evaluate all non-project source waters to determine whether potential future mitigation will be required once the program is implemented.

SYSTEM WIDE RECONNAISSANCE

- Staff is working with Operations to ensure that model assumption, variables, and inputs reflect actual conditions.
- Staff is continuing to collect and provide data to fulfill Stantec's RFI. Staff labor cost and time will mitigate consultant high-rate schedule fees.

OPERATIONS ACTIVITIES

OPERATIONS SUPERVISOR REPORTS

Operations Staff during the month of April delivered 30,518 acre-feet. Total water diverted year-to-date to FKC Contractors is 67,359 acre-feet.

Reported sump pump deliveries of 2 acre-feet and year to date total of 12 acre-feet.

- Staff completed and sent out the ROWD's for the month of June.
- Staff repaired and tested Elmo beam data for accurate measurements.
- Staff checked 14 transmitters and calibrated 9 transmitters on the canal system.
- Staff repaired 4 propeller meters throughout the canal system.
- Staff performed a test for the Bassett Sontek meter.

ELECTRICAL

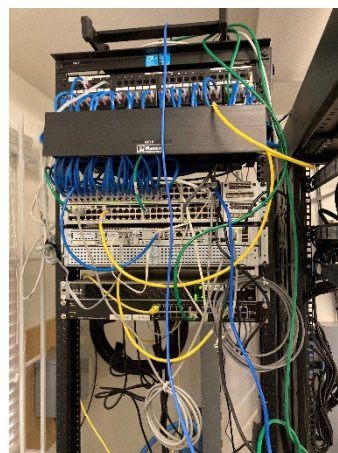
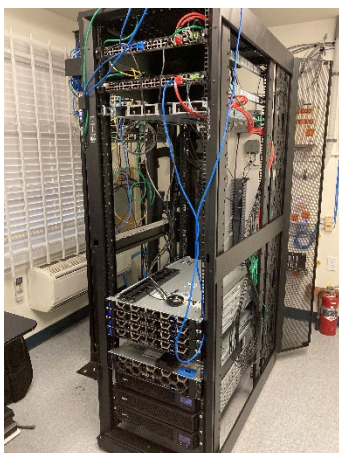
- Staff installed new lighting in the White River Check Structure.
- Staff worked on electrical at the Lindsay office.
- Staff installed new torques at the North Kern Turnout.
- Staff added additional security lights to the Tule River blockhouse.
- Staff installed a sump pump at Avenue 212. Tests were done by bringing water into the ditch.
- Staff installed GFI's at the White River Check.
- Staff installed a 240v float switch at OC#2.

SCADA

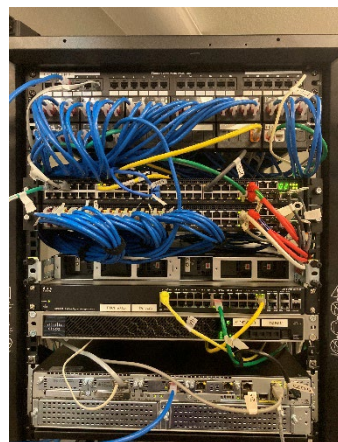
- Staff worked with MRC, our actuator manufacturer. They installed new indicator gears at North Kern Gate 2 and 3 actuators. These actuators were regear, but the indicator dial needed to be regear also.
- Staff tested an insertable mag meter as a means of replacing pilot tube measurements.
- Staff pulled the EC sensor at Sand Creek and shipped it back to the manufacturer for testing and repair.
- Staff looked into new level sensors and met with a salesman.
- Staff repaired Dodge Ave after a lightning storm. Replaced the motor saver, a resistor on the Honeywell recorder, and the downstream power supply.
- Staff worked with Intellisite and had to replace the Cradlepoint modem at international.
- Staff met with IntelliSite; they replaced hardware at Shafter check.
- Staff reset the UPS at Rocky Hill after a lightning storm.
- Staff assisted Instrument Tech with zeroing in meters.
- Staff assisted Instrument Tech with blowing out the lines at Elmo West and downloading meter data.
- Staff assisted electrician with installing a sump pump at Hills Valley.
- Staff renewed Geo SCADA support contract.
- Staff reset several Modems to restore communications.
- Staff continues to make improvements in Geo Scada HMI.

INFORMATION TECHNOLOGY

- Staff is working to limit/block phishing/spam attempts. Barracuda blocked 1,580 incoming phishing/spam emails for the month of May. 7,541 emails were Quarantined.
- Staff provided support at the Delano location for various software upgrades.
- Staff performed after-hours work Saturday, June 25th, and Sunday, June 26th, to decommission two cisco switches and reconfigure FWA's current two Dell switches. Staff moved the remainder of the equipment from the 2-post rack into the 4-post rack.



