

BOARD OF DIRECTORS MEETING | Agenda

THURSDAY, FEBRUARY 24, 2022

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

**VISALIA CONVENTION CENTER, 303 E. ACEQUIA AVE, VISALIA, CA 93291
SEQUOIA ROOM, 2ND FLOOR**

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

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

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[+1 209-800-2813,,403688243#](#) United States, Stockton

Phone Conference ID: 403 688 243#

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

B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

(Government Code section 54956.9(d)(2))

Significant Exposure to Litigation: Five 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)
 - 1. Property: Friant-Kern Canal facilities and right-of-way
Agency negotiator: CEO, 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)
- E. PUBLIC EMPLOYMENT
(Government Code section 54957)
Title: Chief Operating Officer

RECONVENE INTO OPEN SESSION (10:30 AM) (announce any reportable closed session action.)

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 January 27, 2022. (Loeffler)
- B. Ratify February 2022 Bills and Accept the Cash Activity Reports for January 2022. (Orvis)
- C. FY 2022 Copper-Sulfate Purchase – Approve purchase of Copper-Sulfate per FY 2022 Copper Sulfate Program. (Hickernell/Orvis)

3. ACTION ITEMS (45 MINUTES)

- A. Recapture of Restoration Flows – Authorize the Execution of Temporary Agreements for Conveyance of Water (Restoration Flows) and Updated Repayment Agreement for the Recapture of Restoration Flows with Participating Friant Contractors. (Buck-Macleod / Davis)
- B. ASO Agreement – Authorization to Renew the Services Agreement with Airborne Snow Observatories, Inc. for Water Year 2022. (Buck-Macleod / Davis)
- C. Review and acceptance of the Financial Statements and Independent Audit Report for Fiscal Year ending September 30, 2020. ((Hudson, Henderson, & Co. (Henderson) / Orvis)

- D. FKC Middle Reach Capacity Correction Project, Phase 1 - Updated Spending Plan under the Cost-Share Agreement with the Bureau of Reclamation. (Orvis)

4. GENERAL UPDATES & REPORTS (75 MINUTES)

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

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, JANUARY 27, 2022

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

**VISALIA CONVENTION CENTER, 303 E. ACEQUIA AVE, VISALIA, CA 93291, SEQUOIA
ROOM, 2ND FLOOR**

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:

Edwin Camp	Arvin-Edison W.S.D. (AEWSD)
Roger Schuh	Chowchilla W.D. (CWD)
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)
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:

Michael Brownfield	Lindmore I.D. (LID)
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APPROVAL OF THE AGENDA

General Counsel Davis noted that agenda number 3.C, SCADA licensing and support services was added after the official meeting notice and asked the Board to consider this item for action as it meets the “Exception to Agenda” under the Brown Act as needing to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

M/S/C – Motion by Director Leider, seconded by Director Pitigliano, to approve the addition of Agenda No. 3.C. Approval of Previously Budgeted Supervisory Control and Data Acquisition (SCADA) Intellisite License and Support Services, as met and required by the Brown Act. (Orvis) (10 minutes). The motion carried. (Roll Call. The motion carried. (Roll Call Vote: Ayes – AESWD, CWD, Coff, FID, KDWCD, KTWD, LSID, LTRID, MID, OCID, PID, SID, TPWD, TBID, TID; Nays – 0; Absent – LID)

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

PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment on 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

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

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

D. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Government Code section 54957) Title: Chief Executive Officer

- E. PUBLIC EMPLOYMENT
(Government Code section 54957(b))
Proposed Position – System Administrator
Activate Position – Office Technician
- F. CONFERENCE WITH REAL PROPERTY NEGOTIATORS
(Government Code section 54956.8)
 - 1. Property: Friant-Kern Canal facilities and right-of-way
Agency negotiator: CEO, 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

There were two reportable actions taken during closed session. The Board unanimously approved a new Systems Administrator position at Grade 13 and directed staff to fill the office technician position vacated upon approval of the new Systems Administrator.

PUBLIC COMMENT / PUBLIC PRESENTATIONS

There was no public comment.

2. CONSENT CALENDAR

The following routine matters were acted upon by one vote unless a Board Member requested separate consideration of the item.

- A. Approval of the Minutes – Board of Directors Meeting of December 10, 2021. (Loeffler)
- B. Ratify December 2021 and January 2022 bills and accept the Cash Activity Reports December 2021. (Orvis)
- C. Current Retirement and Deferred Compensation Plans Investment Approval. (Orvis)

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

3. ACTION ITEMS

- A. Approval of Budget Amendment to the Professional Services Agreement (PSA) with Bender Rosenthal Inc. (BRI) for Right of Way Acquisition Services and Subcontract with OPC for Utility Coordination Services for the FKC Middle Reach Capacity Correction Project (MMRCP) – General Counsel Davis went through the budget amendment to the PSA as well as BRI's subcontract with OPC for utility coordination services for the FKC MMRCP as outlined in the agenda report. Davis said that the requested 15% adjustment for the BRI PSA was reasonable and necessary. The services provided by OPC related to district pump

station relocations which was not in the original scope of work and therefore needed to be updated. Both adjustments are covered within the existing Project ROW budget.

M/S/C – Motion by Director Pitigliano, seconded by Director Kisling, to (a) approve an increase in the budget under the Master Professional Services Agreement with BRI in the amount of \$156,580; and (b) approve an increase in the budget for BRI’s subcontract with Overland Pacific & Cutler in the amount of \$19,400. The motion carried. (Roll Call Vote: Ayes – AESWD, CWD, Coff, FID, KDWCD, KTWD, LSID, LTRID, MID, OCID, PID, SID, TPWD, TBID, TID; Nays – 0; Absent – LID)

- B. Approval of Third Amended and Restated Employment Agreement with CEO Jason Phillips – Chairman Loeffler and General Counsel Davis provided background on CEO Phillips five-year contract that began in 2016 that was then extended an additional five-years. The Board was then asked to consider an increase in the CEO’s base salary of \$337,000 up to \$385,000 along with a change to the CEO’s Senior Executive Retention Plan with respect to the timing of vesting for each year of service. As the Directors were considering the CEO’s salary and retention plan, each Director took a moment to reflect on the good works and leadership that has occurred since Jason’s acceptance of his CEO role here at Friant. The Chairman summed it up by saying that “Jason is comfortable in every setting with his calming influence and is able to bring about consensus and agreement and move ahead on difficult fronts and that we appreciate his skill sets and talents”.

Phillips responded that he was appreciative of the feedback and support he has received from the Board of Directors and looks forward to the future.

M/S/C – Motion by Director Borba, seconded by Director Stephens, to approve an increase in the CEO’s salary to \$385,000 for 2022 with set annual increases per the existing contract subject to satisfactory performance evaluations and update the CEO’s Executive Retention Plan with respect to the timing of vesting for each year of service. The motion carried. (Roll Call Vote: Ayes – AESWD, CWD, Coff, FID, KDWCD, KTWD, LSID, LTRID, MID, OCID, PID, SID, TPWD, TBID, TID; Nays – 0; Absent – LID)

- C. Approval of Previously Budgeted Supervisory Control and Data Acquisition (SCADA) Intellisite License and Support Services – CFO Orvis went through the agenda report and said that staff is recommending final approval to purchase licenses and remote monitoring support from IntelliSite at a cost of \$106,323 which is \$26,712 less than the amount budgeted for in FY 2022.

M/S/C – Motion by Director Borges, seconded by Director Leider, to the purchase of the SCADA license and support services based upon the final, negotiated amount. The motion carried. (Roll Call Vote: Ayes – AESWD, CWD, Coff, FID, KDWCD, KTWD, LSID, LTRID, MID, OCID, PID, SID, TPWD, TBID, TID; Nays – 0; Absent – LID)

4. GENERAL UPDATES & REPORTS

- A. FKC Middle Reach Capacity Correction Project (MRRCP)
 - a. Activities and Schedule Update – Acting CEO Amaral, General Counsel Davis, CEO Phillips and Janet Atkinson from Stantec gave an update on current activities of the FKC MMRCP. This included the continued mobilization activities and tree removal; 27

parcels needed for the new Right-of-Way are now in possession of the Project; 8 SCE relocation plans have been approved; and a Request for Proposal has been issued for the replacement pump stations.

- b. Funding Update – CFO Orvis and CEO Phillips gave an update on current funding activities as outlined in the agenda report. This included the Department of Water Resources (DWR) announcement that the FKC MRCCP would receive state funding under the new Conveyance Subsidence Program for approximately \$37.24 million; and the \$11 million provided to FWA under the terms of a negotiated settlement agreement with the Pixley Groundwater Sustainability Agency.

B. Water Operations Update. (Buck-Macleod)

a. Delta Operations

b. Friant Operations

WRM Buck-Macleod gave the Water Operations update as outlined in the agenda report. He also reported that the CVP allocation for Friant was increased to 40% Class 1 on December 21st; projections for the coming water year are at a 90% and 50% exceedance probability hydrology and Project water is now being stored in the CVP San Luis this month as contractor borrowing was paid back.

- C. “Cost of Water 5% over Five Years” Goal Baseline – CFO Orvis went through the Cost of Water 5% over Five Years Goal Baseline as described in the agenda report noting that this was a goal that emanated out of the November 2021 Board Retreat. The first action of the goal was to establish the baseline and based upon feedback from the session, staff is recommending the baseline be comprised of routine Operations, Maintenance and Replacement costs as well as regulatory costs. Once that is finalized, staff will begin monitoring actuals costs against the projected baseline as well as develop specific actions to work to achieve the reduction objective.
- D. External Affairs Activities – GAC Biering and CEA Amaral gave an update on the External Affairs current activities as outlined in the agenda report. GAC Biering reported that Gov. Newsom released his FY 2022-2023 budget on Jan. 10 and included in his proposed \$286 billion in spending is a \$5.2 billion package to support water resilience and drought response efforts; Staff is providing all documentation needed for the DWR to determine when FWA can begin to receive funding for the MRCCP; and the groundbreaking for the FKC MRCCP is scheduled for January 25, 2022.
- E. San Joaquin Valley Blueprint (SJVb) Update – Austin Ewell provided an SJVB update as outlined in the agenda report. He also reported that the Blueprint amended its by-laws and expanded the board to 23 directors and the nominating committee will be looking to nominate a Chair and Vice Chair to serve one-year terms and also review the role of the Executive Director.
- F. O&M Report – Acting COO gave the O&M report as outlined in the agenda report. He also noted that staff were out at Deer Creek Pond removing trees as part of the MRCCP.
- G. San Luis Delta-Mendota Water Authority Update – CFO Orvis gave an update on SLDMWA

current activities that included approval of its WY 2022 budget and constitutes a 20% overall increase in costs to the Friant Division. SLDMWA held a special workshop on the Transmission project and the proposed agreements with WAPA and the Bureau of Reclamation. Friant will be reviewing these documents when made available and providing comments.

- H. CEO Report – CEP Phillips gave a brief update on current activities that included attendance at the recent Water Users conference; began attending meetings on the Biops; and will be speaking on water issues in California at the Farm Show in Tulare on February 9, 2022.

5. ADJOURNMENT

The meeting adjourned at 12:27 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.
Steve Dalke	Kern-Tulare W.D.
Mike Hagman	Lindmore I.D.
Chris Hunter	Lindmore I.D.
Craig Wallace	Lindsay-Strathmore I.D.
Eric Limas	Lower Tule River I.D., Tea Pot Dome W.D.
Tommy Greci	Madera I.D.
Dina Nolan	Madera I.D.
Fergus Morrissey	Orange Cove I.D.
Sean Geivet	Porterville I.D., Saucelito I.D., Terra Bella I.D.
Nick Keller	Porterville I.D., Saucelito I.D., Terra Bella I.D.
Aaron Fukuda	Tulare I.D.
Eric Quinley	Delano-Earlimart I.D.
Kris Lawrence	Shafter-Wasco I.D.
Roland Gross	San Joaquin M.U.D.
Kuyler Crocker	
Don Davis	FWA General Counsel
Jason Phillips	FWA
Mia Swenson	

Jocelyn Bean	FWA
Johnny Amaral	FWA
Duane Stroup	Reclamation
Wilson Orvis	FWA
Ian Buck-Macleod	FWA
Vivian Garcia	FWA
Julian Grijalva	FWA
Alex Biering	FWA
Bill Luce	Consultant
Steve Ottemoeller	Consultant
Brian Thomas	Consultant
Alan Doud	Counsel
Austin Ewell	SJV Blueprint
Don Wright	Waterwrights.com
Shelley Abajian	Senator Feinstein
Andrew Hart	
Diane Zegarra	
Janet Atkinson	Stantec
John Bezdek	Counsel

Agenda Report

No. 2.B

DATE: February 24, 2022

TO: Board of Directors

FROM: Wilson Orvis, CFO

SUBJECT: Approve Bills for month of February and Accept Budget-to-Actuals and Cash Activity Reports for month ending January 31, 2022

SUMMARY:

The Finance Committee met on February 22, 2022 and reviewed the bills for February 2022 and the Cash Activity Reports for month ending January 31, 2022. There was a quorum at the meeting.

FINANCE COMMITTEE ACTION:

At the February 22, 2022 meeting the Finance Committee acted to recommend that Board of Directors approve payment of the February 2022 bills in the amount of \$3,977,307.03, and accept the Cash Activity Reports for month ending January 31, 2022.

SUGGESTED MOTION:

The Board of Directors approve payment of the February bills in the amount of \$3,977,307.03, and accept the Cash Activity Reports for month ending January 31, 2022.

BUDGET IMPACT:

- \$474,922.88 (expenses) and \$290,968.20 (payroll) is chargeable to the FY 2022 Operations, Maintenance, and Replacement (OM&R) Budget;
- \$89,975.98 (expenses) and \$84,909.34 (payroll) is chargeable to the FY 2022 General Membership Budget;
- \$281,839.56 is to be recovered under existing grant agreements;
- \$718,032.92 is attributable to payments to the San Luis & Delta Mendota Water Authority for forecasted Exchange Contractor deliveries for the month of March; and
- \$1,036,651.15 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, FEBRUARY 2022

<u>PAYEE</u>	<u>O&M FUND</u>	<u>GM FUND</u>	<u>TOTAL</u>	<u>DESCRIPTION</u>
BILLS PAID FEBRUARY 11, 2022				
AAA TRUCK SERVICE, INC.	\$ 240.14	\$ -	\$ 240.14	Repair parts for tractor
ABILITY	95.72	-	95.72	Alarm and answering services
ADT COMMERCIAL	468.40	-	468.40	Alarm service for OC and Delano yard
AIRGAS USA, LLC	95.78	-	95.78	Welding shop supplies
AMAZON CAPITOL SERVICES, INC.	1,604.34	-	1,604.34	Office supplies
APPLIED INDUST. TECH	329.71	-	329.71	Repair parts for road grader
AT&T	416.54	-	416.54	Telephone service
AWARDS & SIGNS UNLIMITED	20.34	-	20.34	Engraved name plates-2
BATTERY SYSTEMS INC.	1,579.74	-	1,579.74	Batteries-10
BEAN, JOSELYN	84.36	-	84.36	Expense claim reimbursement
BIG GREEN IT, LLC	62.00	-	62.00	IT securitly
BOOT BARN INC.	1,061.54	-	1,061.54	Safety boots-6
C & H FENCE & PATIO, INC.	792.26	-	792.26	Supplies for fence repairs
CALIFORNIA DEPART. OF TAX AND FEE ADMIN.	276.00	-	276.00	Use tax
CITY OF DELANO	277.32	-	277.32	Utilities
CITY OF FRESNO	5,426.16	-	5,426.16	SLDMWA WY 2019 TRUE-UP
COMCAST	156.60	-	156.60	Internet-Sacramento office
CULLIGAN	107.01	-	107.01	Water service-OC yard
CULLIGAN WATER CONDITION	108.50	-	108.50	Water service-Lindsay yard, Kaweah & Tule houses
D H MACHINE, INC.	264.54	-	264.54	Welding shop supplies
DINUBA LUMBER COMPANY	368.62	-	368.62	Supplies for OC yard
EXECUTIVE SUITES AT RIVER BLUFF, LP	-	2,005.00	2,005.00	Rent-Fresno office
FASTENAL COMPANY	21.54	-	21.54	Hardware for Delano yard
FOOTHILL AUTO TRUCK & AG PARTS, INC.	1,898.21	-	1,898.21	Hardware for OC yard
FRANZEN- HILL CORPORATION	418.08	-	418.08	Repair parts for fuel island
FRESNO TRUCK CENTER	637.05	-	637.05	Repair parts for tractor
FRUIT GROWERS SUPPLY CO	2,362.63	-	2,362.63	Supplies for OC yard
GARFIELD WATER DISTRICT	250.37	-	250.37	SLDMWA WY 2019 TRUE-UP
GRAINGER	636.48	-	636.48	Hardware for OC and Lindsay yards
GRAYBAR	2,054.61	-	2,054.61	Electrical supplies
GROSSMAYER & ASSOCIATES	911.25	-	911.25	Great Plains support
GSI ENVIRONMENTAL INC.	356.60	-	356.60	Subsidence monitoring plan
HILLS VALLEY IRRIGATION DISTRICT	249.14	-	249.14	SLDMWA WY 2019 TRUE-UP
HOME DEPOT CREDIT SERVICES	2,531.50	-	2,531.50	Supplies for all yards
INDEPENDENT PIPE & STEEL, INC.	319.82	-	319.82	Steel pipe for Delano yard
INTERNATIONAL WATER DISTRICT	56.99	-	56.99	SLDMWA WY 2019 TRUE-UP
IVANHOE IRRIGATION DIST	139.76	-	139.76	SLDMWA WY 2019 TRUE-UP
JACK GRIGGS INC.	101.51	-	101.51	Propane-23.5 gallons
JIM'S STEEL SUPPLY	379.60	-	379.60	Metal supplies for Delano yard
KAN VENTURES, INC.	-	4,000.00	4,000.00	Consulting service-January (\$6,000-MRCCP Cost)
KAPLAN KIRSCH & ROCKWELL, LLP.	-	3,832.50	3,832.50	Professional services-December
KAWEAH DELTA WATER CONSERVATION DISTRICT	55.21	-	55.21	SLDMWA WY 2019 TRUE-UP

FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, FEBRUARY 2022

<u>PAYEE</u>	<u>O&M FUND</u>	<u>GM FUND</u>	<u>TOTAL</u>	<u>DESCRIPTION</u>
LEWIS CREEK WATER DISTRICT	130.41	-	130.41	SLDMWA WY 2019 TRUE-UP
LINCOLN NATIONAL LIFE INSURANCE CO.	3,704.14	517.51	4,221.65	Life insurance premiums
LINDE GAS & EQUIPMENT INC.	140.73	-	140.73	Welding shop supplies
LINDMORE IRRIGATION DIST	370.40	-	370.40	SLDMWA WY 2019 TRUE-UP
LINDSAY STRATHMORE IRR DISTRICT	1,497.97	-	1,497.97	SLDMWA WY 2019 TRUE-UP
LINDSAY TRUE VALUE	45.82	-	45.82	Hardware for Lindsay yard
MADERA COUNTY ENGINEERING	20.36	-	20.36	SLDMWA WY 2019 TRUE-UP
MARTIN TERMITE & PEST CONTROL	45.00	-	45.00	Pest control-Kaweah house
MICROSOFT	1,860.00	-	1,860.00	Office 365
MID VALLEY DISPOSAL	155.11	-	155.11	Utilities
MONARCH FORD	87.86	-	87.86	Repair parts for pickup
MOONLIGHT MAINTENANCE SERVICES	1,979.00	-	1,979.00	Janitor service for all yards
NAPA AUTO PARTS	98.19	-	98.19	Repair parts for trailer
OPTIMAL AVIATION SERVICE, LLC	-	7,012.96	7,012.96	Water Users Conference
ORANGE COVE IRR DISTRICT	684.72	-	684.72	SLDMWA WY 2019 TRUE-UP
ORANGE COVE TIRE SERVICE	417.61	-	417.61	Light tires-2 and service
OROZCO, FERNANDO	200.00	-	200.00	Expense claim reimbursement
OTTEMOELLER CONSULTING SERVICES, LLC	2,568.75	4,402.96	6,971.71	Consulting services-December
PACIFIC GAS & ELECTRIC	2,789.60	-	2,789.60	Utilities
PAPE KENWORTH	47.41	-	47.41	Repair parts for spray rig
PAPE MACHINERY	371.02	-	371.02	Repair parts for JD loader
PBW DISTRIBUTOR INC	322.27	-	322.27	Repair parts for pickup
PETTY CASH - LINDSAY	311.39	-	311.39	Petty cash reimbursement (\$44.37-MRCCP cost)
PFM FINANCIAL ADVISORS LLC	2,500.00	-	2,500.00	Consulting service-November (\$800-MRCCP cost)
PRUDENTIAL OVERALL SUPPLY	2,046.69	-	2,046.69	Uniform service for all yards
QUILL CORPORATION	138.13	-	138.13	Office supplies
QUINN COMPANY	227,094.79	-	227,094.79	Caterpillar wheel loader & repair parts for excavator
ROBERT V. JENSEN, INC.	6,115.66	-	6,115.66	Fuel-Delano yard
SAN JOAQUIN PAINT & GLASS	379.42	-	379.42	Paint and safety supplies for Delano yard
SAN JOAQUIN PEST CONTROL	59.00	-	59.00	Pest service-OC yard
SAN JOAQUIN PEST CONTROL	66.00	-	66.00	Pest control-Kings River house
SAN JOAQUIN PEST CONTROL	42.00	-	42.00	Pest service-Delano yard
SENATOR SEAGATE, L.P.	-	3,791.19	3,791.19	Rent-Sacramento office
SEQUOIA OUTDOOR POWER	40.75	-	40.75	Repair parts for Honda pump
SEVIERS AUTO SUPPLY	134.37	-	134.37	Supplies for Delano yard
SMART & FINAL CORP	180.66	-	180.66	Supplies for Lindsay yard
SO CAL GAS	1,480.92	-	1,480.92	Utilities
SOUTHERN CALIF EDISON	3,544.92	-	3,544.92	Utilities
SOUTHERN SAN JOAQUIN	1,261.04	-	1,261.04	SLDMWA WY 2019 TRUE-UP
SP PLUS CORPORATION-HYATT	-	400.00	400.00	Sacramento parking-2
SPARKLETTS	15.94	-	15.94	Water service-Kings River house
STANDARD INSURANCE CO	6,883.57	1,786.82	8,670.39	Survivors life insurance
STOEL RIVES LLP	-	1,902.69	1,902.69	Professional service-December

FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, FEBRUARY 2022

<u>PAYEE</u>	<u>O&M FUND</u>	<u>GM FUND</u>	<u>TOTAL</u>	<u>DESCRIPTION</u>
STONE CORRAL IRR DISTRICT	0.66	-	0.66	SLDMWA WY 2019 TRUE-UP
TEA POT DOME WATER DISTRICT	402.97	-	402.97	SLDMWA WY 2019 TRUE-UP
TF TIRE & SERVICE	873.39	-	873.39	Light tires-6
THE FERGUSON GROUP, LLC	4,200.00	6,450.08	10,650.08	Consulting services-Dec & reissue of Oct lost check (\$5,000-MRCCP cost)
THE REDESIGN GROUP	3,121.83	-	3,121.83	Help desk support
TOSHIBA FINANCIAL SERVICES	1,195.58	-	1,195.58	Copier lease agreement
TRI-VALLEY WATER DISTRICT	120.69	-	120.69	SLDMWA WY 2019 TRUE-UP
UNWIRED BROADBAND, INC.	299.98	-	299.98	Internet-OC and Delano yards
VALLEY PACIFIC PETROLEUM SERVICES, INC.	7,464.35	-	7,464.35	Fuel-OC yard
VAST NETWORKS	800.00	-	800.00	Internet-Lindsay yard
VERIZON WIRELESS	4,798.66	-	4,798.66	SCADA mobile to mobile
VILLINES GROUP, LLC	-	3,240.00	3,240.00	Consulting services-January (\$4,860-MRCCP cost)
WEISENBERGERS	684.29	-	684.29	Supplies-Water Ops and Lindsay yard
WORLD OIL ENVIRONMENTAL SERVICES	725.00	-	725.00	Removal of hazardous waste
ZENITH INSURANCE COMPANY	8,908.00	-	8,908.00	Workers compensation
BILLS PAID FEBRUARY 11, 2022	330,642.99	39,341.71	369,984.70	
BILLS TO BE PAID FEBRUARY 25, 2022				
ACWA / JPIA	78,540.79	6,561.03	85,101.82	Medical, dental & vision insurance
AMARAL, JOHNNY	54.99	112.32	167.31	Expense claim reimbursement
AMAZON CAPITOL SERVICES, INC.	508.31	-	508.31	Office supplies
AUTO ZONE, INC.	37.42	-	37.42	Repair parts for pickup
BANK OF AMERICA	7,972.76	7,207.32	15,180.08	Various Visa charges
BRIAN G. THOMAS	2,300.00	-	2,300.00	Consulting services-January
BURKE, WILLIAMS & SORENSEN, LLP	9,231.00	525.00	9,756.00	Professional services-December
CITY OF LINDSAY	324.97	-	324.97	Utilities
CITY OF ORANGE COVE	500.49	-	500.49	Utilities
DONALD M. DAVIS	2,056.95	-	2,056.95	Professional services-January
FASTENAL COMPANY	463.22	-	463.22	Supplies for OC yard
FEDEX	117.37	-	117.37	2-Day express-4
FUSION CLOUD SERVICES, LLC	224.47	-	224.47	Telephone services
GRAYBAR	547.21	-	547.21	Electrical supplies for Water Ops
GSI ENVIRONMENTAL INC.	5,515.00	-	5,515.00	Subsidence monitoring plan
KASEYA US LLC	490.79	-	490.79	IT security
MICRODESK, INC.	218.00	-	218.00	Revu renewal support
ORANGE COVE TIRE SERVICE	18.00	-	18.00	Tire repairs
PACIFIC GAS & ELECTRIC	9.86	-	9.86	Utilities
PAESANO FARMS	15,528.00	-	15,528.00	Acres grazing-28.55
POWER BUSINESS TECHNOLOGY	25.95	-	25.95	Copier agreement
PSW	80.00	-	80.00	Confidential shredding
QUILL CORPORATION	230.50	-	230.50	Office supplies
ROBERT V. JENSEN, INC.	6,760.42	-	6,760.42	Fuel-Lindsay yard
SAN JOAQUIN PAINT & GLASS	500.28	-	500.28	Paint supplies for Delano yard

FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, FEBRUARY 2022

<u>PAYEE</u>	<u>O&M FUND</u>	<u>GM FUND</u>	<u>TOTAL</u>	<u>DESCRIPTION</u>
SO CAL GAS	744.10	-	744.10	Utilities
SOMACH SIMMONS & DUNN	-	15,783.00	15,783.00	Professional services-December & January
SOUTHERN CALIF EDISON	18.97	-	18.97	Utilities
SPARKLETTS	109.81	-	109.81	Water services-Lindsay office
TF TIRE & SERVICE	72.00	-	72.00	Tire repairs
TOSHIBA FINANCIAL SERVICES	1,201.54	-	1,201.54	Lease agreement
TULARE COUNTY AGRICULTURAL	497.64	-	497.64	Squirrel bait-180 cartridges
UDEMY, INC.	2,060.80	-	2,060.80	Online IT training
UNITED STAFFING ASSOCIATES, LLC	2,897.14	-	2,897.14	Office technician buyout from temp. service
VERIZON WIRELESS	2,592.08	-	2,592.08	Cell phone services
WATER AND POWER LAW GROUP PC	-	20,445.60	20,445.60	Professional services-January
WIENHOFF DRUG TESTING	160.00	-	160.00	Pre-employment tests-2
XEROX FINANCIAL SERVICES	1,676.06	-	1,676.06	Copier Lease agreement
BILLS TO BE PAID FEBRUARY 25, 2022	144,286.89	50,634.27	194,921.16	Note:
BILLS PAID FEBRUARY 11, 2022	330,642.99	39,341.71	369,984.70	
SUB-TOTAL SPENDING FOR FEBRUARY 2022	474,929.88	89,975.98	564,905.86	
CHECKS TO BE RECOVERED VIA GRANT(S)	281,839.56	-	281,839.56	
PAYROLL FOR FWA	290,968.20	84,909.34	375,877.54	Including payroll taxes & Retirement- includes an estimate for EOM payroll
TOTAL FOR FWA O&M	1,047,737.64	174,885.32	1,222,622.96	
<i>San Luis Delta-Mendota Canal:</i>				
O&MR CHARGES WY2021 - PAID VIA WIRE	718,032.92	-	718,032.92	Estimate for the month of March 2022
<i>Subtotal - SLDMWA</i>	<i>718,032.92</i>	<i>-</i>	<i>718,032.92</i>	
<i>Middle Reach Capacity Correction Project, Phase 1</i>				
<i>MRCCP mid-month checks</i>				
AT&T	13,895.84	-	13,895.84	Utility relocation (Checks has been signed and mailed)
AT&T	6,582.24	-	6,582.24	Utility relocation (Checks has been signed and mailed)
FIRST AMERICAN TITLE COMPANY	453,935.00	-	453,935.00	Land purchase - FLS Enterprises
FIRST AMERICAN TITLE COMPANY	932,073.00	-	932,073.00	Land purchase - Chivo Nuevo
KAN VENTURES, INC.	6,000.00	-	6,000.00	Consulting services-January
MAPLE SYSTEMS, INC.	1,791.12	-	1,791.12	Government furnished products-operator interface terminals
PETTY CASH - LINDSAY	44.37	-	44.37	Mailing cost (FedEx overnight)
PFM FINANCIAL ADVISORS LLC	800.00	-	800.00	Consulting services-November
PORTERVILLE ROCK & RECYCLE, INC.	562.26	-	562.26	Site preparation for groundbreaking ceremony
SOUTHERN CA. GAS COMPANY	584,719.68	-	584,719.68	Utility relocation (Checks has been signed and mailed)
THE FERGUSON GROUP, LLC	5,000.00	-	5,000.00	Consulting services-December & reissue of October lost check
VILLINES GROUP, LLC	4,860.00	-	4,860.00	Consulting services-January
<i>Mid-month checks subtotal</i>	<i>2,010,263.51</i>	<i>-</i>	<i>2,010,263.51</i>	

FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, FEBRUARY 2022

<u>PAYEE</u>	<u>O&M FUND</u>	<u>GM FUND</u>	<u>TOTAL</u>	<u>DESCRIPTION</u>
<u>MRCCP end-month checks</u>				
ACCURATE MEASUREMENT SYS.	9,591.95	-	9,591.95	Government furnished products-pressure transducer
BANK OF AMERICA	929.94	-	929.94	Site preparation for groundbreaking ceremony
BRIAN G. THOMAS	5,300.00	-	5,300.00	Consulting services-January
BURKE, WILLIAMS & SORENSEN, LLP	2,064.00	-	2,064.00	Professional services-December
ELMCO 200 LLC	5,000.00	-	5,000.00	FLS/Chivo Nuevo Settlement for ELMCO's interests
SIEMENS INDUSTRY, INC.	3,501.75	-	3,501.75	Government furnished products-level transducer (the probe)
<i>End-month checks subtotal</i>	<i>26,387.64</i>	<i>-</i>	<i>26,387.64</i>	
<u>Subtotal - MRCCP Phase 1</u>	<u>2,036,651.15</u>	<u>-</u>	<u>2,036,651.15</u>	
GRAND TOTALS	\$ 3,802,421.71	\$ 174,885.32	\$ 3,977,307.03	

FRIANT WATER AUTHORITY EXPENDITURES TO BE APPROVED, FEBRUARY 2022

GRANTS

PAYEE	Pump Back	Winn/SJRRP	TOTAL	DESCRIPTION
FEDEX		\$ 86.29	\$ 86.29	Overnight priority-1
STANTEC CONSULTING SERVICES INC.		\$ 200,996.36	\$ 200,996.36	Consulting service-December
BILLS PAID FEBRUARY 11, 2022	\$ -	\$ 201,082.65	\$ 201,082.65	
BENDER ROSENTHAL INCORPORATED		44,335.24	44,335.24	Consulting services-January
BURKE, WILLIAMS & SORENSEN, LLP		36,421.67	36,421.67	Professional services-December
BILLS TO BE PAID FEBRUARY 25, 2022	\$ -	\$ 80,756.91	\$ 80,756.91	
GRAND TOTALS	\$ -	\$ 281,839.56	\$ 281,839.56	

FWA Budget Presentation

FY 2021 - 2022

Budget year: **33.3%** Completed

Operations & Maintenance	FY 2022 Budget	01/31/2022 Year to Date	Budget Remaining	Budget Spent %
Operations Dept				
Employee Salaries/Pay	781,755	275,280	506,474	35.2%
Employee Benefits	411,777	152,591	259,186	37.1%
Supplies & Services	667,537	87,343	580,194	13.1%
Total Operations	1,861,068	515,214	1,345,854	27.7%
Maintenance Dept				
Employee Salaries/Pay	2,200,004	815,181	1,384,822	37.1%
Employee Benefits	1,117,473	452,856	664,617	40.5%
Supplies & Services	2,516,456	590,992	1,925,464	23.5%
Total Maintenance	5,833,932	1,859,029	3,974,904	31.9%
Administration Costs	2,190,188	691,496	1,498,692	31.6%
Administration Costs allocated to GM	(239,477)	(50,756)	(188,721)	21.2%
Total Operations & Maintenance	9,645,712	3,014,983	6,630,729	31.3%

Special Projects				
Cost Recovery	-	(1,157,117)	1,157,117	
Spending	387,204	1,270,981	(883,777)	328.2%
Total Special Projects	387,204	113,864	273,340	29.4%
Total O&MR	10,032,916	3,128,847	6,904,069	31.2%

General Member	FY 2022 Budget	01/31/2022 Year to Date	FY 2022 Remaining	Budget spent %
Employee Salaries/Pay with Benefits	725,000	260,445	464,555	35.9%
Other supplies and services	310,000	87,474	222,526	28.2%
Admin Allocation to GM	212,500	50,756	161,744	23.9%
General Counsel	12,500	3,000	9,500	24.0%
Outside Legal Consultants	609,000	165,880	443,120	27.2%
Other Consultants	706,000	144,986	561,014	20.5%
Total General Member	2,575,000	712,541	1,862,459	27.7%

FWA Revenue Presentation

FY 2021 - 2022

Budget year:

33.3%

Completed

Operations & Maintenance	FY 2022 Budget	01/31/2022 Year to Date	Budget Remaining
Revenue			
Interest Income	40,000	5,594	34,406
Miscellaneous Income	-	8,619	(8,619)
Reverse Pumping Fee	-	16,709	(16,709)
Conveyance Fees		12,248	(12,248)
Federal Grant Revenue	-	1,266,895	(1,266,895)
O & M Revenue	10,005,159	3,335,053	6,670,106
Water Supply Cord./Monitoring Revenue		21,140	(21,140)
Total Revenue	10,045,159	4,666,258	5,378,901
Expenses			
Total Operations	1,861,068	515,214	1,345,854
Total Maintenance	5,833,932	1,859,029	3,974,904
Administration Costs	1,950,711	640,740	1,309,972
Special Projects	387,204	1,270,981	(883,777)
Total O&MR Expenses	10,032,916	4,285,964	5,746,952

General Member	FY 2022 Budget	01/31/2022 Year to Date	FY 2022 Remaining
Revenue			
Interest Income	-	4,027	(4,027)
GM Revenue	2,563,000	854,333	1,708,667
Associate Dues	12,000	4,000	8,000
Total Revenue	2,575,000	862,360	1,712,640
Total GM Expenses	2,575,000	712,541	1,862,459