Before Decommission of Switches

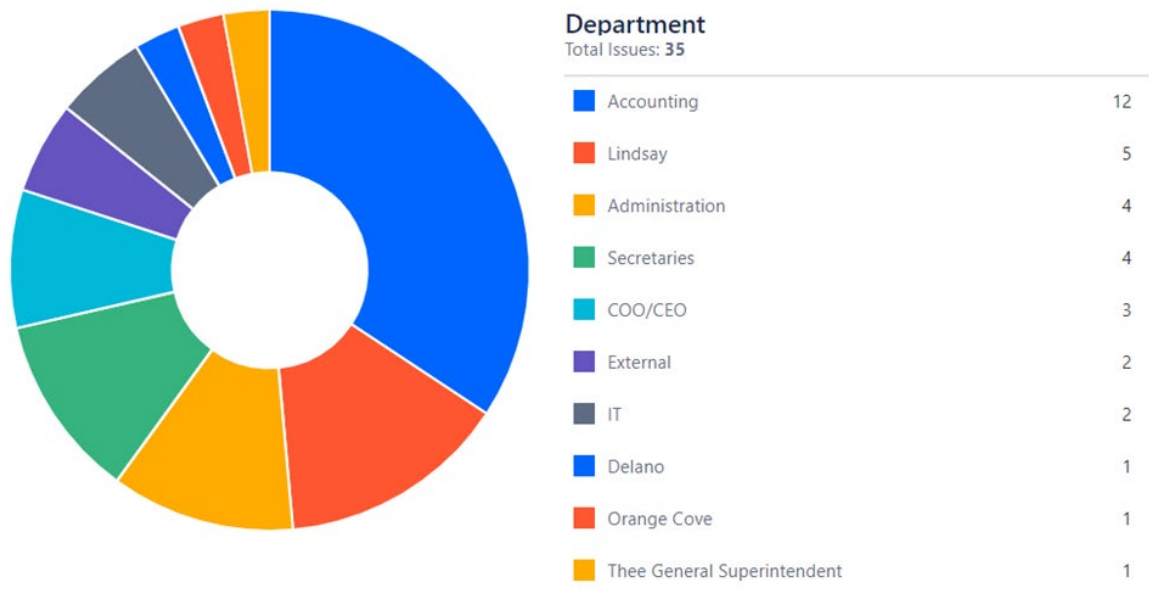


After Decommission of Switches and condensed to 1 rack

- Staff continued providing cross-training to front office staff to assist the executive secretary, run meetings, and assist with a/v support in the conference room.
- Staff provided front office staff training on Board Effect and Squarespace to assist the executive secretary with packet and agenda distribution.
- Rubrik would allow FWA to recover from ransomware attacks through immutable backups. Rubrik would also allow FWA to utilize their software on the cloud if on-premises hardware ever failed.
- Staff launched a new ticketing system with Jira on June 15th. Jira is integrated with FWA's IT Consulting team at Redesign. It will allow staff to escalate tickets for further assistance to

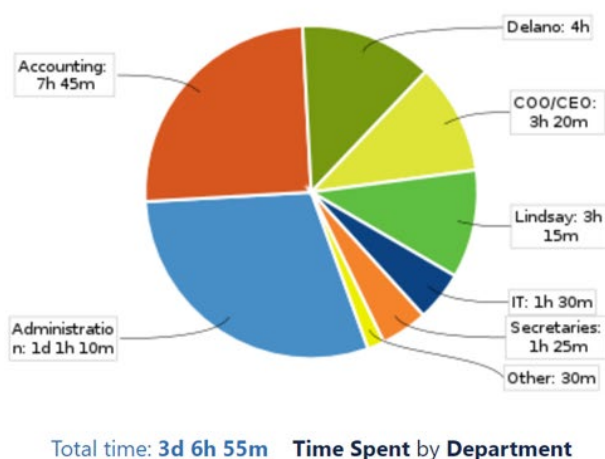
Redesign. Jira provides staff with a tracking system for ticket requests while consolidating information to one central location for future reference.

- Staff was able to utilize FWA's current monthly allotted hours with Redesign to set up Friant's Helpdesk with Jira at no additional cost.
- Staff resolved 35 of the 36 Helpdesk tickets opened in June.



Number of resolved Tickets submitted by Department

Workload Pie: June



Key	Hours	%
Accounting	7	25
Administration	9	29
COO/CEO	3	10
Delano	4	12
External	0	0
IT	1	4
Lindsay	3	10
Orange Cove	0	0
Secretaries	1	4
Thee General Superintendent	0	0

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

Agenda Report

No. 4.E

DATE: July 28, 2022
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: the priorities focus on the following: Advocacy, Groundwater Quality and Disadvantaged Communities, Land Use Changes & Environmental Planning, Outreach & Communications, SGMA Implementation, Water Supply Goals, Governance, Operations & Finance. The Blueprint Board has also identified quantifiable objectives, timelines for action and systems of accountability including hiring an executive director.

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

Vision Statement: *"The Water Blueprint serves as the united voice to champion water resource policies and projects to maximize accessible, affordable, and reliable supplies for sustainable and productive farms and ranches, healthy communities, and thriving ecosystems in the San Joaquin Valley."*

Committees: *Technical Committee:* will be publishing on its website a working list of entities the Blueprint should aim to collaborate with. – *Executive/Budget/Personnel:* A executive director scope of work has been prepared and a hiring committee formed to look at engaging an individual for that role; – *Advocacy – Community/Outreach.* Chairs and committee members are being filled, please contact us if you would like to volunteer.

Advocacy: The Blueprint sent a SJV funding flyer to highlight and identify needs to state elected and policy makers, participant follow up is occurring. It consists of: Interregional Water Planning: \$10 million (fish friendly diversions pilot); Conveyance: \$835 million; Regional Resilience and Sustainability: \$1.5 billion; Multi-Benefit Land Repurposing: \$1 billion.

Drinking Water Feasibility Study:

A draft drinking water feasibility study proposal prepared by Fresno State/California Water Institute covers 5 counties within the San Joaquin Valley to identify 20 spots that are technically and financially feasible for groundwater recharge that have multiple benefits and specifically DACs with no other options but groundwater. State Contractors and SLDMWA have expressed interest to expand the study area and assist with finding funding. Current sponsors are Fresno State, FWA, Self Help, Sustainable Conservation and Leadership Council and are discussing funding opportunities with Senator Feinstein's office and DWR. Friant Contractors/managers have shared projects they are pursuing and ability to identify tangible and/or direct benefits to drinking water supplies.

SJV Water Collaborative Action Program (SJVWCAP):

The CAP is focused on coming to an agreement on a term sheet (attached) with an initial list of desired outcomes and potential solutions to water issues in the San Joaquin Valley. The Plenary group could not come to an agreement on the previous Phase I framework and decision document that was produced and is now focused on trying to come to an agreement on the CAP Term Sheet to move the collaborative effort forward into Phase II.

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.

DRAFT CAP TERM SHEET
July 20, 2022

This term sheet developed by CAP members is intended to be an *initial list* of desired outcomes and potential solutions to the water issues in the San Joaquin Valley.

CAP Desired Outcomes

1. **Safe Drinking Water.** All San Joaquin Valley (Valley) residents will have access in a timely manner to safe, reliable, and affordable drinking water no matter the hydrologic conditions.
2. **Sustainable Water Supplies.** Sustainable water supplies will be available to support a diverse economy, thriving ecosystems, the public health, safety and social and cultural fabric of Valley residents and the production and sale of reliable food sources.
3. **Ecosystem Health.** The Valley landscape will increase its habitat areas to support an array of species and healthy aquatic ecosystems, including floodplain, riparian, wetland, on-farm and upland habitat.
4. **Sustainable Agriculture:** California will continue to provide reliable, safe and secure food and fiber with industry-leading protections for workers, in-Valley communities and the environment.
5. **Land Use; Infrastructure; Replenish Aquifers:** California will increase investment in underground water storage, conveyance and other cost-effective and environmentally protective multibenefit infrastructure to deliver water to storage sites, taking into account thriving communities and ecosystems.
6. **Consistent Policies.** Local, state, and federal policies and funding will be aligned to advance this positive vision of the Valley's future and will assure adequate resources for local government to play a vital role in this transformation. Streamlined permitting and regulatory review process will be available for qualified multi-benefit projects.
7. **Sound Science.** Decisions will be made using the best available and independent science possible. Adaptive management with monitoring, deployment of the best available technology and outcome accountability will be necessary to maximize the effectiveness of resource decisions.

CAP Solutions Elements

1. **Safe Drinking Water.** Ensure safe, reliable, and affordable drinking water supplies for all Valley residents for short-term drought needs and long-term solutions within 10-15 years or sooner, utilizing consolidation and other management tools.
2. **Sustainable Water Supplies.** Eliminate the demand-supply gap and long-term overdraft with co-equal efforts to reduce demand and increase supply by prioritizing projects that will benefit multiple stakeholders.
 - a. **Reduce Demand.** Reduce demand through incentivizing landowners to voluntarily repurpose irrigated agricultural lands to other beneficial uses that requires little or no water, with compensation to landowners for creating public

benefits and water rights reserved by landowners, consistent with applicable GSPs.

- b. **Increase Supply.** Increase supply for sustainable agriculture primarily by managing in-Valley and through-Delta flood flows for use and aquifer replenishment, which may provide [TBD AF]/Year on average.
- c. **The Delta.** Conduct a science-based assessment of the Delta with independent scientific experts to-
 - i. Reduce ‘uncaptured outflow’ and determine how much additional water can be available from the Delta during high flow events while protecting ecosystem health, consistent with PPIC May 16 2022 Policy Brief (PPIC Report).¹ As of the above date, the PPIC Report confirms the availability of increased Delta exports in wet years. CAP will support the assessment of increased Delta exports during high flow events in other year types.
 - ii. Assess the reduction of non-flow stressors in the Delta (e.g., predation, invasive plants, urban effluent, agricultural runoff, disease/competition, changes in food etc.). CAP will support the review of existing studies on non-flow stressors to decide next steps and best investment in further research.
 - iii. Explore reservoir reoperation that takes into account leading edge forecasting technology to serve multiple benefits.
 - iv. Forecast the extent to which Delta ecosystem and water supply impacts are expected to be caused by Climate Change to prepare all Californians for this supply risk and the related financial burdens applicable to all Californians (not only water contractors).
3. **Ecosystem Restoration.** Create one of the largest restoration programs targeting [TBD] acres through voluntary land repurposing of a portion of the Valley’s irrigated land to create a range of habitats, (a) with compensation to landowners for creating public benefits, (b) water rights reserved by landowners, consistent with applicable GSPs and (c) without hindering the ability to replenish aquifers for sustainable agriculture.
4. **Coordinated Changes in Land Use.** Assure Valley-wide land use change helps accomplish CAP goals by working through the California Multibenefit Land Repurposing Program and related state programs, while also leveraging federal sources of funding.
5. **Effective Implementation.** Work through the politically diverse CAP coalition to align local, state, and federal policies and funding.