Friant Water Authority
Budget vs Actual Expenses
YTD - 01/31/2022

	Budget year: Completed											
	Total				Labor				Materials			
	Annual Budget	YTD Actual	% Of Bud	Projected Remaining	Budget	YTD Actual	Projected Remaining	Budget	YTD Actual	Projected Remaining	Budget	YTD Actual
MAINTENANCE												
Vehicle & Equipment Service	\$ 631,716	\$ 149,233	23.6%	\$ 482,484	\$ 217,057	\$ 47,533	21.9%	\$ 169,524	\$ 414,659	\$ 101,700	24.5%	\$ 312,960
Maintenance Supervision	322,177	138,135	42.9%	184,042	322,177	138,135	42.9%	184,042	-	-	0.0%	-
USBR Inspections	-	15	0.0%	(15)	-	-	0.0%	-	-	15	0.0%	(15)
Right-of-Way Management	55,437	19,271	34.8%	36,166	55,437	19,271	34.8%	36,166	-	-	0.0%	-
Weed & Pest Control	673,239	123,813	18.4%	549,427	350,719	76,288	21.8%	274,431	322,520	47,525	14.7%	274,996
Implem Biol. Opinion	21,000	-	0.0%	21,000	-	-	0.0%	-	21,000	-	0.0%	21,000
Road Maintenance	157,909	4,728	3.0%	153,181	36,983	4,236	11.5%	32,747	120,926	492	0.4%	120,434
Yard & Building Maintenance	255,603	111,452	43.6%	144,151	86,578	71,607	82.7%	14,971	169,026	39,845	23.6%	129,180
Structure & Gate Maintenance	94,389	16,371	17.3%	78,018	72,322	15,416	21.3%	56,906	22,067	954	4.3%	21,112
Cleaning Right-of-Way	87,324	14,762	16.9%	72,561	87,324	14,762	16.9%	72,561	-	-	0.0%	-
Bargate & Guardrail Maint	56,036	19,143	34.2%	36,893	34,893	16,951	48.6%	17,942	21,143	2,193	10.4%	18,951
Embankment Maintenance	84,962	65,225	76.8%	19,737	70,354	30,522	43.4%	39,832	14,608	34,704	237.6%	(20,095)
Bridge Maintenance	69,854	2,289	3.3%	67,565	35,351	2,113	6.0%	33,239	34,502	177	0.5%	34,326
Miscellaneous Maintenance	13,165	3,103	23.6%	10,061	4,528	-	0.0%	4,528	8,637	3,103	35.9%	5,533
Reverse Flow Pumping	-	2,112	0.0%	(2,112)	-	1,759	0.0%	(1,759)	-	353	0.0%	(353)
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
Drainditch & Channel Maint.	50,576	16,758	33.1%	33,818	50,576	16,758	33.1%	33,818	-	-	0.0%	-
Fence Maintenance	50,718	25,869	51.0%	24,848	39,737	21,725	54.7%	18,013	10,980	4,145	37.7%	6,836
Mudjacking	18,713	22	0.1%	18,691	17,087	22	0.1%	17,066	1,626	-	0.0%	1,626
Painting	44,161	12,993	29.4%	31,168	32,680	6,681	20.4%	25,998	11,481	6,312	55.0%	5,170
Sump Pump Maintenance	1,053	-	0.0%	1,053	1,053	-	0.0%	1,053	-	-	0.0%	-
Cross Drainage Structure Mtce	1,053	-	0.0%	1,053	1,053	-	0.0%	1,053	-	-	0.0%	-
Rip-Rapping	936	-	0.0%	936	936	-	0.0%	936	-	-	0.0%	-
Operations Supervision	-	12,523	0.0%	(12,523)	-	12,523	0.0%	(12,523)	-	-	0.0%	-
Water supply coordination & monitoring	474,536	104,181	22.0%	370,356	94,022	35,045	37.3%	58,977	380,514	69,136	18.2%	311,378
Water Quality	40,203	-	0.0%	40,203	10,203	-	0.0%	10,203	30,000	-	0.0%	30,000
Legal Expense - Direct	-	8,491	0.0%	(8,491)	-	-	0.0%	-	-	8,491	0.0%	(8,491)
Safety & First Aid Training	41,775	17,868	42.8%	23,907	21,310	10,371	48.7%	10,939	20,465	7,497	36.6%	12,968
Office Admin (Typing etc.)	58,076	18,674	32.2%	39,402	58,076	18,674	32.2%	39,402	-	-	0.0%	-
Payroll Preparation	841	156	18.6%	685	841	156	18.6%	685	-	-	0.0%	-
Meetings (General)	33,305	17,008	51.1%	16,297	21,845	16,567	75.8%	5,278	11,460	441	3.8%	11,019
Meetings (Board of Directors)	139,734	15,319	11.0%	124,415	61,264	5,778	9.4%	55,487	78,470	9,541	12.2%	68,929
Meetings (Sub Committee)	63,715	9,807	15.4%	53,908	62,961	8,804	14.0%	54,158	754	1,004	133.2%	(250)
Meetings (Staff)	9,872	33,079	335.1%	(23,207)	8,730	33,041	378.5%	(24,311)	1,142	38	3.4%	1,104
Offsite Planning Board of Directors	60,560	35,098	58.0%	25,461	8,347	11,163	133.7%	(2,816)	52,213	23,935	45.8%	28,278
Annual Meeting - Board of Directors	12,156	-	0.0%	12,156	737	-	0.0%	737	11,419	-	0.0%	11,419
Education & Training	62,209	5,160	8.3%	57,049	36,313	3,597	9.9%	32,715	25,896	1,563	6.0%	24,334
Procurement	4,721	-	0.0%	4,721	4,721	-	0.0%	4,721	-	-	0.0%	-
Inventory & Property Mgt.	-	521	0.0%	(521)	-	521	0.0%	(521)	-	-	0.0%	-
Employee Benefit (Holiday)	72,180	39,812	55.2%	32,368	72,180	39,812	55.2%	32,368	-	-	0.0%	-
Employee Benefit (Sick Pay)	98,828	76,300	77.2%	22,528	98,828	76,300	77.2%	22,528	-	-	0.0%	-
Employee Benefit (Vacation)	103,901	56,221	54.1%	47,681	103,901	56,221	54.1%	47,681	-	-	0.0%	-
Travel	29,789	837	2.8%	28,952	-	-	0.0%	-	29,789	837	2.8%	28,952
Personnel Administration	8,851	-	0.0%	8,851	7,908	-	0.0%	7,908	943	-	0.0%	943
Retirement, Health Ins, PR Taxes	842,564	280,523	33.3%	562,041	-	-	0.0%	-	842,564	280,523	33.3%	562,041
Workers Comp. Insurance	53,157	18,189	34.2%	34,969	-	-	0.0%	-	53,157	18,189	34.2%	34,969
Legal Expense-Indirect	45,000	-	0.0%	45,000	-	-	0.0%	-	45,000	-	0.0%	45,000
Utilities	84,793	27,377	32.3%	57,416	-	-	0.0%	-	84,793	27,377	32.3%	57,416
Telephone Expense	-	399	0.0%	(399)	-	-	0.0%	-	-	399	0.0%	(399)
Office supplies	-	59	0.0%	(59)	-	-	0.0%	-	-	59	0.0%	(59)
Merit Awards	914	-	0.0%	914	-	-	0.0%	-	914	-	0.0%	914
Dues & Subscriptions	18,323	480	2.6%	17,843	-	-	0.0%	-	18,323	480	2.6%	17,843
Budget Preparation	4,536	-	0.0%	4,536	1,386	-	0.0%	1,386	3,150	-	0.0%	3,150
Archiving & Data Storage	4,076	-	0.0%	4,076	2,934	-	0.0%	2,934	1,142	-	0.0%	1,142
Vehicle & Equipment Acquisition	760,044	352,821	46.4%	407,223	-	-	0.0%	-	760,044	352,821	46.4%	407,223
TOTAL EXPENSES: MAINTENANCE	5,833,932	1,859,029	31.9%	3,974,904	2,200,004	815,181	37.1%	1,384,822	3,633,929	1,043,848	28.7%	2,590,081

Friant Water Authority
Budget vs Actual Expenses
YTD - 01/31/2022

	Budget year: Completed											
	Total				Labor				Materials			
	Annual Budget	YTD Actual	% Of Bud	Projected Remaining	Budget	YTD Actual	Projected Remaining	Budget	YTD Actual	Projected Remaining	Budget	YTD Actual
WATER OPERATIONS												
Vehicle & Equipment Service	\$ 1,084	\$ 143	13.22%	\$ 941	\$ -	\$ -	0.00%	\$ -	\$ 1,084	\$ 143	13.22%	\$ 941
Weed & Pest Control	-	90	0.00%	(90)	-	-	0.00%	-	-	90	0.00%	(90)
Yard & Building Maintenance	88,394	18,574	21.01%	69,821	24,590	258	1.05%	24,332	63,805	18,316	28.71%	45,489
Structure & Gate Maintenance	281,624	31,365	11.14%	250,259	72,596	24,146	33.26%	48,451	209,028	7,220	3.45%	201,808
Cleaning Right-of-Way	1,230	568	46.14%	662	-	568	0.00%	(568)	1,230	-	0.00%	1,230
Bargate & Guardrail Maint	5,740	-	0.00%	5,740	-	-	0.00%	-	5,740	-	0.00%	5,740
Reverse Flow Pump	-	14,596	0.00%	(14,596)	-	-	0.00%	-	-	14,596	0.00%	(14,596)
Sump Pump Maintenance	29,744	739	2.48%	29,005	-	-	0.00%	-	29,744	739	2.48%	29,005
C & I General Mtce	17,651	234	1.33%	17,417	14,810	234	1.58%	14,576	2,841	-	0.00%	2,841
C. & I. Maint (ESI Equipment)	293,704	53,848	18.33%	239,856	77,305	21,335	27.60%	55,970	216,399	32,513	15.02%	183,886
Meter Repair	147,347	49,484	33.58%	97,863	63,431	7,021	11.07%	56,410	83,916	42,464	50.60%	41,453
Canal Patrol	274,453	97,535	35.54%	176,918	273,521	97,535	35.66%	175,986	932	-	0.00%	932
Operations Reports	59,627	38,914	65.26%	20,713	57,283	38,914	67.93%	18,370	2,343	-	0.00%	2,343
Operations Supervision	75,489	26,192	34.70%	49,297	75,489	26,192	34.70%	49,297	-	-	0.00%	-
Water Measurement	14,938	3,137	21.00%	11,801	6,986	2,926	41.88%	4,060	7,952	211	2.65%	7,741
Miscellaneous Operations	9,112	-	0.00%	9,112	-	-	0.00%	-	9,112	-	0.00%	9,112
Groundwater & Seepage Well Measurement	-	957	0.00%	(957)	-	-	0.00%	-	-	957	0.00%	(957)
Safety & First Aid Training	10,039	3,668	36.53%	6,372	3,074	2,017	65.62%	1,057	6,965	1,651	23.70%	5,315
Meetings (General)	1,341	29	2.18%	1,312	1,341	29	2.18%	1,312	-	-	0.00%	-
Meetings (Staff)	3,493	234	6.69%	3,259	3,493	234	6.69%	3,259	-	-	0.00%	-
Education & Training	23,961	-	0.00%	23,961	4,052	-	0.00%	4,052	19,910	-	0.00%	19,910
Employee Benefit (Holiday)	25,075	13,551	54.04%	11,524	25,075	13,551	54.04%	11,524	-	-	0.00%	-
Employee Benefit (Sick Pay)	33,434	21,617	64.66%	11,817	33,434	21,617	64.66%	11,817	-	-	0.00%	-
Employee Benefit (Vacation)	45,275	18,421	40.69%	26,854	45,275	18,421	40.69%	26,854	-	-	0.00%	-
Employee Benefit (Jury Duty)	-	284	0.00%	(284)	-	284	0.00%	(284)	-	-	0.00%	-
Retirement, Health Ins, PR Taxes	307,993	98,717	32.1%	209,276	-	-	0.0%	-	307,993	98,717	32.1%	209,276
Workers Comp. Insurance	27,646	9,180	33.21%	18,465	-	-	0.00%	-	27,646	9,180	33.21%	18,465
Utilities	32,093	12,076	37.63%	20,017	-	-	0.00%	-	32,093	12,076	37.63%	20,017
Telephone Expense	-	1,061	0.00%	(1,061)	-	-	0.00%	-	-	1,061	0.00%	(1,061)
Vehicle & Equipment Acquisition	50,580	-	0.00%	50,580	-	-	0.00%	-	50,580	-	0.00%	50,580
TOTAL EXPENSES: WATER OPERATIONS	\$ 1,861,068	\$ 515,214	27.7%	\$ 1,345,854	\$ 781,755	\$ 275,280	35.2%	\$ 506,474	\$ 1,079,314	\$ 239,934	22.2%	\$ 839,380

Friant Water Authority
Budget vs Actual Expenses
YTD - 01/31/2022

	Budget year: Completed											
	Total				Labor				Materials			
	Annual Budget	YTD Actual	% Of Bud	Projected Remaining	Budget	YTD Actual	Projected Remaining	Budget	YTD Actual	Projected Remaining	Budget	YTD Actual
ADMINISTRATION												
C. & I. Maint (ESI Equipment)	\$ 26,346	\$ 4,951	18.79%	\$ 21,394	\$ 26,346	\$ 4,951	18.79%	\$ 21,394	\$ -	\$ -	0.00%	\$ -
Water supply coordination & monitoring	14,425	13,262	91.94%	1,163	17,660	13,262	75.10%	4,398	(3,235)	-	0.00%	(3,235)
Legal Expense - Direct	31,500	23,651	75.08%	7,849	-	-	0.00%	-	31,500	23,651	75.08%	7,849
Administrative Supervision	13,173	3,599	27.32%	9,574	13,173	3,599	27.32%	9,574	-	-	0.00%	-
Safety & First Aid Training	41,781	13,613	32.58%	28,168	2,533	2,868	113.23%	(335)	39,248	10,745	27.38%	28,503
Office Admin (Typing etc.)	91,066	46,495	51.06%	44,571	91,066	37,907	41.63%	53,159	-	8,588	0.00%	(8,588)
Payroll Preparation	9,211	5,142	55.82%	4,070	9,211	5,142	55.82%	4,070	-	-	0.00%	-
Meetings (General)	22,444	1,847	8.23%	20,596	18,244	1,291	7.07%	16,953	4,200	557	13.25%	3,644
Meetings (Board of Directors)	20,332	1,714	8.43%	18,617	20,332	1,684	8.28%	18,647	-	30	0.00%	(30)
Meetings (Sub Committee)	50,863	2,167	4.26%	48,695	20,921	2,067	9.88%	18,854	29,941	100	0.33%	29,841
Meetings (Staff)	17,347	3,259	18.79%	14,088	14,830	2,321	15.65%	12,508	2,517	938	37.25%	1,579
Offsite Planning Board of Directors	-	5,926	0.00%	(5,926)	-	5,622	0.00%	(5,622)	-	304	0.00%	(304)
Education & Training	43,389	6,186	14.26%	37,202	15,630	5,339	34.16%	10,291	27,758	847	3.05%	26,911
Miscellaneous Administrative	291	82	28.18%	209	291	82	28.18%	209	-	-	0.00%	-
Inventory & Property Mgt.	12,851	1,081	8.41%	11,770	12,851	1,081	8.41%	11,770	-	-	0.00%	-
Employee Benefit (Holiday)	29,672	16,636	56.07%	13,036	29,672	16,636	56.07%	13,036	-	-	0.00%	-
Employee Benefit (Sick Pay)	39,563	8,809	22.27%	30,754	39,563	8,809	22.27%	30,754	-	-	0.00%	-
Employee Benefit (Vacation)	42,639	21,648	50.77%	20,992	42,639	21,648	50.77%	20,992	-	-	0.00%	-
Data Processing	235,986	56,698	24.03%	179,288	25,940	14,164	54.60%	11,776	210,046	42,534	20.25%	167,512
Travel	58,787	10,283	17.49%	48,504	-	-	0.00%	-	58,787	10,283	17.49%	48,504
Accounting & Auditing	374,796	109,409	29.19%	265,387	347,796	99,356	28.57%	248,440	27,000	10,053	37.23%	16,947
Personnel Administration	136,555	24,582	18.00%	111,973	66,066	21,858	33.09%	44,208	70,489	2,723	3.86%	67,766
Retirement, Health Ins, PR Taxes	373,710	115,163	30.82%	258,546	-	-	0.00%	-	373,710	115,163	30.82%	258,546
Liability Insurance	162,146	129,841	80.08%	32,306	-	-	0.00%	-	162,146	129,841	80.08%	32,306
Workers Compensation Insurance	8,757	1,088	12.42%	7,669	-	-	0.00%	-	8,757	1,088	12.42%	7,669
Utilities	120,364	15,604	12.96%	104,760	-	-	0.00%	-	120,364	15,604	12.96%	104,760
Telephone Expense	-	2,299	0.00%	(2,299)	-	-	0.00%	-	-	2,299	0.00%	(2,299)
Office Supplies	35,288	8,279	23.46%	27,009	-	-	0.00%	-	35,288	8,279	23.46%	27,009
Employee Incentives & Awards	30,927	23,363	75.54%	7,565	-	-	0.00%	-	30,927	23,363	75.54%	7,565
Postage	5,287	1,056	19.98%	4,230	-	-	0.00%	-	5,287	1,056	19.98%	4,230
Dues & Subscriptions	59,765	1,056	1.77%	58,709	-	-	0.00%	-	59,765	1,056	1.77%	58,709
Budget Preparation	6,181	25	0.40%	6,156	6,181	25	0.40%	6,156	-	-	0.00%	-
Achieving & Data Storage	11,064	-	0.00%	11,064	11,064	-	0.00%	11,064	-	-	0.00%	-
Lease office equipment	35,138	12,683	36.09%	22,455	-	-	0.00%	-	35,138	12,683	36.09%	22,455
Vehicle & Equipment Acquisition	28,547	-	0.00%	28,547	-	-	0.00%	-	28,547	-	0.00%	28,547
Admin Reimb - GM Fund	(239,477)	(50,756)	21.19%	(188,721)	-	-	0.00%	-	(239,477)	(50,756)	21.19%	(188,721)
TOTAL EXPENSES: ADMINISTRATION	\$ 1,950,711	\$ 640,740	32.8%	\$ 1,309,972	\$ 832,009	\$ 269,713	32.4%	\$ 562,296	\$ 1,118,702	\$ 371,026	33.2%	\$ 747,676

\$ (747,626)

O&M	93%	711,931
Administration Total Allocated out	GM 7%	51,768

BUDGET ITEM	FYE 9/30/21	CURRENT YTD	REMAINING	NON-LABOR
CARRY OVER ITEMS FY 2021				
GSA Engagement	462,939	82,959	379,980	n/a
SCADA Alarm Project	20,000		20,000	n/a
Tree-Trimming	7,525	7,325	200	n/a
Embankment Management-Grazing Pilot	42,000	42,000	-	n/a
Gate Actuators	36,388	33,462	2,926	n/a
Utility Tractor	104,205	100,656	3,549	n/a
TOTAL CARRY OVER ITEMS FY 2021	673,057	266,402	406,655	n/a

Friant Water Authority
Budget vs Actual Expenses
YTD - 01/31/2022

	Budget year: Completed											
	Total				Labor				Materials			
	Annual Budget	YTD Actual	% Of Bud	Projected Remaining	Budget	YTD Actual	Projected Remaining		Budget	YTD Actual	Projected Remaining	
SPECIAL PROJECTS												
Pump Back Project - Cost Recovered -- DWR	\$0	(\$70,589)	0.0%	\$70,589	\$0	(\$20,899)	\$0	\$20,899	\$0	(\$49,689)	\$0	\$49,689
Pump Back Project - Cost Recoverable Costs	38,238	58,366	152.6%	(20,129)	28,238	13,194	46.72%	15,044	10,000	45,172	451.72%	(35,172)
Subsidence Project - Cost Recovered -- USBR	\$0	(\$1,086,529)	0.0%	\$1,086,529		\$0	\$0	\$0	\$0	(\$1,086,529)	\$0	1,086,529
Subsidence Project - Cost Recoverable Costs	-	1,086,529	0.0%	(1,086,529)	-	-	0.00%	-	-	1,086,529	0.00%	(1,086,529)
FKC Capacity Correction - System Wide - 6227	58,265	28,081	48.2%	30,185	13,306	-	0.0%	13,306	44,959	28,081	62.5%	16,878
GSA Engagement	207,820	75,145	36.2%	132,676	46,820	-	0.0%	46,820	161,000	75,145	46.7%	85,855
MRCCP Construction in progress-Cost Recovered	\$0	(\$3,262,509)	0.0%	\$3,262,509	\$0	(\$21,749)	\$0	\$21,749	\$0	(\$3,240,760)	\$0	\$3,240,760
MRCCP Construction in progress	-	3,262,509	0.0%	(3,262,509)	-	21,749	0.0%	(21,749)	-	3,240,760	0.0%	(3,240,760)
Water Quality	82,881	22,861	27.6%	60,019	30,043	12,424	41.4%	17,619	52,838	10,438	19.8%	42,400
TOTAL EXPENSES: SPECIAL PROJECTS	387,204	113,864	29.4%	273,340	118,408	4,718	4.0%	113,689	268,797	109,146	40.6%	159,651

GENERAL MEMBERSHIP

Outside Legal Consultants	609,000	165,880	443,120	27%
Other Consultants				
General Consulting	55,000	10,062	44,938	18%
Kan Ventures	65,500	16,402	49,098	25%
WDC Lobbyist	40,500	10,680	29,820	26%
Sacramento Lobbyist	45,000	11,970	33,030	27%
Public Relations Consultant	40,500	-	40,500	0%
Airborne Snow	272,000	-	272,000	0%
CDTFA - CA Water Res. Control Board	67,500	56,249	11,251	83%
Family Farm Alliance	15,000	15,000	-	100%
CVPWA dues	50,000	24,623	25,377	49%
SJV Blueprint	15,000	-	15,000	0%
Temperance Flat Reservoir Authority	40,000	-	40,000	0%
Total Other Consultants	706,000	144,986	561,014	21%
Other Supplies & Services	310,000	87,474	222,526	28%
General Counsel	12,500	3,000	9,500	24%
Staff Payroll & Benefits	725,000	260,445	464,555	36%
Admin Allocation	212,500	50,756	161,744	24%
Total GM	2,575,000	712,541	1,862,459	28%

BUDGET TO ACTUAL REPORT

				% of Budget YTD
Consultants	FY 2021 Approved Budget	FY 2022 Actuals	Surplus /(Shortage)	33.33%
General Counsel				
Burke, Williams & Sorenson, LLC	6,000	3,000	0	50.00%
Special Counsel				
Water & Power Law Group	200,000	81,280	0	40.64%
Burke, Williams & Sorensen, LLC	49,800	5,775	0	11.60%
Somach Simmons	119,000	26,515	0	22.28%
BiOps Litigation (Kaplan & Kirsch)	156,000	13,213	0	8.47%
CEQA Litigation (Stoel Rives)	126,000	30,620	0	24.30%
Additional Special Counsel (TBD)	55,500			
Special Counsel Subtotal	706,300	157,403	0	22.29%
Professional Support - Operations				
General Consulting - as needed (Luce, Steve O. & MBK)	192,820	10,062	0	5.22%
Kan Ventures	48,000	16,402	0	34.17%
Additional Legal/Operations Consultant (TBD)	96,000	-	0	
Professional Support - Operations Subtotal	336,820	26,464	0	7.86%
Professional Support - Communications & Outreach				
External Affairs - Federal (Ferguson Group)	40,000	10,680	0	26.70%
External Affairs - State (Villines)	40,000	11,970	0	29.93%
Media & Materials - (Commuter Industries)	40,500	600	0	1.48%
Professional Support - Comm. & Outreach Subtotal	120,500	23,250	0	19.29%
Consultants Subtotal	1,169,620	210,117	0	17.96%
Staff				
Leadership	657,758	260,445	0	39.60%
Staff Subtotal	657,758	260,445	0	39.60%
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	-	0	
Misc Organizational Contributions	15,000			
Dues & Fees Subtotal	162,500	95,872	0	59.00%
Other Supplies & Services				
Travel	60,000	8,963	0	14.94%
Hotel	37,500	8,520	0	22.72%
Meals	35,000	14,340	0	40.97%
Miscellaneous visa receipts	10,000	16,504	0	165.04%
Meeting expenses -	55,000	14,591	0	26.53%
Other Supplies & Services Subtotal	197,500	62,918	0	31.86%
Admin Allocation	175,000	50,756	0	29.00%
Direct Expenses (including rent, mileage)				
Mileage	27,500	-	0	
Rent	73,000	23,102	0	31.65%
Office Expenses	10,000	-	0	
Office Supplies	7,500	113	0	1.50%
Utilities	6,500	82	0	1.26%
Direct Expenses Subtotal	124,500	23,296	0	18.71%
Other Activities Subtotal	659,500	232,842	0	35.31%
Subtotal Base Budgets	2,486,878	703,404	0	28.28%
Special Projects				
BiOps Science Funding	10,000		0	
Total Special Projects	10,000	0	0	0.00%
Total Budgets	2,496,878	703,404	0	28.17%

Middle Reach Capacity Correction Project, Phase 1

Monthly Financial Status Report

Expenditures through January 31, 2022

Sources of Funds	Federal Funding		Friant Water Authority Funding				
	SJRRP funds	WIIN funds	FWA Contractors	Eastern Tule GSA	Pixley GSA	Delano GSA	State Funding-DWR
Anticipated Funding	\$41M-\$46.9M	\$ 210,550,000	\$ 50,000,000	\$125M-\$200M	\$ 11,000,000	\$ 1,200,000	\$29.4M-\$74M
Funds Secured/Received to Date	\$ 41,000,000	\$ 210,550,000	\$ 22,192,549	\$ 4,105,114	\$ 11,000,000	In progress	In progress
Expenditures	(29,373,153)	(4,310,118)	(14,049,159)	-	-	-	-
Remaining Funding Available	\$ 11,626,847	\$ 206,239,882	\$ 8,143,389	\$ 4,105,114	\$ 11,000,000	In progress	In progress

Budget to Actual Spending

Project Cost Category	Budget Estimate (January 2022)			Expenditures through January 31, 2022			Remaining Budget	
	Bureau of Reclamation	FWA (Non-Federal)	Total Project Cost	Bureau of Reclamation	FWA (Non-Federal)	Total Expenditures	Bureau of 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)	\$ (26,606,781)	\$ -	\$ -
ROW & Land Acquisition	\$ 8,288,108	\$ 14,013,460	\$ 22,301,568	\$ (6,746,473)	\$ (10,329,696)	\$ (17,076,169)	\$ 1,541,635	\$ 3,683,764
Legal & Administration (Facilitating Services) & IT Services	\$ 517,667	\$ 506,000	\$ 1,023,667	\$ (237,132)	\$ (38,760)	\$ (275,892)	\$ 280,535	\$ 467,241
Permitting, NEPA/CEQA, Cultural Resources, & Environmental Monitoring	\$ 1,176,106	\$ 500,000	\$ 1,676,106	\$ (153,824)	\$ (101,908)	\$ (255,732)	\$ 1,022,282	\$ 398,092
Project Management	\$ 2,360,302	\$ 1,987,500	\$ 4,347,802	\$ (487,449)	\$ (53,063)	\$ (540,512)	\$ 1,872,853	\$ 1,934,437
Construction Management	\$ 12,000,000	\$ -	\$ 12,000,000	\$ (261,325)	-	\$ (261,325)	\$ 11,738,675	\$ -
Design & Specifications	\$ 1,785,380	\$ -	\$ 1,785,380	\$ (1,227,086)	-	\$ (1,227,086)	\$ 558,294	\$ -
Construction Support	\$ 13,561,832	\$ -	\$ 13,561,832	\$ (161,726)	-	\$ (161,726)	\$ 13,400,106	\$ -
Construction Contract - Phase 1 Replacement Pump Stations	\$ 8,629,263	\$ 8,629,263	\$ 17,258,525	\$ -	-	\$ -	\$ 8,629,263	\$ 8,629,263
Construction Contract - MRCCP Phase 1	\$ 67,776,203	\$ 110,013,952	\$ 177,790,155	\$ (1,327,208)	-	\$ (1,327,208)	\$ 66,448,995	\$ 110,013,952
Construction Contract Contingency	\$ 7,074,092	\$ 7,074,092	\$ 14,148,184	-	-	\$ -	\$ 7,074,092	\$ 7,074,092
Total	\$ 146,250,000	\$ 146,250,000	\$ 292,500,000	\$ (33,683,271)	\$ (14,049,159)	\$ (47,732,431)	\$ 112,566,729	\$ 132,200,841

% Cost-Share

50%

50%

71%

29%

100%

FRIANT WATER AUTHORITY

CASH ACTIVITY BALANCE MONTH ENDING JANUARY 31, 2022

	Beginning Balance	Increases	Decreases	Ending Balance
FKC Operations & Maintenance	\$ 29,391,497	\$ 780,458	\$ (1,661,232)	\$ 28,510,723
SLDMWA	\$ 4,119,286	\$ 3,378,674	\$ (3,350,814)	\$ 4,147,145
Total	\$ 33,510,783	\$ 4,159,131	\$ (5,012,046)	\$ 32,657,868
General Member	\$ 1,095,644	\$ 285,829	\$ (184,596)	\$ 1,196,877
			Total	\$ 33,854,745

BANK ACTIVITY BALANCE MONTH ENDING JANUARY 31, 2022

Local Agency Investment Fund	\$ 35,184,126	\$ 10,809	\$ (2,900,000)	\$ 32,294,935
Bank of the Sierra	\$ (577,699)	\$ 4,434,152	\$ (2,296,642)	\$ 1,559,811
			Total	\$ 33,854,745

NOTE: Cash on deposit with LAIF represents the consolidation of available balances held by all FWA funds. Most Current Interest Rate: For month ended January 31, 2022 , effective yield, 0.212%
Total LAIF fund as of January 31, 2022: \$36,931,599,142.65
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 JANUARY 31, 2022**

	<u>Checking & Investments</u>	<u>Payroll Checking</u>	<u>Petty Cash</u>	<u>Total</u>
CASH BALANCE DECEMBER 31, 2021	\$ 33,509,988	\$ -	\$ 794	\$ 33,510,783
Increases:				
District O&M receipts	729,766			729,766
SLDMWA receipts	461,991			461,991
Revenue from MRCCP	783,890			783,890
Revenue from ETGSA	662,712			662,712
Revenue from Subsidence Project	950,937			950,937
Revenue from Pumpback Project	123,786			123,786
Interest from Bank of Sierra	177			177
Miscellaneous deposits	32,812			32,812
Other Funds:				
Administration Allocation	10,683			10,683
Payroll deposits	402,377	402,377		804,753
Total Increases	<u>4,159,131</u>	<u>402,377</u>	<u>-</u>	<u>4,561,508</u>
Decreases:				
O&M Expenditures	291,275			291,275
Pump Back Project Expenditures	45,118			45,118
Subsidence Project Expenditures	77,122			77,122
FKC-MRCCP Land purchases	3,032,716			3,032,716
FKC-MRCCP consulting expenditures	6,251			6,251
Wire to SLDMWA - Estimated water usage - Jan. Estimate	1,111,225			1,111,225
Retirement Matching	45,944			45,944
Bank charges	20			20
				-
Payroll Cash Outlays	402,377	402,377		804,753
Total Decreases	<u>5,012,046</u>	<u>402,377</u>	<u>-</u>	<u>5,414,423</u>
CASH BALANCE BEFORE INTERFUND ACTIVITY	<u>32,657,073</u>	<u>-</u>	<u>794</u>	<u>32,657,868</u>
Interfund transfer from O&M	-			-
CASH BALANCE JANUARY 31, 2022	<u>\$ 32,657,073</u>	<u>\$ -</u>	<u>\$ 794</u>	<u>\$ 32,657,868</u>

**FRIANT WATER AUTHORITY
GENERAL MEMBERS FUND
CASH ACTIVITY REPORT
MONTH ENDING JANUARY 31, 2022**

CASH BALANCE DECEMBER 31, 2021 \$ 1,095,644

Increases:

Member Assessments 285,829

Total Cash Receipts \$ 285,829

Decreases:

Annual membership dues 39,623

Consulting 13,818

Meetings 15,128

Professional Services 28,447

Rent & Facility Expense 5,796

Other Payroll Benefits 10,156

112,968

Reimburse O&M:

Current Month Payroll & Benefits 112,247

Current Month Payroll & Benefits to O&M (51,303)

Administration Allocation 10,683

Less Total Cash Disbursements \$ 184,596

CASH BALANCE BEFORE INTERFUND ACTIVITY \$ 1,196,877

Interfund transfer from O&M \$ -

CASH BALANCE JANUARY 31, 2022 \$ 1,196,877

FRIANT WATER AUTHORITY
MONTH ENDING JANUARY 31, 2022
CASH ACTIVITY REPORT
LOCAL AGENCY INVESTMENT FUND (L.A.I.F.)
(FUNDS ON DEPOSIT WITH STATE OF CALIFORNIA)
CASH ACTIVITY REPORT

CASH BALANCE DECEMBER 31, 2021	<u>\$ 35,184,126</u>
Increases:	
Interest earned	\$ 10,809
Decreases:	
Transfer to checking	<u>\$ 2,900,000</u>
CASH BALANCE JANUARY 31, 2022	<u><u>\$ 32,294,935</u></u>
Balance ascribed to:	
O&M Fund	\$ 31,153,202
General Member Fund	<u>\$ 1,141,733</u>
	<u><u>\$ 32,294,935</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 January 31, 2022 , effective yield, 0.212%
Total LAIF fund as of January 31, 2022: \$36,931,599,142.65
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.



Agenda Report

2.C.

DATE: February 24, 2022

TO: Board of Directors

FROM: Chris Hickernell, General Superintendent

SUBJECT: **Previously Budgeted Copper-Sulfate Program Purchase – Fiscal Year 2022**

SUMMARY:

The Fiscal Year (FY) 2022 Operations, Maintenance, and Replacement (OM&R) budget for the Friant-Kern Canal was approved by the Board of Directors at the September 23, 2021 meeting. The approved budget included a line-item for FWA's annual Copper-Sulfate Herbicide Program. While the obtained unit pricing is higher than originally anticipated, the total proposed purchase price is lower than the FY 2022 budget line-item and between the amount proposed for purchase and stock on-hand, supplies should be sufficient to last throughout the year, depending on water conditions.

DISCUSSION:

Annual Copper-Sulfate Herbicide Program. The approved FY 2022 OM&R budget included \$168,000 for the purchase of copper-sulfate for algae treatment within the Friant-Kern Canal.

FWA staff conducted a solicitation for Copper-Sulfate where vendors were emailed or faxed a Request for Quotation and the returned bids are detailed in the table below.

		Target Specialty Products	Cygnnet Enterprises West Inc.	Nutrien Solutions
Copper Sulfate 80,000 lbs.	\$		\$138,400.00	
		NO BID	ONLY BID	NO BID

Based on this information, it is recommended the only bidder, Cygnnet Enterprises West Inc., be awarded a Purchase Order for 80,000 pounds of Copper Sulfate at a unit cost of \$1.73/lb. for a total cost of \$138,400.00. The price includes tax and delivery to the Lindsay yard. Total Fiscal Year 2022 budgeted amount for copper sulfate is \$168,000. This proposed

purchase for 80,000 pounds is at an increased unit price. However, the total amount proposed is less than the FY 2022 budget and these supplies, combined with current stock on-hand, should be sufficient to last throughout the year depending on water conditions.

Staff is recommending the final approval to purchase Copper-Sulfate at a total cost of \$138,400.00. The final, negotiated cost is \$29,600.00 less than the amount budgeted for in FY 2022.

FINANCE COMMITTEE ACTION:

At the February 22, 2022 meeting, the Finance Committee acted to recommend that the Board of Directors to approve the purchase of the Copper-Sulfate based upon the quote received.

SUGGESTED MOTION:

I move that the Board of Directors approve the purchase of the Copper-Sulfate based upon the quote received.

BUDGET IMPACT:

There is no adverse impact on the budget. The recommended purchase is below the amount budgeted within the FY 2022 OM&R budget for the Friant-Kern Canal for the annual Herbicide program.

Agenda Report

No. 3.A

DATE: February 25, 2022

TO: Board of Directors

FROM: Donald M. Davis, General Counsel
Steve Ottemoeller, Consultant

SUBJECT: **Renewal of Temporary Agreements for Conveyance of Water (Restoration Flows) and Renewed Repayment Agreement for Recapture of Restoration Flows**

SUMMARY:

An action to renew temporary agreements with the Banta-Carbona and Patterson Irrigation Districts for the recapture of Restoration Flows in the Lower San Joaquin River during Water Year 2022 (Conveyance Agreements) and to approve a “Repayment Agreement” with Friant Contractors that provides for the reimbursement of the costs associated with the conveyance of the “Recaptured Water.”

EXECUTIVE COMMITTEE RECOMMENDATION:

At its meeting on February 15, 2022, the Executive Committee voted to recommend that the Board authorize the Acting COO to execute the Conveyance Agreements with Banta-Carbona and Patterson Irrigation Districts, and further recommended that once the Conveyance Agreements are approved, FWA enter into the Repayment Agreement with participating Friant Contractors.

SUGGESTED MOTION:

I move that the Board authorize the Acting COO to (1) execute the Conveyance Agreements with Banta-Carbona and Patterson Irrigation Districts, and (2) and execute the Repayment Agreement with participating Friant Contractors.

DISCUSSION:

Since 2016, FWA has entered into temporary, one-year Conveyance Agreements with Patterson Irrigation District (PID) and Banta-Carbona Irrigation District (BCID) for the recapture and conveyance of Restoration Flows that were released past Sack Dam. A total of 89,104 AF has been recaptured pursuant to these temporary agreements during the 2016-2020 water years, including a range of 832 AF (2016) to 37,339 AF (2018) and an average of approximately 22 TAF during WY2017-WY2020. (Due to the Critical Low allocation in 2021 and a lack of capacity in the DMC during January, only 670 AF were recaptured in January, and there will be no recapture in February because the districts are pumping water for their own use.) Over 300 TAF has already been allocation to the Restoration Program for WY2022 and Restoration Flows and will continue to be released past Sack Dam during the 2022 water year. The proposed action would approve new one-year Conveyance Agreements to continue recapture in the lower San Joaquin River. While the final allocation to the SJRRP is still uncertain due to the potential for dry conditions during the next few months, it is expected that total recapture would be on the order of 15 – 20 TAF.

The proposed Conveyance Agreements are essentially identical to the past year with some minor updates, and have been approved by the Boards of PID and BCID. PID and BCID have agreed to the same rate of conveyance as the last two years, which is \$135 per AF conveyed to the DMC with no losses assessed. Additional costs for conveyance in San Luis & Delta-Mendota Water Authority operated facilities will add approximately \$25 per AF to the cost of water available to the Friant Contractors prior to conveyance from O'Neill Forebay.

The mechanism for determining which Friant Contractors will have access to, and bear the responsibility of paying the costs for, the recaptured Restoration Flows is the Repayment Agreement between FWA and the agencies electing to participate and commit to pay the associated costs for such water. The form of such agreement for the 2022 Water Year is identical to the 2021 Water Year version except for the updated details of environmental compliance.