¹ PPIC Policy Brief: Tracking Where Water Goes in a Changing Sacramento–San Joaquin Delta, May 16, 2022: “Increasing the amount of water stored during wet periods—whether by taking more water out upstream of the Delta, or making the best use of export facilities—has to be done with care for the environment and other water users. But it is possible to do a better job of storing water during wet years—both above and below ground—without doing harm. Improving the management of wet-year supplies is a critical climate change adaptation strategy. This will require identifying cost-effective investment options and adapting operations and regulatory approaches to facilitate capturing more water in wet times.”

AGENDA REPORT

NO. 4.F

DATE: July 28, 2022

TO: Board of Directors

FROM: Wilson Orvis, Chief Financial Officer

SUBJECT: San Luis & Delta Mendota Water Authority Update

SUMMARY:

Friant Water Authority staff engaged with San Luis & Delta-Mendota Water Authority (SLDMWA) via the Finance and Administration Committee (FAC) on July 11, 2022 and the Board of Directors' (BOD) Meeting on July 14, 2022 as well as additional staff-to-staff meetings throughout the last month.

There were two major items associated with SLDMWA over the last month that pertain to FWA operations: (1) San Luis Transmission Project and (2) San Joaquin River Releases to Mendota Pool.

For the San Luis Transmission Project:

- SLDMWA and Reclamation are addressing questions and concerns from other Central Valley Project water users that participate in Project Use Energy costs regarding the impact the Project will have on rates.
- SLDMWA is exploring alternative financing options including (1) a possible public-private partnership with an interested solar developer and (2) possible Federal appropriations through Western Area Power Administration to cover the initial construction cost.

San Joaquin River Releases to Mendota Pool:

- At the beginning of April, due to a temporary interruption of service of sufficient quantities of substitute water to be conveyed through project facilities operated and maintained by San Luis & Delta-Mendota Water Authority (SLDMWA), Reclamation began releasing flows that bypass Friant Dam down the San Joaquin River to the Mendota Pool to meet Exchange Contractor demand.
- FWA and SLDMWA are continuing to have discussions regarding how these releases are to be treated under the Memorandum of Understanding between FWA and SLDMWA.

ATTACHMENTS

None this month.

Agenda Report

No. 4.B

DATE: July 28, 2022

TO: Board of Directors

FROM: Ian Buck-Macleod, Water Resources Manager

SUBJECT: Water Operations Update

SUMMARY:

The Friant Class 1 allocation was increased to 30% on July 20th; all other CVP allocations have remained the same. The most recent CVO forecast was released on June 29th, which showed fairly minimal changes at most locations compared to the May forecast. Releases from Friant for the Exchange Contractors began on April 1st and ended on July 15th. The most recent recommendation from the Restoration Administrator has Restoration Flows resuming in October.

DISCUSSION:

Inflow Forecasts

June and July precipitation has been generally near average in most locations throughout the State, although in most areas, average is near zero. Temperatures in June and July have generally been slightly above average, however have oscillated between above and below normal. Snowpack melted out in nearly all locations by mid-June. Precipitation across the State as a percent of normal currently ranges from 58% to 79%. Little to no precipitation is forecasted in the coming weeks except for potential monsoonal rains in the central and southern Sierra, while current temperature forecasts show near normal to about 10 degrees above normal temperatures for the northern half of the State.

Table 1 shows the unimpaired inflow forecasts for Shasta Lake and Millerton Lake from the California Nevada River Forecast Center (CNRFC) and the California Department of Water Resources (DWR), respectively, along with a Millerton inflow forecast from the South-Central California Area Office (SCCAO). Forecasts for both Shasta and Millerton have converged across a small range at this point in the water year. The June 7 update was the final Bulletin 120 forecast for the year. As a result of the defined shortage criteria, it is a Shasta Critical year; unimpaired inflow to Shasta in WY 2022 needed to be at least 4.0 MAF this year to be non-critical.

Table 1. Unimpaired Inflow Forecasts for WY 2022

Item	Exceedance		
	90%	50%	10%
CNRFC Shasta Unimpaired Inflow (TAF) ¹	2,890	2,900	2,910
DWR Shasta Unimpaired Inflow (TAF) ²	2,915	2,960	3,030
CNRFC Millerton Unimpaired Inflow (TAF) ¹	1,030	1,030	1,030
DWR Millerton Unimpaired Inflow (TAF) ²	1,007	1,044	1,090
SCCAO Millerton Unimpaired Inflow (TAF) ³	1,027	1,033	1,046

Notes:

¹ As of July 26.² As of June 7 (final B120).³ As of July 8 (60%DWR/40%NWS).**CVP NOD Operations**

Overall CVP North-of-Delta reservoirs are at mostly below-normal storage levels for this week based on their 15-year average – Trinity, Shasta, and Folsom are 49%, 59%, and 103% of average, respectively. Releases from all upstream reservoirs have been mostly holding steady to meet downstream demands and to maintain water quality and exports in the Delta.

CVO provided a June projection at the 90% exceedance level, which used the final June Bulletin 120 inflow forecasts. As such, all reservoir and operations projections included in this document include CVO's June 90% projection, along with an internal FWA projection which uses the May 1 Bulletin 120 90% exceedance forecast but was adjusted based on observed conditions.

In late March, the CVP, various State agencies, and the Sacramento River Settlement Contractors agreed on an approach for Shasta operations for the mid-April through September period. The operation creates a flow target of 3,000 cfs at Wilkins Slough, with releases from Keswick to be no higher than 4,500 cfs on a monthly average. This operation seeks to preserve as much coldwater in Shasta for as long as possible. This operation is expected to result in only 15-20% of supplies available for the Settlement Contractors. Based on improved water supply conditions an additional TUCP for the July through August period was not filed by CVO and the SWP. The recent TUCP/TUCO expired on July 1st. The projects are currently operating to the standard D-1641 requirements in the Delta.