Environmental Compliance:

Reclamation initially prepared an Environmental Assessment in 2016 that addressed the recapture of Restoration Flows at PID and BCID diversion facilities on the San Joaquin River. The Environmental Assessment resulted in a Finding of No Significant Impact ("FONSI"). Reclamation is in the process of preparing a new FONSI for recapture in 2022.

In issuing its Temporary Orders for the recapture of Restoration Flows, the State Water Resources Control Board has found that Water Code section 1729 exempts temporary changes involving a transfer of water from the requirements of the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000, et seq.). In addition, the Board has also determined, in accordance with Water Code section 1727, that the proposed temporary transfers would not unreasonably affect fish, wildlife, or other instream beneficial uses. Similar findings are expected as part of the pending 2022 Temporary Order.

As such, the Board may exercise its independent judgment and also determine that the approval of the temporary Conveyance Agreements and related Repayment Agreement are also exempt from CEQA under Water Code section 1729, as well as the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, Section 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment); and Section 15061(b)(3), because the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.

BUDGET IMPACT:

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

ATTACHMENTS:

1. WY 2022 Conveyance Agreement with Banta-Carbona ID
2. WY 2022 Conveyance Agreement with Patterson ID
3. WY 2022 Repayment Agreement For Recapture Of Restoration Flows In Lower San Joaquin River

TEMPORARY AGREEMENT FOR CONVEYANCE OF WATER
(San Joaquin River Restoration Flows – Water Year2022)

THIS AGREEMENT FOR CONVEYANCE OF WATER ("**Agreement**") is effective as of March 1, 2022, and is between the Banta-Carbona Irrigation District, a California irrigation district ("**BCID**") and the Friant Water Authority, a California joint powers authority ("**Friant**") with reference to the following facts:

A. This Agreement is entered into concurrently by Friant with that certain "REPAYMENT AGREEMENT FOR RECAPTURE OF RESTORATION FLOWS IN LOWER SAN JOAQUIN RIVER (Water Year2022) between Friant and certain Friant Division long-term contractors ("**Repayment Agreement**")", the recitals of which are hereby incorporated by reference, including all defined terms.

B. BCID owns facilities capable of diverting water from the San Joaquin River channel and conveying it to the Delta-Mendota Canal (the "**DMC**").

C. Friant anticipates that it will need conveyance services to recover San Joaquin River Restoration Flows ("**SJRRF**") during the 2022 water year from the San Joaquin River to the DMC so that the SJRRF can be physically delivered to Friant via south-of-Delta Central Valley Project facilities including, but not limited to, the DMC, O'Neill Pumping Plant, O'Neill Forebay, San Luis Reservoir and San Luis Canal, as well as State Water Project facilities and other third party conveyance facilities, as necessary to deliver water to the Friant service area.

D. BCID is willing or provide such conveyance of SJRRF from the San Joaquin River channel to the DMC on the terms set forth in this Agreement.

THEREFORE, the parties agree as follows:

1. Recitals. The recitals and facts set forth above are true and correct and are incorporated herein by this reference

2. Term. This Agreement is effective upon the date first written above and will terminate on February 28, 2023 ("**Term**").

3. Conveyance. Subject to the provisions of this Agreement, during the Term, BCID will convey up to 55,000 acre feet of SJRRF for the benefit of Friant or its designees through BCID's facilities and deliver such SJRRF into the DMC ("**Conveyance Goal**"). While the Conveyance Goal will be distributed over the 12 month period of the Term, the amount Conveyed in any one month of the Term will not exceed 5,800 acre-feet. For purposes of this Agreement, "**Convey**," "**Conveyed**," or "**Conveyance**" of SJRRF includes diversion of that water from the San Joaquin River as well as the conveyance and delivery thereof via BCID facilities into the DMC at MP 20.42-L. No SJRRF will be stored in BCID facilities under this Agreement.

4. Construction. Friant acknowledges that BCID may construct improvements to its water conveyance facilities that may require the facilities to be shut down. As a result, the Conveyance Goal may not be met during the Term due to construction. BCID agrees to undertake reasonable efforts to Convey the full Conveyance Goal annually despite such constraints, but will not be in violation of this Agreement if it is unable to do so.

5. Acquisition of SJRRF. Friant is solely responsible for the actions and costs required to permit SJRRF to be Conveyed by BCID pursuant to this Agreement. Friant is also solely responsible for causing SJRRF to arrive at BCID's diversion facilities on the San Joaquin River and for any and all costs and arrangements required in order for that water to thereafter be placed into and Conveyed through the DMC.

6. Priorities. BCID's obligations to use its facilities for the Conveyance of SJRRF under this Agreement will at all times be subordinate in priority to: (1) BCID's use of those facilities, and (2) any disclosed pre-existing written agreements or pre-approved arrangements for water delivery to third parties as noted in Exhibit A. Subject to the foregoing, BCID may utilize its facilities for arrangements with other parties, provided that BCID will not voluntarily engage in any subsequent activities or enter into any other arrangements that would interfere with its ability to perform under this Agreement or that would grant other parties a right to utilize BCID's facilities senior or equal to Friant's rights under this Agreement.

7. Scheduling.

a. BCID and Friant will work cooperatively to schedule the Conveyance of SJRRF by BCID under this Agreement. Friant understands that there may be times when capacity to Convey SJRRF will be unavailable or unknown in advance. The parties acknowledge that it may not be feasible for Friant and its designees to identify or predict specific quantities of SJRRF available at BCID's diversion facilities on the San Joaquin River during periods when Conveyance capacity is available for SJRRF in BCID's facilities. Friant will make reasonable efforts to provide notice to BCID regarding the amount of SJRRF expected to be available at BCID's diversion facilities on the San Joaquin River during available Conveyance periods, but Friant will not be in default under this Agreement to the extent such SJRRF are not so available. Friant will be liable for unused capacity reserved for Conveyance of SJRRF pursuant to Section 12 unless it provides notice at least 20 days in advance of the first day of any month that the previously reserved capacity is no longer needed; provided, however, that should Friant fail to provide the requisite advance notice that it no longer needs the previously specified capacity for a particular month, it will only be obligated to pay for the reserved but unused capacity that is greater than 10% of the amount reserved.

b. At least 60 days before the first day of each month during the Term, Friant will submit, or cause to be submitted, a schedule of SJRRF anticipated to be available at the BCID diversion facilities, and BCID will use reasonable efforts to Convey the maximum amount of available SJRRF, subject to its diversion capacity and applicable priorities described in this Agreement. If Friant does not provide the notice required by this subsection, BCID will not be required to provide any Conveyance under this Agreement in that month, and will be free to utilize its available capacity in that month to provide wheeling services to others. Friant and BCID will work cooperatively each month to reconcile the amount of SJRRF water available for Conveyance, the amount of SJRRF diverted, and the amount of SJRRF discharged into the DMC for the purpose of reporting to United States Bureau of Reclamation ("**Reclamation**") and the San Luis and Delta-Mendota Water Authority ("**SLDMWA**").

8. Constraints on Facilities. BCID's obligations under this Agreement are subject and subordinate to the following conditions:

- (a) the terms and conditions of the Approvals (as defined below);
- (b) applicable federal and state laws now in existence or adopted during the Term of this Agreement, and as modified from time to time, affecting BCID's rights or obligations or ability to divert from the San Joaquin River; or
- (c) low flow in the San Joaquin River or other adverse hydrologic conditions that make it impossible or impracticable for BCID to pump SJRRF from the San Joaquin River, which conditions shall be deemed a force majeure governed by Section 10;

9. Regulatory Requirements Beyond a Party's Control. SJRRF to be Conveyed under this Agreement may be reduced due to failure of facilities; intervening acts, including litigation and stream adjudication brought by third parties, or actions of any state or federal agency exercising jurisdiction or claiming an interest and/or right to reduce and/or modify operations of BCID or other relevant facilities; and any action, legislation, ruling or determination adverse to a party affecting the Agreement and

beyond the reasonable control of such party. An affected party will make a good faith effort to oppose such reductions, but the affected party will not be liable for reductions of supply due to such causes.

10. Force Majeure. If by reason of force majeure (defined below) either party is rendered unable wholly or in part to carry out its obligations under this Agreement, then such party will give notice and full particulars of such force majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied on, and such party's obligation, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "**Force Majeure**" means, but is not limited to, an event not the fault of, and beyond the reasonable control of, either party which makes it impossible or impracticable for that party to perform obligations imposed on it by this Agreement, by virtue of its effect on physical facilities and their operation or employees essential to such performance. Force Majeure Events include but are not limited to (1) an "act of God" such as an earthquake, flood, earth movement, lighting, fire, storms, washouts, droughts, landslides, or similar catastrophic event, (2) an act of the public enemy, terrorism, sabotage, vandalism, contamination, civil disturbance of similar event, (3) a strike, work stoppage, lockout, civil or industrial disturbance or similar event, (4) delays in construction caused by negligence or breach of contract by a third party or inability to obtain essential materials after diligent and timely efforts, (5) breakage or accidents to machinery, buildings, equipment, pipelines or canals, partial or entire failure of water supply, or (6) an order or regulation issued by a federal or state regulatory agency or a judgment or order entered by a federal or state court.

11. Curtailment of Conveyance. BCID has the right to temporarily discontinue or reduce Conveyances under this Agreement (1) as reasonably required to perform scheduled routine or emergency maintenance, and (2) as needed to perform any system modification. BCID will give Friant reasonable notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which case no notice need be given. Any repairs, maintenance, replacement, or other work that will necessitate taking all or a portion of the Conveyance system out of operation will, to the extent practical, be undertaken between November and February, inclusive. Upon resumption of service after such reduction or curtailment, BCID will attempt to convey the quantity of SJR Restoration Flows that would have been furnished hereunder in the absence of such discontinuance or reduction.

12. Conveyance Fee. As payment for Conveyance of SJRRF under this Agreement, Friant will pay BCID a total fee of One Hundred Thirty-Five Dollars \$135 per acre foot of SJRRF so conveyed, measured by BCID upon turnout at the DMC, payable within thirty (30) days after the last day of the calendar month during which such SJRRF are Conveyed. Such fee includes without limitation all administrative, operations, maintenance, Conveyance, energy and other costs incurred or imposed by BCID for conveying SJRRF under this Agreement. By the tenth (10th) day of each calendar month, BCID will provide Friant with an invoice indicating the amount of SJRRF Conveyed under this Agreement during the immediately preceding calendar month. Except as otherwise provided in this Agreement, should Friant provide notice pursuant to Section 7 that it intends to Convey water under this Agreement in any given month, and such water is available for Conveyance to BCID, Friant will be required to make payment to BCID pursuant to this Agreement to the extent the capacity requested is not used by Friant in that month unless otherwise utilized in that month by BCID to Convey other water.

13. Losses. No losses will be imposed by BCID on SJRRF Conveyed under this Agreement.

14. Approvals. The parties acknowledge that, in order for SJRRF to be acquired by Friant and Conveyed by BCID, certain regulatory approvals and consents (the "**Approvals**") may be required, including without limitation (i) approvals by the California State Water Resources Control Board and (ii) approvals and issuance of a conveyance agreement by the United States Department of the Interior and/or San Luis and Delta Mendota Water Authority, as appropriate, for Conveyance of SJRRF water in the DMC. The parties will diligently and cooperatively pursue all Approvals and will each dedicate at no charge to the other such staff as is reasonably necessary to obtain them. The out of pocket expenses for

obtaining the Approvals will be borne by Friant. Each party will execute such other documents as may be necessary in order to permit the Conveyance of SJRRF under this Agreement. Receipt of all Approvals is a condition precedent to the parties' obligations hereunder other than the parties' obligations hereunder other than the parties' obligations under this Section 14 and Section 16.

15. No Transfer or Assignment. This Agreement may not be assigned in whole or in part by Friant without the prior written consent of the BCID, which may be withheld in BCID's sole and absolute discretion. Notwithstanding the foregoing, Friant may permit other designated agencies to utilize all or any portion of the BCID Conveyance capacity made available to Friant under this Agreement by providing written notice to BCID that it has so designated such other agency(ies). Friant will remain liable for all payments and obligations required of Friant under this Agreement notwithstanding such designation, and all water Conveyed by BCID hereunder for Friant' designees will be deemed Conveyed for Friant hereunder.

16. Environmental Compliance. Compliance with the California Environmental Quality Act ("CEQA") and all other applicable environmental laws with respect to the actions contemplated by this Agreement is a condition precedent to the parties' obligations hereunder other than the parties' obligations under this Section 16 and Section 14. The parties acknowledge and agree that to their best knowledge, compliance with CEQA has been satisfied based on the actions described in the recitals to the Repayment Agreement. Nevertheless, if additional CEQA review and compliance is determined to be required, each party agrees to promptly prepare all appropriate environmental documents, if any are required, for it to undertake the actions contemplated in this Agreement and will dedicate at no charge to the other such staff as is reasonably necessary in connection therewith. The parties will cooperate to diligently complete, or cause the completion of, all environmental review required in order to implement this Agreement, and will use reasonable efforts to reduce any overlap in analyzing, mitigating, or studying environmental impacts associated with the actions proposed in this Agreement. All out of pocket costs of compliance with CEQA and other environmental laws will be borne by Friant. Notwithstanding any other provision of this Agreement, no action will be taken to effect the actions contemplated by this Agreement, and no other action will be taken that irrevocably commits any material resources of any party, until all required environmental review is completed and all parties have independently made all findings required by CEQA and other applicable environmental laws. If, upon completion of such environmental review, a party finds one or more significant, unmitigated environmental impacts resulting from the actions contemplated by this Agreement and cannot make a finding that the benefits of the proposed project outweigh the impact or impacts, or that the impacts can be mitigated to a level below significance, then this Agreement will terminate without further obligation or liability of any party. Neither the execution of this Agreement, nor any steps taken to implement this Agreement, will be taken into account in determining whether mitigating or avoiding any significant impact is feasible. Nothing in this Agreement pre-commits either party to any project approval.

17. Attorneys' Fees. In the event of any action between BCID and Friant seeking enforcement or interpretation of any of the provisions of this Agreement, the prevailing party in such action will be awarded, in addition to damages, its reasonable costs and expenses, including without limitation actual out of pocket costs and attorneys' fees, all as ordered by the court. In the event a third party challenges this Agreement, whether judicially or otherwise, BCID and Friant will assist one another without cost in connection with such challenge by providing information and witnesses as reasonably requested. Any costs of defending any such challenge, including out-of-pocket costs and attorneys' fees, will be borne by Friant except to the extent such challenge results from the gross negligence or willful misconduct of BCID; provided, that BCID will have the exclusive right to choose counsel and control such defense after consulting with Friant with respect to BCID's choice of counsel and defense strategy.

18. Representations and Warranties. BCID and Friant each represent and warrant to the other that (i) it has the authority to enter into this Agreement and to perform as set forth herein without any court approval or consents from third parties except the Approvals, (ii) the execution of this Agreement and performance of its obligations hereunder will not violate any agreement, option,

covenant, condition, obligation, court order or undertaking affecting it, nor to the best of its knowledge will it violate any law, ordinance, statute, order or regulation, and (iii) to the best of its knowledge, there is no suit, action or arbitration, or legal, administrative, or other proceeding that affects the ability of such party to perform hereunder.

19. Water Quality. BCID makes no warranty or representations as to the quality or fitness for use of SJRRF Conveyed to Friant; provided, that BCID will not voluntarily or knowingly cause the deposit or discharge of any substance into water being Conveyed for Friant that would preclude the ability to discharge such water into the DMC. Friant will be responsible for all necessary measures at its own expense for the testing, treatment, and other steps required for the intended uses of the SJRRF.

20. Regulatory and Litigation Costs. Friant will defend its own interests, and will defend, indemnify and hold harmless, BCID in any litigation or regulatory action challenging the validity of the SJRRF or Friant's ability to transfer or Convey said water. The parties will each defend their own interests in litigation or regulatory action involving this Agreement, including environmental compliance and use of the BCID Facilities.

21. Indemnification. Each party agrees to protect, defend, indemnify, and hold harmless the other party, its officers, agents, servants, employees, and consultants from and against any and all losses, claims, liens, demands and causes of action of every kind and character on account of personal injuries or death or damages to property and, without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, connected with, or arising directly or indirectly out of the performance or non-performance by the indemnifying party hereunder.

22. Specific Performance. The parties acknowledge that Conveyance of SJRRF is unique and of substantial value Friant, and that the failure of BCID to perform under this Agreement may not be readily compensable in monetary damages. Therefore, in addition to any other remedies available to Friant at law or in equity, in the event of a breach or threatened breach of this Agreement by BCID, Friant will be entitled to specific performance of this Agreement. Further, BCID acknowledges that Friant will make substantial investments in SJRRF in reliance on this Agreement that could be lost if BCID fails to perform hereunder.

23. Measurement. Necessary measurement of water to permit compliance with this Agreement will be taken by BCID by recording measuring devices selected, installed and maintained by BCID and subject to inspection at all times by Friant. BCID will maintain records of the quantities of water measured by such devices and will make such records available to Friant upon request.

24. Notices. All notices under this Agreement will be effective (i) when personally delivered to BCID or Friant, as the case may be, (ii) when sent by electronic mail on a business day between the hours of 8 a.m. and 5 p.m. (with written confirmation of transmission) to BCID or Friant, as the case may be, at the numbers set forth below, or (iii) three business days after deposit in the United States mail, registered or certified, postage fully prepaid and addressed to the respective parties as follows:

To BCID: 3514 West Lehman Road
Tracy, CA 95304-9336
Attention: General Manager
Email: dweisenberger@banta-carbona.org
Telephone No.: (209) 835-4670

To Friant: 854 N. Harvard Avenue.
Lindsay, CA 93247
Attention: Acting Chief Operating Officer
Email: jamaral@friantwater.org
Telephone No.: (559) 562-6305

or such other address as the parties may from time to time designate in writing. As a matter of convenience, however, communications between BCID and Friant will, to the extent feasible, be conducted orally by telephone or in person, and/or through the parties' respective counsel, with such communications to be confirmed and made effective in writing as set forth above; provided, no such oral notice or communication will be effective unless so confirmed in writing.

25. Further Action. The parties agree to perform all further acts, and to execute, acknowledge, and deliver any documents that may be reasonably necessary, appropriate or desirable to carry out the purposes of this Agreement. BCID and Friant acknowledge that the actions contemplated by this Agreement will require regular consultation and coordination and the parties will in good faith engage in all such consultation and coordination necessary or appropriate to facilitate the arrangements contemplated by this Agreement.

26. Third Party Beneficiaries. This Agreement does not create, and will not be construed to create, any rights enforceable by any person, partnership, corporation, joint venture, limited liability company or other form of organization or association of any kind that is not a party to this Agreement.

27. Binding Effect. This Agreement is binding upon and enforceable against each of the parties. This Agreement will be governed by and construed in accordance with the laws of the State of California and may be signed in any number of counterparts. Facsimile and electronic signatures will be binding.

28. Interpretation. This Agreement will be interpreted as if it had been jointly drafted by both parties. Therefore, the normal rule of construction that ambiguities are construed against the drafter is hereby waived.

29. Waiver. Any waiver of the provisions of this Agreement by the party entitled to the benefits thereof as to any instance must be in writing and will in no event be deemed a waiver of the same provision with respect to any other instance or a waiver of any other provision of this Agreement.

30. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. All prior agreements with respect to that subject matter, whether verbal, written or implied, are hereby superseded in their entirety by this Agreement and are of no further force or effect. Amendments to this Agreement will be effective only if in writing, and then only when signed by the authorized representatives of the respective parties.

31. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be void or unenforceable, that provision will be deemed automatically reformed to be enforceable to the maximum extent legally permissible, and the balance of this Agreement will be unaffected.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

BANTA-CARBONA IRRIGATION DISTRICT

By: _____
David Weisenberger, General Manager

FRIANT WATER AUTHORITY

By: _____
Johnny Amaral, Acting Chief Operating Officer

DRAFT

EXHIBIT A
PRE-EXISTING COMMITMENTS FOR USE OF CONVEYANCE CAPACITY

1. Water Transfer Agreement Between Banta-Carbona Irrigation District and Meyers Farms Family Trust – 10,000 acre feet
2. Temporary Warren Act Contract – 10,000 acre feet

DRAFT

**TEMPORARY AGREEMENT FOR CONVEYANCE OF WATER
(San Joaquin River Restoration Flows – Water Year2022)**

THIS AGREEMENT FOR CONVEYANCE OF WATER ("**Agreement**") is effective as of March 1, 2022, and is between the Patterson Irrigation District, a California irrigation district ("**PID**") and the Friant Water Authority, a California joint powers authority ("**Friant**") with reference to the following facts:

A. This Agreement is entered into concurrently by Friant with that certain "REPAYMENT AGREEMENT FOR RECAPTURE OF RESTORATION FLOWS IN LOWER SAN JOAQUIN RIVER (Water Year 2022) between Friant and certain Friant Division long-term contractors ("**Repayment Agreement**")", the recitals of which are hereby incorporated by reference, including all defined terms.

B. PID owns facilities capable of diverting water from the San Joaquin River channel and conveying it to the Delta-Mendota Canal (the "**DMC**").

C. Friant anticipates that it will need conveyance services to recover San Joaquin River Restoration Flows ("**SJRRF**") during the 2022 water year from the San Joaquin River to the DMC so that the SJRRF can be physically delivered to Friant via south-of-Delta Central Valley Project facilities including, but not limited to, the DMC, O'Neill Pumping Plant, O'Neill Forebay, San Luis Reservoir and San Luis Canal, as well as State Water Project facilities and other third party conveyance facilities, as necessary to deliver water to the Friant service area.

D. PID is willing or provide such conveyance of SJRRF from the San Joaquin River channel to the DMC on the terms set forth in this Agreement.

THEREFORE, the parties agree as follows:

1. Recitals. The recitals and facts set forth above are true and correct and are incorporated herein by this reference

2. Term. This Agreement is effective upon the date first written above and will terminate on February 28, 2023 ("**Term**").

3. Conveyance. Subject to the provisions of this Agreement, during the Term, PID will convey up to 29,000 acre feet of SJRRF for the benefit of Friant or its designees through PID's facilities and deliver such SJRRF into the DMC ("**Conveyance Goal**"). While the Conveyance Goal will be distributed over the 12 month period of the Term, the amount Conveyed in any one month of the Term will not exceed 29,000 acre-feet. For purposes of this Agreement, "**Convey**," "**Conveyed**," or "**Conveyance**" of SJRRF includes diversion of that water from the San Joaquin River as well as the conveyance and delivery thereof via PID facilities into the DMC at MP 42.53-L1RW. No SJRRF will be stored in PID facilities under this Agreement.

4. Construction. Friant acknowledges that PID may construct improvements to its water conveyance facilities that may require the facilities to be shut down. As a result, the Conveyance Goal may not be met during the Term due to construction. PID agrees to undertake reasonable efforts to Convey the full Conveyance Goal annually despite such constraints, but will not be in violation of this Agreement if it is unable to do so.

5. Acquisition of SJRRF. Friant is solely responsible for the actions and costs required to permit SJRRF to be Conveyed by PID pursuant to this Agreement. Friant is also solely responsible for causing SJRRF to arrive at PID's diversion facilities on the San Joaquin River and for any and all costs and arrangements required in order for that water to thereafter be placed into and Conveyed through the DMC.

6. Priorities. PID's obligations to use its facilities for the Conveyance of SJRRF under this Agreement will at all times be subordinate in priority to: (1) PID's use of those facilities, and (2) any disclosed pre-existing written agreements or pre-approved arrangements for water delivery to third parties as noted in Exhibit A. Subject to the foregoing, PID may utilize its facilities for arrangements with other parties, provided that PID will not voluntarily engage in any subsequent activities or enter into any other arrangements that would interfere with its ability to perform under this Agreement or that would grant other parties a right to utilize PID's facilities senior or equal to Friant's rights under this Agreement.

7. Scheduling.

a. PID and Friant will work cooperatively to schedule the Conveyance of SJRRF by PID under this Agreement. Friant understands that there may be times when capacity to Convey SJRRF will be unavailable or unknown in advance. The parties acknowledge that it may not be feasible for Friant and its designees to identify or predict specific quantities of SJRRF available at PID's diversion facilities on the San Joaquin River during periods when Conveyance capacity is available for SJRRF in PID's facilities. Friant will make reasonable efforts to provide notice to PID regarding the amount of SJRRF expected to be available at PID's diversion facilities on the San Joaquin River during available Conveyance periods, but Friant will not be in default under this Agreement to the extent such SJRRF are not so available. Friant will be liable for unused capacity reserved for Conveyance of SJRRF pursuant to Section 12 unless it provides notice at least 20 days in advance of the first day of any month that the previously reserved capacity is no longer needed; provided, however, that should Friant fail to provide the requisite advance notice that it no longer needs the previously specified capacity for a particular month, it will only be obligated to pay for the reserved but unused capacity that is greater than 10% of the amount reserved.

b. At least 60 days before the first day of each month during the Term, Friant will submit, or cause to be submitted, a schedule of SJRRF anticipated to be available at the PID diversion facilities, and PID will use reasonable efforts to Convey the maximum amount of available SJRRF, subject to its diversion capacity and applicable priorities described in this Agreement. If Friant does not provide the notice required by this subsection, PID will not be required to provide any Conveyance under this Agreement in that month, and will be free to utilize its available capacity in that month to provide wheeling services to others. Friant and PID will work cooperatively each month to reconcile the amount of SJRRF water available for Conveyance, the amount of SJRRF diverted, and the amount of SJRRF discharged into the DMC for the purpose of reporting to United States Bureau of Reclamation ("**Reclamation**") and the San Luis and Delta-Mendota Water Authority ("**SLDMWA**").

8. Constraints on Facilities. PID's obligations under this Agreement are subject and subordinate to the following conditions:

- (a) the terms and conditions of the Approvals (as defined below);
- (b) applicable federal and state laws now in existence or adopted during the Term of this Agreement, and as modified from time to time, affecting PID's rights or obligations or ability to divert from the San Joaquin River; or
- (c) low flow in the San Joaquin River or other adverse hydrologic conditions that make it impossible or impracticable for PID to pump SJRRF from the San Joaquin River, which conditions shall be deemed a force majeure governed by Section 10.

9. Regulatory Requirements Beyond a Party's Control. SJRRF to be Conveyed under this Agreement may be reduced due to failure of facilities; intervening acts, including litigation and stream adjudication brought by third parties, or actions of any state or federal agency exercising jurisdiction or claiming an interest and/or right to reduce and/or modify operations of PID or other relevant facilities; and any action, legislation, ruling or determination adverse to a party affecting the Agreement and beyond the

reasonable control of such party. An affected party will make a good faith effort to oppose such reductions, but the affected party will not be liable for reductions of supply due to such causes.

10. Force Majeure. If by reason of force majeure (defined below) either party is rendered unable wholly or in part to carry out its obligations under this Agreement, then such party will give notice and full particulars of such force majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied on, and such party's obligation, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "**Force Majeure**" means, but is not limited to, an event not the fault of, and beyond the reasonable control of, either party which makes it impossible or impracticable for that party to perform obligations imposed on it by this Agreement, by virtue of its effect on physical facilities and their operation or employees essential to such performance. Force Majeure Events include but are not limited to (1) an "act of God" such as an earthquake, flood, earth movement, lighting, fire, storms, washouts, droughts, landslides, or similar catastrophic event, (2) an act of the public enemy, terrorism, sabotage, vandalism, contamination, civil disturbance of similar event, (3) a strike, work stoppage, lockout, civil or industrial disturbance or similar event, (4) delays in construction caused by negligence or breach of contract by a third party or inability to obtain essential materials after diligent and timely efforts, (5) breakage or accidents to machinery, buildings, equipment, pipelines or canals, partial or entire failure of water supply, or (6) an order or regulation issued by a federal or state regulatory agency or a judgment or order entered by a federal or state court.

11. Curtailment of Conveyance. PID has the right to temporarily discontinue or reduce Conveyances under this Agreement (1) as reasonably required to perform scheduled routine or emergency maintenance, and (2) as needed to perform any system modification. PID will give Friant reasonable notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which case no notice need be given. Any repairs, maintenance, replacement, or other work that will necessitate taking all or a portion of the Conveyance system out of operation will, to the extent practical, be undertaken between November and February, inclusive. Upon resumption of service after such reduction or curtailment, PID will attempt to convey the quantity of SJR Restoration Flows that would have been furnished hereunder in the absence of such discontinuance or reduction.

12. Conveyance Fee. As payment for Conveyance of SJRRF under this Agreement, Friant will pay PID a total fee of One Hundred Thirty-Five Dollars (\$135.00) per acre foot of SJRRF so conveyed, measured by PID upon turnout at the DMC, payable within thirty (30) days after the last day of the calendar month during which such SJRRF are Conveyed. Such fee includes without limitation all administrative, operations, maintenance, Conveyance, energy and other costs incurred or imposed by PID for conveying SJRRF under this Agreement. By the tenth (10th) day of each calendar month, PID will provide Friant with an invoice indicating the amount of SJRRF Conveyed under this Agreement during the immediately preceding calendar month. Except as otherwise provided in this Agreement, should Friant provide notice pursuant to Section 7 that it intends to Convey water under this Agreement in any given month, and such water is available for Conveyance to PID, Friant will be required to make payment to PID pursuant to this Agreement to the extent the capacity requested is not used by Friant in that month unless otherwise utilized in that month by PID to Convey other water.

13. Losses. No losses will be imposed by PID on SJRRF Conveyed under this Agreement.

14. Approvals. The parties acknowledge that, in order for SJRRF to be acquired by Friant and Conveyed by PID, certain regulatory approvals and consents (the "**Approvals**") may be required, including without limitation (i) approvals by the California State Water Resources Control Board and (ii) approvals and issuance of a conveyance agreement by the United States Department of the Interior and/or San Luis and Delta Mendota Water Authority, as appropriate, for Conveyance of SJRRF water in the DMC. The parties will diligently and cooperatively pursue all Approvals and will each dedicate at no charge to the other such staff as is reasonably necessary to obtain them. The out of pocket expenses for

obtaining the Approvals will be borne by Friant. Each party will execute such other documents as may be necessary in order to permit the Conveyance of SJRRF under this Agreement. Receipt of all Approvals is a condition precedent to the parties' obligations hereunder other than the parties' obligations hereunder other than the parties' obligations under this Section 14 and Section 16.

15. No Transfer or Assignment. This Agreement may not be assigned in whole or in part by Friant without the prior written consent of the PID, which may be withheld in PID's sole and absolute discretion. Notwithstanding the foregoing, Friant may permit other designated agencies to utilize all or any portion of the PID Conveyance capacity made available to Friant under this Agreement by providing written notice to PID that it has so designated such other agency(ies). Friant will remain liable for all payments and obligations required of Friant under this Agreement notwithstanding such designation, and all water Conveyed by PID hereunder for Friant' designees will be deemed Conveyed for Friant hereunder.

16. Environmental Compliance. Compliance with the California Environmental Quality Act ("CEQA") and all other applicable environmental laws with respect to the actions contemplated by this Agreement is a condition precedent to the parties' obligations hereunder other than the parties' obligations under this Section 16 and Section 14. The parties acknowledge and agree that to their best knowledge, compliance with CEQA has been satisfied based on the actions described in the recitals to the Repayment Agreement. Nevertheless, if additional CEQA review and compliance is determined to be required, each party agrees to promptly prepare all appropriate environmental documents, if any are required, for it to undertake the actions contemplated in this Agreement and will dedicate at no charge to the other such staff as is reasonably necessary in connection therewith. The parties will cooperate to diligently complete, or cause the completion of, all environmental review required in order to implement this Agreement, and will use reasonable efforts to reduce any overlap in analyzing, mitigating, or studying environmental impacts associated with the actions proposed in this Agreement. All out of pocket costs of compliance with CEQA and other environmental laws will be borne by Friant. Notwithstanding any other provision of this Agreement, no action will be taken to effect the actions contemplated by this Agreement, and no other action will be taken that irrevocably commits any material resources of any party, until all required environmental review is completed and all parties have independently made all findings required by CEQA and other applicable environmental laws. If, upon completion of such environmental review, a party finds one or more significant, unmitigated environmental impacts resulting from the actions contemplated by this Agreement and cannot make a finding that the benefits of the proposed project outweigh the impact or impacts, or that the impacts can be mitigated to a level below significance, then this Agreement will terminate without further obligation or liability of any party. Neither the execution of this Agreement, nor any steps taken to implement this Agreement, will be taken into account in determining whether mitigating or avoiding any significant impact is feasible. Nothing in this Agreement pre-commits either party to any project approval.

17. Attorneys' Fees. In the event of any action between PID and Friant seeking enforcement or interpretation of any of the provisions of this Agreement, the prevailing party in such action will be awarded, in addition to damages, its reasonable costs and expenses, including without limitation actual out of pocket costs and attorneys' fees, all as ordered by the court. In the event a third party challenges this Agreement, whether judicially or otherwise, PID and Friant will assist one another without cost in connection with such challenge by providing information and witnesses as reasonably requested. Any costs of defending any such challenge, including out-of-pocket costs and attorneys' fees, will be borne by Friant except to the extent such challenge results from the gross negligence or willful misconduct of PID; provided, that PID will have the exclusive right to choose counsel and control such defense after consulting with Friant with respect to PID's choice of counsel and defense strategy.

18. Representations and Warranties. PID and Friant each represent and warrant to the other that (i) it has the authority to enter into this Agreement and to perform as set forth herein without any court approval or consents from third parties except the Approvals, (ii) the execution of this Agreement and performance of its obligations hereunder will not violate any agreement, option, covenant, condition,

obligation, court order or undertaking affecting it, nor to the best of its knowledge will it violate any law, ordinance, statute, order or regulation, and (iii) to the best of its knowledge, there is no suit, action or arbitration, or legal, administrative, or other proceeding that affects the ability of such party to perform hereunder.

19. Water Quality. PID makes no warranty or representations as to the quality or fitness for use of SJRRF Conveyed to Friant; provided, that PID will not voluntarily or knowingly cause the deposit or discharge of any substance into water being Conveyed for Friant that would preclude the ability to discharge such water into the DMC. Friant will be responsible for all necessary measures at its own expense for the testing, treatment, and other steps required for the intended uses of the SJRRF.

20. Regulatory and Litigation Costs. Friant will defend its own interests, and will defend, indemnify and hold harmless, PID in any litigation or regulatory action challenging the validity of the SJRRF or Friant's ability to transfer or Convey said water. The parties will each defend their own interests in litigation or regulatory action involving this Agreement, including environmental compliance and use of the PID Facilities.

21. Indemnification. Each party agrees to protect, defend, indemnify, and hold harmless the other party, its officers, agents, servants, employees, and consultants from and against any and all losses, claims, liens, demands and causes of action of every kind and character on account of personal injuries or death or damages to property and, without limitation by enumeration, all other claims or demands of every character occurring or in any way incident to, connected with, or arising directly or indirectly out of the performance or non-performance by the indemnifying party hereunder.

22. Specific Performance. The parties acknowledge that Conveyance of SJRRF is unique and of substantial value Friant, and that the failure of PID to perform under this Agreement may not be readily compensable in monetary damages. Therefore, in addition to any other remedies available to Friant at law or in equity, in the event of a breach or threatened breach of this Agreement by PID, Friant will be entitled to specific performance of this Agreement. Further, PID acknowledges that Friant will make substantial investments in SJRRF in reliance on this Agreement that could be lost if PID fails to perform hereunder.

23. Measurement. Necessary measurement of water to permit compliance with this Agreement will be taken by PID by recording measuring devices selected, installed and maintained by PID and subject to inspection at all times by Friant. PID will maintain records of the quantities of water measured by such devices and will make such records available to Friant upon request.

24. Notices. All notices under this Agreement will be effective (i) when personally delivered to PID or Friant, as the case may be, (ii) when sent by electronic mail on a business day between the hours of 8 a.m. and 5 p.m. (with written confirmation of transmission) to PID or Friant, as the case may be, at the numbers set forth below, or (iii) three business days after deposit in the United States mail, registered or certified, postage fully prepaid and addressed to the respective parties as follows:

To PID: Post Office Box 685
Patterson, CA 95363
Attention: General Manager
Email: vlucchesi@pattersonid.org
Telephone No.: (209) 892.6233

To Friant: 854 N. Harvard Avenue.
Lindsay, CA 93247
Attention: Acting Chief Operating Officer
Email: jamaral@friantwater.org
Telephone No.: (559) 562-6305

or such other address as the parties may from time to time designate in writing. As a matter of convenience, however, communications between PID and Friant will, to the extent feasible, be conducted orally by telephone or in person, and/or through the parties' respective counsel, with such communications to be confirmed and made effective in writing as set forth above; provided, no such oral notice or communication will be effective unless so confirmed in writing.

25. Further Action. The parties agree to perform all further acts, and to execute, acknowledge, and deliver any documents that may be reasonably necessary, appropriate or desirable to carry out the purposes of this Agreement. PID and Friant acknowledge that the actions contemplated by this Agreement will require regular consultation and coordination and the parties will in good faith engage in all such consultation and coordination necessary or appropriate to facilitate the arrangements contemplated by this Agreement.

26. Third Party Beneficiaries. This Agreement does not create, and will not be construed to create, any rights enforceable by any person, partnership, corporation, joint venture, limited liability company or other form of organization or association of any kind that is not a party to this Agreement.