Figures 1 and 2 show the projected Shasta Lake and Folsom Lake storage through September based off the most recent CVO and internal projections, respectively, as compared to actuals to date. Inflow from the April and May storms, along with lower spring releases has allowed Shasta storage to trend above both the 90% exceedance projection from CVO and the internal projection. The 90% CVO projection currently indicates an end of September Shasta storage volume of 1.39 MAF, and the internal projection shows 1.29 MAF. Folsom storage has generally trended near or above forecasted as the American River watershed was on or near the target of the April and May storm events. This, along with lower than expected spring releases, allowed Folsom to reach approximately 90% full. Folsom storage topped out for the year at 865 TAF and is now dropping as releases are being made to support Delta water quality and increased Delta exports.

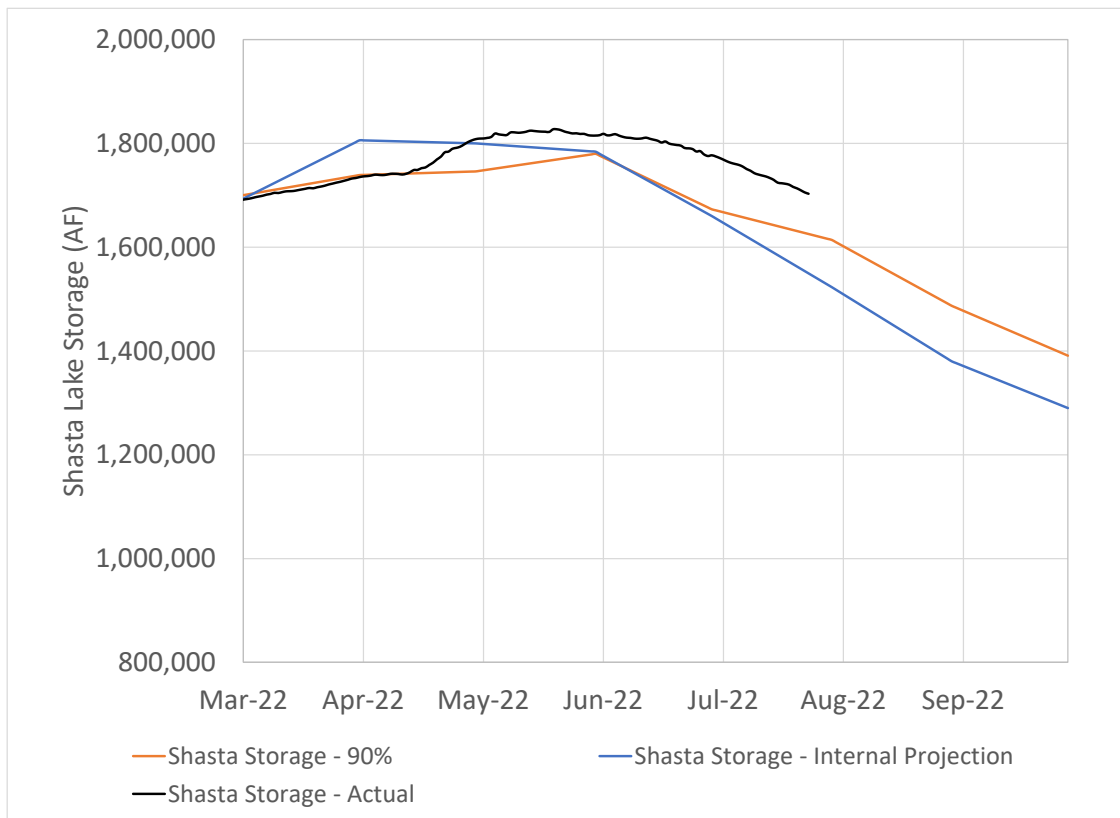


Figure 1. Shasta Lake Storage – June CVO and Internal Forecast Compared to Actuals