27. Binding Effect. This Agreement is binding upon and enforceable against each of the parties. This Agreement will be governed by and construed in accordance with the laws of the State of California and may be signed in any number of counterparts. Facsimile and electronic signatures will be binding.

28. Interpretation. This Agreement will be interpreted as if it had been jointly drafted by both parties. Therefore, the normal rule of construction that ambiguities are construed against the drafter is hereby waived.

29. Waiver. Any waiver of the provisions of this Agreement by the party entitled to the benefits thereof as to any instance must be in writing and will in no event be deemed a waiver of the same provision with respect to any other instance or a waiver of any other provision of this Agreement.

30. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. All prior agreements with respect to that subject matter, whether verbal, written or implied, are hereby superseded in their entirety by this Agreement and are of no further force or effect. Amendments to this Agreement will be effective only if in writing, and then only when signed by the authorized representatives of the respective parties.

31. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be void or unenforceable, that provision will be deemed automatically reformed to be enforceable to the maximum extent legally permissible, and the balance of this Agreement will be unaffected.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PATTERSON IRRIGATION DISTRICT

By: _____
Vincent Lucchesi, General Manager

FRIANT WATER AUTHORITY

By: _____
Johnny Amaral, Acting Chief Operating Officer

EXHIBIT A
PRE-EXISTING COMMITMENTS FOR USE OF CONVEYANCE CAPACITY

1. Warren Act 19-WC-20-5559 for 6,000 AF of PID's pre-1914 Water Rights water, expiring on 12/31/2024.
2. Warren Act 20-WC-20-5658 for 10,000 AF of PID's pre-1914 Water Rights water, expiring on 2/28/2025, to be renewed under a new contract number and extending into 2025.

DRAFT

**REPAYMENT AGREEMENT FOR RECAPTURE OF RESTORATION FLOWS IN
LOWER SAN JOAQUIN RIVER
(Water Year 2022)**

This REPAYMENT AGREEMENT ("**Agreement**") is effective as of March 1, 2022, and is by and between the FRIANT WATER AUTHORITY (hereinafter "**FWA**"), and, as applicable, ARVIN-EDISON WATER STORAGE DISTRICT, CHOWCHILLA WATER DISTRICT, CITY OF FRESNO, DELANO-EARLIMART IRRIGATION DISTRICT, EXETER IRRIGATION DISTRICT, FRESNO IRRIGATION DISTRICT, GARFIELD WATER DISTRICT, GRAVELLY FORD WATER DISTRICT, HILLS VALLEY WATER DISTRICT, INTERNATIONAL WATER DISTRICT, IVANHOE IRRIGATION DISTRICT, KAWEAH DELTA WATER CONSERVATION DISTRICT, KERN-TULARE WATER DISTRICT, LEWIS CREEK WATER DISTRICT, LINDMORE IRRIGATION DISTRICT, LINDSAY-STRATHMORE IRRIGATION DISTRICT, CITY OF LINDSAY, LOWER TULE RIVER IRRIGATION DISTRICT, MADERA IRRIGATION DISTRICT, CITY OF ORANGE COVE, ORANGE COVE IRRIGATION DISTRICT, PORTERVILLE IRRIGATION DISTRICT, SAUCELITO IRRIGATION DISTRICT, SHAFTER-WASCO IRRIGATION DISTRICT, SOUTHERN SAN JOAQUIN MUNICIPAL UTILITY DISTRICT, STONE CORRAL IRRIGATION DISTRICT, TEAPOT DOME WATER DISTRICT, TERRA BELLA IRRIGATION DISTRICT, TRI-VALLEY WATER DISTRICT AND TULARE IRRIGATION DISTRICT (hereinafter individually "**Reimbursing District**" or collectively "**Reimbursing Districts**").

RECITALS

A. The September 2006 Stipulation of Settlement ("**Settlement**") in the case of NRDC, et al. v. KIRK RODGERS, et al., included a goal to reduce or avoid adverse water supply impacts on members of FWA, and others, as a result of the Settlement.

B. FWA and other Friant Division Contractors are parties to the Settlement.

C. The Settlement identifies the need for a plan for recirculation, recapture, reuse, exchange or transfer of water released from Friant Dam into the San Joaquin River.

D. As part of its ongoing activities to comply with the Settlement, the U.S. Bureau of Reclamation ("**Reclamation**") proposed that FWA, in coordination with other organizations representing the interests of all Friant Division Long Term Contractors that may choose to become Reimbursing Districts, enter into temporary agreements with Patterson Irrigation District ("**PID**") and Banta-Carbona Irrigation District ("**BCID**") and hereinafter collectively as "**Conveying Districts**") for the purpose of recapturing "**Restoration Flows**," as defined in Section 13(a) of the Settlement, downstream of the Merced River confluence pursuant to the terms of the Settlement and conveying such water to the Delta-Mendota Canal so that the recaptured water (hereinafter

Repayment Agreement for Recapture of Restoration Flows
Water Year 2022

“Recirculation Water”) could be made available in the San Luis Reservoir or exchanged consistent with the terms of the State Water Resources Control Board Order dated April 30, 2021(**“2021 Order”**) related to implementation of the Settlement, as updated by the State Water Resources Control Board Order for Water Year 2022 dated _____, 2022(**“2022 Order”**) pursuant to Reclamation’s petition for a temporary change to transfer up to 76,069 acre-feet of Restoration Flows.

D. FWA has agreed to execute conveyance agreements with the Conveying Districts on behalf of the Reimbursing Districts, which agreements are attached as Exhibit A (**“Conveyance Agreements”**).

E. As set forth in the 2022 Order, in addition to its prior environmental reviews commencing with the initiation of the recapture of Restoration Flows, Reclamation has prepared an Environmental Assessment dated _____, that addresses the recapture of Restoration Flows at PID and BCID diversion facilities on the San Joaquin River. The Environmental Assessment resulted in a Finding of No Significant Impact (**“FONSI”**) issued on _____.

F. In its 2022 Order, the State Water Resources Control Board found that Water Code section 1729 exempts temporary changes involving a transfer of water from the requirements of the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000, et seq.). And in its 2022 Order, the State Water Resources Control has also determined, in accordance with Water Code section 1727, that the proposed temporary change would not unreasonably affect fish, wildlife, or other instream beneficial uses.

G. Based on Recitals E & F above, no further environmental review is required.

H. The implementation of the Conveyance Agreements will result in costs associated with the use of facilities involved in the recapture, conveyance and exchange of the Recirculation Water, including, but not limited to, conveyance and energy costs payable by FWA to the Conveying Districts and conveyance costs payable to San Luis & Delta-Mendota Water Authority.

I. FWA is willing to help facilitate the implementation of the Conveyance Agreements, as well as other possible conveyance or exchange agreements subsequently determined to be necessary to recirculate recaptured water and the allocation of Recirculation Water, by agreeing to advance costs incurred in connection therewith (hereinafter **“Costs”**), so long as FWA is entitled, thereafter, to collect the Costs from the districts that receive the Recirculation Water.

Repayment Agreement for Recapture of Restoration Flows
Water Year 2022

J. The Reimbursing Districts have indicated their intent to receive Recirculation Water as the result of the implementation of the Conveyance Agreements.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and promises hereinafter set forth, the parties agree as follows:

1. **Estimate of Costs.** At the time of the execution of this Agreement, the best estimate of the total Costs to the Reimbursing Districts for the Recirculation Water made available to Friant contractors in San Luis Reservoir or O'Neill Forebay are those Costs identified on the attached Exhibit B. The parties anticipate that there may be changes in the Costs shown on Exhibit B but that the total cost is not likely to increase significantly.

2. **Payment by FWA.** FWA will pay the Recirculation Water Costs to the Conveying Districts in accordance with the terms of the Conveyance Agreements in Exhibit A.

3. **Agreement to Reimburse FWA for Costs.** Each Reimbursing District agrees to pay FWA for its share of the Costs paid by FWA that are attributable to the share of Recirculation Water made available to and accepted by such Reimbursing District. A district will be deemed to have accepted a share of Recirculation Water by either affirmatively accepting or failing to decline shares by the date specified in any notice of available shares provided by FWA. Each Reimbursing District must make payment to FWA within 30 days of the date that Reimbursing District receives from FWA an itemized bill for Costs to facilitate the conveyance of the Recirculation Water received.

4. **Attorney Fees.** Should it be necessary for any party to initiate any legal action arising out of or related to this Agreement, the prevailing party in such proceeding will be entitled to an award of its reasonable attorney fees and court costs.

Repayment Agreement for Recapture of Restoration Flows
Water Year 2022

5. **Miscellaneous.** This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. Amendments to this Agreement will be effective only if in writing, and then only when signed by the authorized representatives of the respective parties. This Agreement is governed by and will be construed in accordance with the laws of the State of California. The Agreement may be signed in any number of counterparts. Facsimile and electronic signatures will be deemed valid and binding.

[Signatures on the following page.]

Repayment Agreement for Recapture of Restoration Flows
Water Year 2022

IN WITNESS WHEREOF, the undersigned authorized representatives of the parties have executed this Agreement as of the Effective Date.

FRIANT WATER AUTHORITY

ARVIN-EDISON WATER STORAGE
DISTRICT

By _____
Johnny Amaral,
Acting Chief Operating Officer

By _____

CHOWCHILLA WATER DISTRICT

DELANO-EARLIMART IRRIGATION
DISTRICT

By _____

By _____

CITY OF FRESNO

EXETER IRRIGATION DISTRICT

By _____

By _____

FRESNO IRRIGATION DISTRICT

GARFIELD WATER DISTRICT

By _____

By _____

GRAVELLY FORD WATER DISTRICT

HILLS VALLEY WATER DISTRICT

By _____

By _____

Repayment Agreement for Recapture of Restoration Flows
Water Year 2022

INTERNATIONAL WATER DISTRICT

By _____

IVANHOE IRRIGATION DISTRICT

By _____

KAWEAH-DELTA WATER
CONSERVATION DISTRICT

By _____

KERN-TULARE WATER DISTRICT

By _____

LEWIS CREEK WATER DISTRICT

By _____

LINDMORE IRRIGATION DISTRICT

By _____

LINDSAY-STRATHMORE IRRIGATION
DISTRICT

By _____

CITY OF LINDSAY

By _____

LOWER TULE RIVER IRRIGATION DISTRICT

By _____

MADERA IRRIGATION DISTRICT

By _____

Repayment Agreement for Recapture of Restoration Flows
Water Year 2022

ORANGE COVE IRRIGATION DISTRICT

By _____

PORTERVILLE IRRIGATION DISTRICT

By _____

SAUCELITO IRRIGATION DISTRICT

By _____

SHAFTER-WASCO IRRIGATION
DISTRICT

By _____

STONE CORRAL IRRIGATION DISTRICT

By _____

SOUTHERN SAN JOAQUIN MUNICIPAL
UTILITY DISTRICT,

By _____

TEAPOT DOME WATER DISTRICT

By _____

TERRA BELLA IRRIGATION DISTRICT

By _____

TRI-VALLEY WATER DISTRICT

By _____

TULARE IRRIGATION DISTRICT

By _____

Repayment Agreement for Recapture of Restoration Flows
Water Year 2022

EXHIBIT A

Conveyance Agreements

Repayment Agreement for Recapture of Restoration Flows
Water Year 2022

EXHIBIT B

Estimated Costs

DATE: February 24, 2022

TO: Board of Directors

FROM: Ian Buck-Macleod, Water Resources Manager

SUBJECT: **Renewal and Amendment of Services Agreement with Airborne Snow Observatories, Inc. for Water Year 2022**

SUMMARY:

An action to renew and modify the existing services agreement with Airborne Snow Observatories, Inc. (ASO), for Water Year 2022. ASO provides lidar and spectrometer survey flights on the upper San Joaquin River basin, including data analysis and interpretation, and delivery of snow depth, snow water equivalent, and snow classification data products. The ASO program is critical to accurate San Joaquin runoff forecasting, and Friant Division allocations and operations. The renewed agreement consists of up to two flight acquisitions to be paid by FWA, and two flights will be paid by Reclamation, and there is the potential for a fifth flight to be paid by DWR. The cost to FWA for Water Year 2022 for flights and data is similar to contract that was in place for the 2021 Water Year.

EXECUTIVE COMMITTEE RECOMMENDATION:

At its meeting on February 15, 2022, the Executive Committee voted to recommend that the Board authorize the Acting COO to execute the renewed services agreement with Airborne Snow Observatories, Inc., for Water Year 2022.

SUGGESTED MOTION:

I move that the Board authorize the Acting COO to execute the renewed services agreement with Airborne Snow Observatories, Inc., for Water Year 2022 in the not to exceed amount of \$321,264, subject to final approval as to form by the General Counsel.

BUDGET IMPACT:

The total compensation under this modification may not exceed \$321,264, the price of two flights and processing acquisitions. (The not to exceed contract amount for Water Year 2021 was \$312,490 with \$294,392 expended.) The FY 2022 Operations, Maintenance, and Replacement (OM&R) Budget includes \$300,000 for the ASO program under Water Supply Coordination & Monitoring with a portion of the program to be paid by non-Friant-Kern Canal Friant Contractors. Although this exceeds the budget by \$21,264, given the relatively small percentage variance from the estimate in the budget, staff does not recommend action to increase the overall OM&R budget at this time. Staff will continue to monitor budget-to-actuals for this line-item and the OM&R budget as a whole on a monthly basis and, if necessary, recommend an adjustment to the overall OM&R budget at a later date.

ATTACHMENTS:

1. Proposed First Amendment to Airborne Snow Observatories Service Agreement for Water Year 2022.

FIRST AMENDMENT TO AIRBORNE SNOW OBSERVATORIES SERVICES AGREEMENT

This FIRST AMENDMENT TO AIRBORNE SNOW OBSERVATORIES SERVICES AGREEMENT ("First Amendment") is between the FRIANT WATER AUTHORITY, a California joint powers authority ("FWA") and the AIRBORNE SNOW OBSERVATORIES, INC., a Colorado public benefit corporation ("ASO"), and is effective as of March 1, 2022.

RECITALS

A. FWA and ASO are parties to that certain Airborne Snow Observatories Services Agreement effective as of February 9, 2021 ("Agreement").

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

C. The parties desire to continue the Agreement in place for an additional Renewal Term and to revise the Statement of Work provided by ASO related to the snowpack, snow water equivalent, and snow albedo measurement and snowmelt runoff modeling estimate services, data, and data products for Water Year 2022 with appropriate adjustments to the Fees for such revised services.

AGREEMENT

1. Amendment to Scope of Work. Exhibit A ("Statement of Work") of the Agreement is amended for Water Year 2022 as set forth in the "Revised Scope of Work" attached as Attachment No.1.

2. Amendment to Fees. The Fees set out in the revised Statement of Work for Water Year 2022 are revised to the not to exceed amount of \$321,264.

3. Ratification of Agreement. Except as amended by this First Amendment, ASO and FWA hereby ratify all the terms and conditions of the Agreement, including the parties agreement to extend the term (Renewal Term) as provided in Section 7.2 of the Agreement for an additional one year period (i.e., through February 30, 2023), which will automatically renew unless a written notice of nonrenewal is provided in accordance with Section 7.2.

[Signatures on the following page.]

THE UNDERSIGNED SIGNATORIES warrant that each has the authority to and does hereby execute this First Amendment effective as of the date first set forth above.

FRIANT WATER AUTHORITY:

Johnny Amaral, Interim Chief Operations Officer

Wilson Orvis, Chief Financial Officer

AIRBORNE SNOW OBSERVATORIES, INC.:

By _____
Name: Thomas H. Painter
Title: Chief Executive Officer

By _____
Name:
Title:

Attachment No. 1

Statement of Work

AIRBORNE SNOW OBSERVATORIES, INC.

WATER YEAR 2022

Background

As the ASO program became increasingly operations-critical to water managers, NASA was compelled to transfer the technology out of the JPL research setting. The passion for the program and the intention to assure the highest quality implementation motivated the founding team to leave prestigious NASA science and engineering positions to create the ASO Inc. business. In the ramp up, we have established a strategic partnership with the global GIS leader, Esri, whose products are used extensively in water management.

The ASO Inc. suite generates spatially complete maps of snow water equivalent (the depth of water if the snow were to melt instantaneously) and snow albedo (reflectivity, which controls snowmelt rates) through remote sensing data and snowmelt runoff modeling frameworks to provide the best possible water resources data. The uniqueness of ASO Inc. comes from the experience of the team and its exclusive software products developed, applied, advanced, and adopted by our customers over the last seven years. Dr. Painter and his team are the founders of the program, creators of the airborne snow survey market, and now ASO Inc. is the sole licensee to commercialize snow surveys with this software suite.

PROJECT SCOPE & SCHEDULE for Water Year 2022

ASO Inc. will carry out the following tasks for the Friant Water Authority

- Up to 2 ASO lidar+spectrometer survey acquisitions in 2 months consisting of
 - flights in the San Joaquin River, California, USA
 - Data analysis and interpretation
 - Delivery of snow depth, snow water equivalent, and snow classification data products
 - Coordination of iSnobal modeling of the snowpack

ASO Inc., using its proprietary software exclusively licensed from Caltech, will perform the data analysis, interpretation, prepare and deliver the report, and be available for interaction with FWA staff. ASO Inc. will interact regularly with FWA to adapt timing of acquisitions, formatting of data products, and timeliness of product delivery. ASO Inc. will also work with FWA on public outreach efforts to provide its members with the full knowledge of their investment in water resource technology.

Approach

Flight Surveys

ASO will fly acquisitions of aircraft equipped with LiDAR and spectrometer over the San Joaquin River watershed. Flights will commence in approximately February 2022. Additional flights are anticipated in March, April, May, and June, dependent on storm size, temperature, and existing snowpack. These flights will occur on relatively clear sky days (< 20% cloud cover) to assess snow depth and snow albedo at 3 m spatial sampling and SWE at 50 m spatial sampling. The ASO aircraft will operate from a base at the Mammoth-Yosemite airport.

Data Analysis and Interpretation

ASO Inc. will process and analyze the acquired data from raw acquisition through generation of snow products. The processing of the imaging spectrometer data includes angular calibration, spectral calibration, radiometric calibration, and orthorectification with the topography (based on the ASO's airborne Global Positioning System/Inertial Navigation System – GPS/INS). The integration with the LiDAR requires the additional synchronization in space, which relies on a robust synchronization of timing and pointing by the respective GPS/INS of the spectrometer and the LiDAR. Unique to the ASO processing is the per-acquisition update of the digital elevation model from which sunlight is reflected given the changes in snow slope, aspect, and depth.

The ASO processing chain is designed to deliver high-accuracy products within 72 hours of acquisition in order to meet snowmelt runoff forecasting and water management needs.