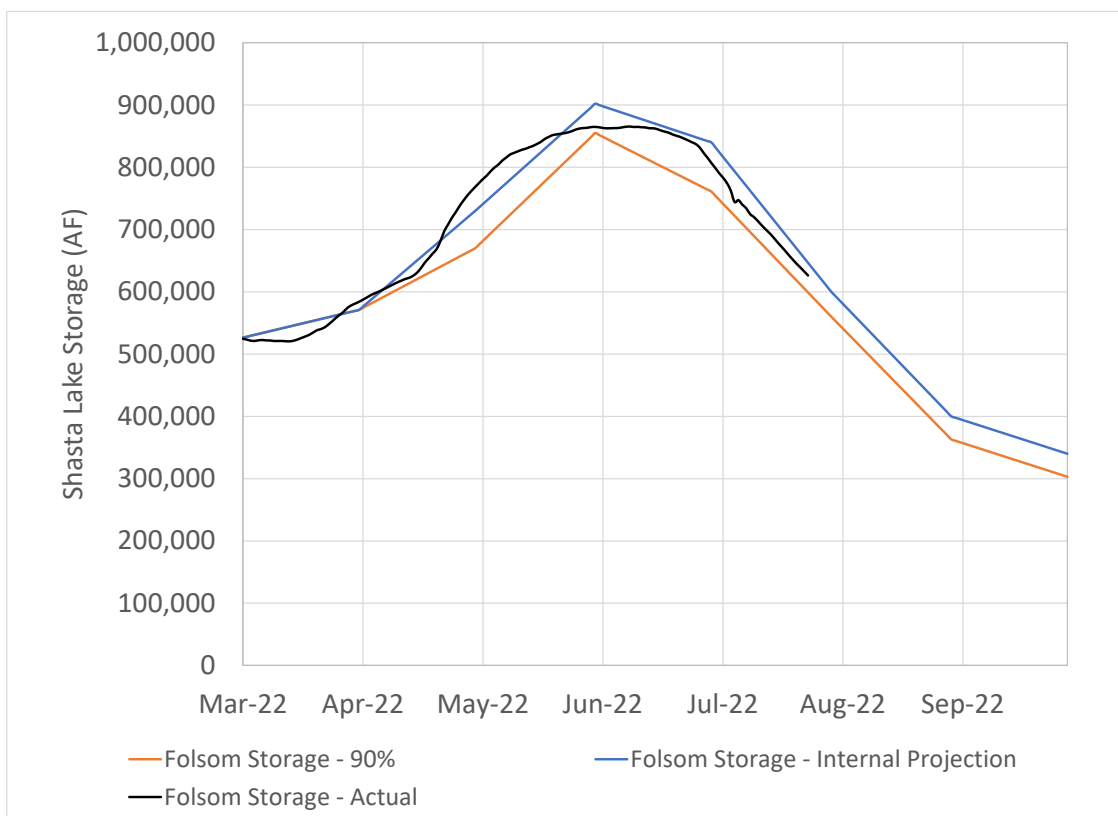


Figure 2. Folsom Lake Storage – June CVO and Internal Forecast Compared to Actuals

CVP SOD Operations

Delta Operations

Jones exports were at a one-unit operation from April until the end of June. Exports had been limited by TUCO limits, overall availability, and the Vernalis 1:1 requirement. On July 1, Jones exports increased to a two-unit operation and then a three-unit operation on July 11. CVO anticipates being able to hold three units through at least through the end of August, but operations may be adjusted based on water quality conditions in the Delta. Figure 3 shows the projected daily Jones pumping through September as compared to actuals to date. Of this increased Jones pumping, approximately 300 cfs is considered to be part of north-of-Delta, Yuba River transfers to San Luis and Delta-Mendota Water Authority water contractors, which will total less than 30 TAF when complete.

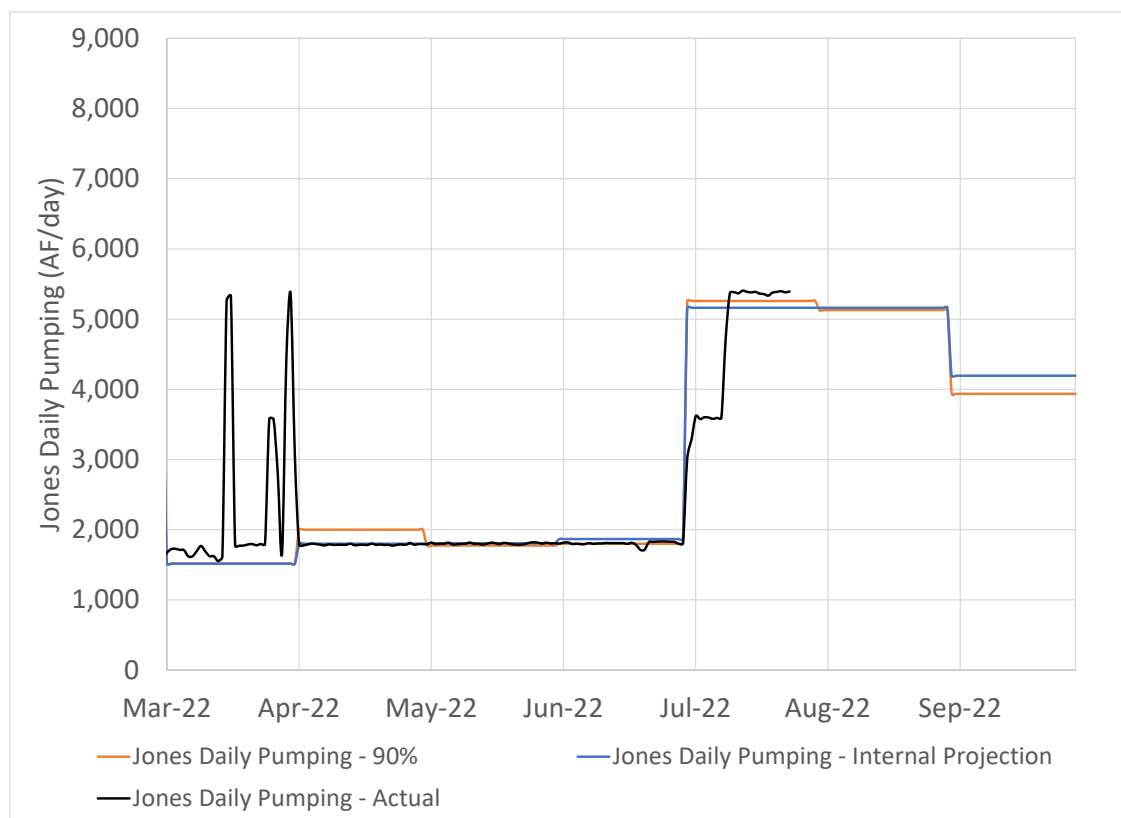


Figure 3. Daily Jones Pumping – June CVO and June Internal Exceedance Projections Compared to Actuals

As of July 19, water right curtailments were in effect for a number of tributaries in the Sacramento and San Joaquin Valleys, with all rights in the San Joaquin watershed being curtailed to at least a 1900 priority, all rights in the Sacramento watershed being curtailed to at least a 1917 priority, and all rights in the Legal Delta also being curtailed to a 1917 priority. At this time, the SWRCB anticipates many of these curtailments to remain in effect for most of the summer.

San Luis Operations

CVP San Luis Reservoir storage is at 181 TAF—63% of its 15-year average. At the end of May there was approximately 254 TAF of rescheduled and non-Project water in CVP San Luis, with most contractors expecting to slowly use this throughout the season. This leaves approximately 83 TAF of Project supply currently available. Figure 4 shows the 90% June exceedance projection from CVO and the June internal projection for San Luis Federal storage through September as compared to actuals. Please note both projections display actual storage, which currently includes approximately 250 TAF of non-project water at the end of May. The CVO projection currently shows CVP San Luis physical storage reaching low-point in October, but remaining positive.

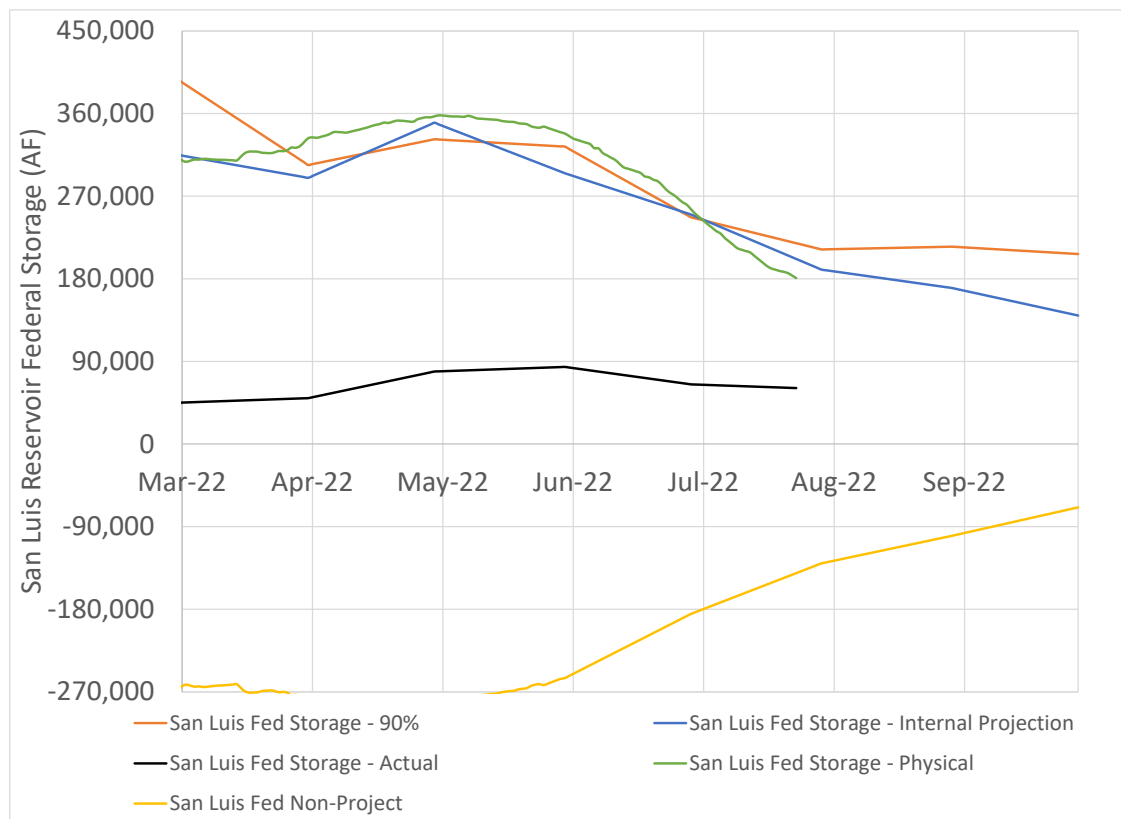


Figure 4. San Luis Federal Storage – June CVP and Internal Exceedance Projections as Compared to Actuals

Exchange Contract

On April 1st water began being released from Friant to meet Exchange Contractor demands. Releases from Millerton began decreasing on June 22 and are currently about 230 cfs. Delivery of Friant water to Exchange Contractors ceased on July 15, with flows dropping to Holding Contract minimum at Gravelly Ford. Total delivery to Exchange Contractors of Friant supply was 32 TAF in April, 63 TAF in May, 62 TAF in June, and approximately 8 TAF in July, removing losses.

Friant Division

Millerton and Friant Allocation

Figure 5 shows the Millerton Lake storage through September based off the most recent SCCAO 90% projection, as compared to actuals to date. The projection shows a 30% Class 1 available supply (240 TAF) on top of 37 TAF of carryover supply, and 54 TAF of URFs (note recent change to URF's in next section). This projection includes the approximately 211 TAF that has been released for the Exchange Contractors, with no additional releases for the Exchange Contractors this year. Millerton Lake storage had trended above the forecast due to somewhat higher snowmelt runoff and upstream reservoir releases than forecasted, but has since aligned with the forecast. Storage peaked for the year at about 376 TAF.

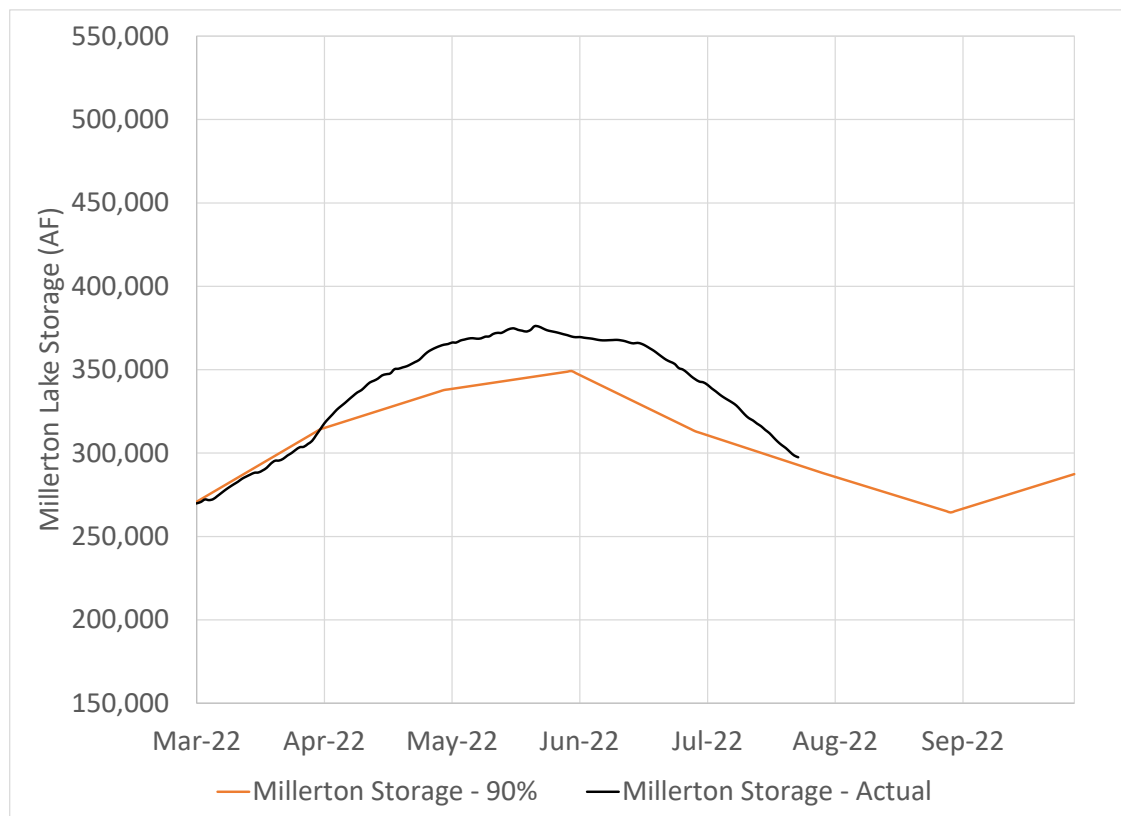


Figure 5. Millerton Lake Storage – SCCAO 90% Exceedance Projection Compared to Actuals

Friant Division Contractors

The CVP Friant allocation for 2022 was increased to 30% of Class 1 supplies (240 TAF) on July 20. In May, 42 TAF of Gross URFs were sold. Another 26 TAF of Gross URFs were accepted for URF Exchanges (10.5 TAF of which from 2018 agreement) in May through July. Finally, 33 TAF Gross URFs were sold in July, totaling 101 TAF of Gross URFs this year. Based on recent forecasts for south-of-Delta and Millerton operations, **FWA does not estimate another change to the Class 1 allocation this contract year.**

San Joaquin River Restoration Allocation

On May 13th, Reclamation notified the Restoration Administrator (RA) of the final allocation update for WY 2022/23 of 232,470 AF, as measured at Gravelly Ford. On July 12th the RA submitted a revised schedule for the remainder of the restoration year. The recommendation includes no Restoration Flow releases

through September in order to preserve coldwater pool in Millerton. The recommendation has been approved by Reclamation following completion of a water supply test related to shifting 19.8 TAF of releases from summer to fall months, which concluded there would be no material reduction to Friant Contractor deliveries as a result of the revised schedule. Restoration flows previously ceased on April 10th due to capacity limitations in Reach 2 and the need for Exchange Contractor supply, which have priority over Restoration flows. The last day of Restoration flows past Sack Dam was April 12th.

San Joaquin River Restoration Recapture

Recapture at Mendota Pool is unlikely this year except for at the beginning and end of Restoration Flow releases in October and February, respectively. The temporary transfer petition for recapture at PID and BCID was delayed due to the uncertainty regarding availability of Restoration Flows due to the releases for the Exchange Contractors. The petition for temporary transfer will be resubmitted in the near future with the expectation of being able to recapture Restoration Flows at PID or BCID when Restoration Flows resume.



A large rectangular area for taking notes, featuring horizontal lines. On the left side, there are two decorative, overlapping shapes: a light blue one on top and a light green one on the bottom, both with a wavy, organic edge.