Reports and Deliverables

- ASCII total basin report
- ASCII elevation stratification report
- Delivery of Provider products for iSNOBAL and coordination model outputs and report with FWA

Data Products

- Snow depth maps (3 m, geotiff format)
- Snow water equivalent maps (50 m, geotiff format)
- Cover classification maps (3 m, geotiff format)

Delivery of ASO Inc. products

ASO team will provide and maintain the above products to FWA on a cloud-enabled database within

Table 1 ASO Inc. pricing for San Joaquin acquisitions and processing for 2 acquisitions in 2 months in WY2022. These numbers are based on an area of 3890 km² and **represent the not-to-exceed cost.**

		Acquisitions:	2	Months:	2	
Base Costs						
Product and region prep				Lump sum		\$0
Aircraft mob/demob				Lump sum		\$0
Calibration flights + processing				Lump sum		\$0
First Flight + Processing + 1st month deploy/standby				Lump sum		\$160,632
Modeling				Lump sum		\$0
3DEP snow-free preparation (subject to evaluation)				Lump sum		\$0
				Base Sub		\$160,632
Variable Costs						
	Acquisitions	Area		Unit Price		
Monthly deployment cost and standby fee		1 N/A		\$10,000.00		\$10,000
Flying price	1	3890		\$32.89		\$127,934
Processing price	1	3890		\$5.83		\$22,698
						=
				Variable Sub		\$160,632
				Total		\$321,264

San Joaquin



72 hours. The pointer to the data on the cloud-enabled database will also be made available to the California Data Exchange Center (CDEC)] under arrangement with FWA for continuity of snowpack information back to the origins of ASO in the Sierra Nevada.

PRICING

Here we present ASO Inc. pricing scenarios for the San Joaquin River for water year 2022. These pricing scenarios cover a series of scenarios defined below, all acquired with lidar point densities of ~ 1 point/m². The maximum area of the San Joaquin River sub-basins to be flown is ~3890 km². However, there is possibility that snow extent is less and that a smaller area will be flown and flight and processing costs will be lower. The determined region will be flown from the Mammoth-Yosemite airport and data processed at the ASO Inc. processing center in Mammoth Lakes, CA.

ASO Inc. scenarios presented below consist of:

- 2 acquisitions across 2 months, including base costs

Costing

ASO Inc costing is based on base costs and variable costs. These are listed as below.

Base costs cover *product region preparation, aircraft mobilization/demobilization, calibration flights and processing, and the first flight+processing*. FWA anticipates these costs will be paid by U.S. Bureau of Reclamation.

Variable costs are dependent on the flight area, number of flights, and number of months across which flights occur. These costs are specific to *monthly deployment and standby, flying, processing, and modeling*.

As we have experienced in previous years, as snowmelt continues, the requisite area to be flown decreases. However, the area flown will not necessarily decrease at the rate of snow-covered area because of the horseshoe shape of high elevation snow cover in basins.

FWA will cover a mix of these activities that are not to exceed \$321,264.

Hence, the not-to-exceed costs (Table 1) are based on the full area of the San Joaquin River (~3890 km²) and the number of flights and number of months.

Agenda Report

No. 3.C

DATE: February 24, 2022

TO: Board of Directors

FROM: Wilson Orvis, CFO

SUBJECT: Financial Statements and Independent Audit Report for Fiscal Year (FY) Ending September 30, 2020

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 ending September 30, 2019 in September 2021.

HH&C has now completed their audit of the Friant Water Authority Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2020 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 FKC Contractors \$1,568,526 using the cost allocation in place for FY 2020.

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 three instances of significant deficiencies that are required to be reported under the Uniform Guidance (2 CFR 200):

- Untimely completion of the audit
- Inadequate, written procurement policies
- Untimely submittal of quarterly financial and performance reports

These findings are consistent with the findings from the FYE 2019 audit. As such, a corrective action plan to address all three findings is currently in place with the goal to have corrective actions fully implemented by no later than March 31, 2022. Procedures to address two out of the three findings have been fully implemented (untimely completion of the audit and untimely submission of financial and performance reports) and work on the procurement policy update is progressing.

FINANCE COMMITTEE:

The Finance Committee reviewed the audit report and supplementary information during the February 22, 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, 2020

RECOMMENDED ACTION:

The Board of Directors accept the Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2020.

SUGGESTED MOTION:

A motion to accept of the Financial Statements and Supplemental Data for the Fiscal Year ended September 30, 2020.

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, 2019.



February 15, 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, 2020. 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 April 27, 2021. 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 2020. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 15, 2022.

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, 2020**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report	1
Management's Discussion and Analysis	3
Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Balance Sheet - Governmental Fund	11
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Fund	12
Statement of Net Position – Enterprise Fund	13
Statement of Revenues, Expenses and Changes in Net Position – Enterprise Fund	14
Statement of Cash Flows – Enterprise Fund	15
Notes to Financial Statements	17
Required Supplementary Information:	
Budgetary Comparison Schedule – General Fund	28
Supplementary Information:	
Budgetary Comparison Schedule – Enterprise Fund	29
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 <i>Government Auditing Standards</i>	32
Independent Auditors' Report on Compliance for Each Major Program and on Internal Control over Compliance required by the Uniform Guidance	34

Schedule of Expenditures of Federal Awards:

Schedule of Expenditures of Federal Awards	36
Notes to Schedule of Expenditures of Federal Awards.....	37

Findings and Questioned Costs

Schedule of Findings and Questioned Costs	38
Summary Schedule of Prior Year Findings and Questioned Costs	42
Corrective Action Plan and Status of Prior Year Findings and Questioned Costs	45



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, 2020, 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, 2020, 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 29-31 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 36 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 February 15, 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
February 15, 2022

FRIANT WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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, 2020. 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 and following. 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 \$5,502,922 as a result of this year's operations. Net position of the business-type activities increased by \$5,218,699 and net position of the governmental activities increased by \$284,223. Operating expenses were \$36,468,850, an increase of \$8,434,324 from the prior year.
- For the year, the Authority's governmental activities total expenses of \$1,893,977 (see page 6, "Statements of Activities") were less than revenues by \$284,223. Last year, the revenues exceeded expenses by \$402,871.
- Total liabilities are \$7,109,256, an increase of \$1,283,588 from the prior year.
- In the Authority's business-type activities, the total expenses were \$34,574,873 (see page 6, "Statement of Activities"), the revenues exceeded expenses by \$5,218,699. Last year, the expenses exceeded revenues by \$1,357,310. The Authority had a \$3,995,517 payable representing a combination of FY 2020, 2019, and 2018 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 expenses of the Authority's programs for the year increased from last year by \$8,434,324 (30 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 accompanying Notes to Financial Statements.

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.

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Reporting on the Authority as a Whole (continued)

- 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, 2020**

Analysis of Overall Financial Position and Results of Operation

The following analysis will be presenting financial information for the years ended September 30, 2020 and 2019.

Statements of Net Position

	2020			2019
	Governmental Activities	Business-Type Activities	Total	Total Government
ASSETS				
Cash and investments	\$ 661,721	\$ 7,264,321	\$ 7,926,042	\$ 5,847,375
Restricted cash and investments	-	1,706,868	1,706,868	1,544,558
Receivables and deposits	41,074	6,966,520	7,007,594	2,019,343
Prepays	12,160	988,236	1,000,396	741,000
Capital assets	-	2,255,873	2,255,873	2,205,565
Total Assets	<u>714,955</u>	<u>19,181,818</u>	<u>19,896,773</u>	<u>12,357,841</u>
LIABILITIES				
Accounts payable	102,724	2,423,837	2,526,561	2,159,668
Temperance flat MOU	-	-	-	663,737
Compensated absences	94,796	492,382	587,178	575,272
OM&R refund liability	-	3,995,517	3,995,517	2,426,991
Total Liabilities	<u>197,520</u>	<u>6,911,736</u>	<u>7,109,256</u>	<u>5,825,668</u>
DEFERRED INFLOWS				
Advanced Receipts	-	5,077,110	5,077,110	4,324,688
NET POSITION				
Net investment in capital assets	-	2,255,873	2,255,873	2,205,565
Restricted	-	1,706,868	1,706,868	1,544,558
Unrestricted	<u>517,435</u>	<u>3,230,231</u>	<u>3,747,666</u>	<u>(1,542,638)</u>
Total Net Position	<u>\$ 517,435</u>	<u>\$ 7,192,972</u>	<u>\$ 7,710,407</u>	<u>\$ 2,207,485</u>

The Authority's combined net position from one year ago, increased by \$5,502,922, from \$2,207,485 to \$7,710,407. Last year's net position decreased by \$954,439. Looking at the net position of the governmental and business-type activities individually, however, provides a better understanding of how each activity impacts the combined net position. Our analysis that follows focuses separately on the net position and changes in net position of the Authority's governmental and business-type activities.

Net position of the Authority's governmental activities increased from \$233,212 in 2019 to \$517,435 in 2020. The increase is due to expenditures for the fiscal year being less than originally anticipated.

FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2020

The net position of business-type activities increased from \$1,974,273 in 2019 to \$7,192,972 in 2020. Any change in net position is primarily affected by the Authority's policy to refund any revenues in excess of costs after taking into account necessary reserve balances and cash flow adjustments (see Notes, page 20, 'OM&R Revenue Refunds'). The refund amount due to Friant Division Contractors for 2020 is \$1,568,526 due to savings from budgeted projects and purchases, special projects carried over to fiscal year 2019, and additional revenues collected principally from temporary contract water deliveries. Spending in both fiscal years were below the budgeted dollars for the respective fiscal years. Required changes in restricted and unrestricted reserves and accumulated interest revenue earned on SLDMWA reserve amounts were also included in the refund analysis.

Statements of Activities

	2020			2019
	Governmental Activities	Business-Type Activities	Total Government	Total Government
REVENUES				
Membership assessments	\$ 2,114,000	\$ -	\$ 2,114,000	\$ 2,961,000
OM&R charges	-	32,327,877	32,327,877	20,968,065
Capital grants and contributions	-	7,312,451	7,312,451	3,020,345
General revenues				
Gain on disposal of equipment	-	13,761	13,761	-
Miscellaneous income	49,626	-	49,626	466
Investment earnings (loss)	14,574	139,483	154,057	130,211
Total Revenues	2,178,200	39,793,572	41,971,772	27,080,087
EXPENSES				
General Member	1,893,977	-	1,893,977	2,584,736
OM&R	-	33,006,346	33,006,346	24,466,842
OM&R Reimbursement	-	1,568,527	1,568,527	982,948
Total Expenses	1,893,977	34,574,873	36,468,850	28,034,526
Net Change in Net Position	284,223	5,218,699	5,502,922	(954,439)
Net Position, Beginning of Year	233,212	1,974,273	2,207,485	3,161,924
Net Position, End of Year	\$ 517,435	\$ 7,192,972	\$ 7,710,407	\$ 2,207,485

The table above, changes in net position, shows the Authority's total revenues for the year increased by \$14,891,685 (55.0 percent). The total cost of all activities increased by \$8,434,324 (30.1 percent). Net position increased by \$5,502,922 and the 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.

Governmental Activities

Revenues for the governmental activities were lower in 2020 as compared to 2019 with total revenues decreasing by \$809,407 or 27.0 percent. In 2020, decreased revenues were primarily due to reduction of budget in general membership special projects, i.e., NASA Airborne Snow Observatory, Temperance Flat Studies, etc., Professional Support – Communications, Outreach, and Operations, Leadership, General Counsel, and miscellaneous revenues.

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Business-type Activities

Revenues of the Authority's business-type activities increased by 65 percent, \$39,793,572 (FYE 2020) compared to \$24,092,480 (FYE 2019). 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 as well as collections from Friant-Kern Canal Contractors in support of the Middle Reach Capacity Correction Project, Phase 1.

For the current fiscal year, these activities reported total expenses of \$34,574,873. The total expenses showed an increase of 26.3 percent compared to FY 2019. 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 \$612,231 at the end of the fiscal year 2020. This is an increase from last year's total fund balance of \$317,377. 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 \$2,114,000 and actual expenditures \$1,883,346 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 29-31. Formal budgetary integration is employed as a management control device during the year for the Enterprise - OM&R Fund. Annually the board of directors approves, by resolution, budget appropriations for the fiscal year commencing the following October 1. Expenses are controlled by normal internal control processes and user rate reviews.

CAPITAL ASSETS

As of September 30, 2020, the Authority had \$2,255,873 in capital assets, net of depreciation. Capital assets increased by \$50,308.

	<u>2020</u>	<u>2019</u>	<u>Net Increase/ (Decrease)</u>
Business-type Activities			
Heavy machinery & light vehicles	\$ 2,957,082	\$ 2,957,082	\$ -
Tools and other equipment	3,686,291	3,165,830	520,461
Construction in progress	-	-	-
Accumulated depreciation	<u>(4,387,500)</u>	<u>(3,917,347)</u>	<u>(470,153)</u>
Total Capital Assets	<u>\$ 2,255,873</u>	<u>\$ 2,205,565</u>	<u>\$ 50,308</u>

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

**FRIANT WATER AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

In developing the budget for the 2019/2020 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, 2020**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 661,721	\$ 7,264,321	\$ 7,926,042
Restricted cash and investments	-	1,706,868	1,706,868
Accounts receivable	34,037	6,951,059	6,985,096
Interest receivable	26	15,461	15,487
Prepaid expenses	12,160	988,236	1,000,396
Security deposits	7,011	-	7,011
Capital assets (net of accumulated depreciation)	-	2,255,873	2,255,873
Total Assets	714,955	19,181,818	19,896,773
LIABILITIES			
Accounts payable	102,724	2,423,837	2,526,561
OM&R Refund Liability	-	3,995,517	3,995,517
Compensated absences			
Due within one year	87,947	276,973	364,920
Due in more than one year	6,849	215,409	222,258
Total Liabilities	197,520	6,911,736	7,109,256
DEFERRED INFLOWS OF RESOURCES			
Advanced receipts	-	5,077,110	5,077,110
NET POSITION			
Net investment in capital assets	-	2,255,873	2,255,873
Restricted	-	1,706,868	1,706,868
Unrestricted	517,435	3,230,231	3,747,666
Total Net Position	\$ 517,435	\$ 7,192,972	\$ 7,710,407

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

**FRIANT WATER AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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	\$ 1,893,977	\$ -	\$ 2,114,000	\$ -	\$ 220,023	\$ -	\$ 220,023
Total Governmental Activities	1,893,977	-	2,114,000	-	220,023	-	220,023
Business-Type Activities:							
OM&R activities	34,574,873	32,327,877	-	7,312,451	-	5,065,455	5,065,455
Total Business-Type Activities	34,574,873	32,327,877	-	7,312,451	-	5,065,455	5,065,455
Total Primary Government	<u>\$ 36,468,850</u>	<u>\$ 32,327,877</u>	<u>\$ 2,114,000</u>	<u>\$ 7,312,451</u>	220,023	5,065,455	5,285,478
	General Revenues:						
	Gain on disposal of equipment				-	13,761	13,761
	Miscellaneous income				49,626	-	49,626
	Investment earnings (loss)				14,574	139,483	154,057
	Total General Revenues				64,200	153,244	217,444
	Change in Net Position				284,223	5,218,699	5,502,922
	Net Position, Beginning of Year				233,212	1,974,273	2,207,485
	Net Position, End of Year				\$ 517,435	\$ 7,192,972	\$ 7,710,407

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

**FRIANT WATER AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	<u>General Fund</u>
ASSETS	
Cash and investments	\$ 661,721
Accounts receivable	34,037
Interest receivable	26
Prepaid expenses	12,160
Security deposit	<u>7,011</u>
Total Assets	<u><u>\$ 714,955</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	<u>\$ 102,724</u>
Total Liabilities	<u>102,724</u>
Fund Balance	
Unassigned	<u>612,231</u>
Total Fund Balance	<u>612,231</u>
Total Liabilities and Fund Balance	<u><u>\$ 714,955</u></u>
Reconciliation of the Balance Sheet of the Governmental Fund to the Statement of Net Position:	
Total Fund Balance - Governmental Fund	\$ 612,231
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>(94,796)</u>
Total Net Position - Governmental Activities	<u><u>\$ 517,435</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, 2020

	General Fund
REVENUES	
Membership assessment	\$ 2,114,000
Miscellaneous income	49,626
Interest	14,302
Investment earnings (loss)	272
Total Revenues	<u>2,178,200</u>
EXPENDITURES	
City of Fresno vs USA (JDA)	8,075
Administrative	238,851
Administrative allocation	156,964
Water supply management	17,749
Friant supply, tracking, policies, & defense	13,873
Delta supply, tracking, policies, & defense	400,066
San Joaquin settlement	97,581
Reconsultation	1,717
Friant sustainability plan	316
Upstream storage	56,868
Special projects	1,627
Snow observatory	17,685
Organization & governance	13,580
Annual strategic planning	836
Friant member & grower coordination	57,791
Grants & funding development	2,464
Outreach & engagement	100,251
Legislative affairs	113,211
State regulatory affairs	94,381
External affairs	152,913
Communications & media relations	29,577
Employee holiday, sick, vacation & jury	92,243
Travel expense	21,514
Retirement, health insurance & payroll taxes	133,513
SJV blue print	59,700
Total Expenditures	<u>1,883,346</u>
Net Change in Fund Balance	294,854
Fund Balance, Beginning of Year	317,377
Fund Balance, End of Year	<u>\$ 612,231</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	\$ 294,854
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>(10,631)</u>
Change in Net Position - Governmental Activities	<u>\$ 284,223</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, 2020**

	<u>OM&R Fund</u>
ASSETS	
Current Assets	
Cash and investments	\$ 7,264,321
Restricted cash and investments	1,706,868
Accounts receivable	6,951,059
Prepaid expenses	988,236
Interest receivable	<u>15,461</u>
Total Current Assets	<u>16,925,945</u>
Noncurrent Assets	
Capital assets (net of accumulated depreciation)	<u>2,255,873</u>
Total Noncurrent Assets	<u>2,255,873</u>
Total Assets	<u>19,181,818</u>
LIABILITIES	
Current Liabilities	
Accounts payable	2,423,837
Compensated absences, current	276,973
OM&R refund liability	<u>3,995,517</u>
Total Current Liabilities	6,696,327
Noncurrent Liabilities	
Compensated absences, noncurrent	<u>215,409</u>
Total Liabilities	<u>6,911,736</u>
DEFERRED INFLOWS OF RESOURCES	
Advanced receipts	<u>5,077,110</u>
NET POSITION	
Net investment in capital assets	2,255,873
Restricted	1,706,868
Unrestricted	<u>3,230,231</u>
Total Net Position	<u><u>\$ 7,192,972</u></u>

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, 2020**

	OM&R Fund
OPERATING REVENUES	
OM&R charges	\$ 32,327,877
Federal assistance	6,849,218
DWR assistance	463,233
Total Operating Revenues	<u>39,640,328</u>
OPERATING EXPENSES	
SLDMWA OM&R expenses	17,022,491
FWA OM&R expenses:	
Maintenance	12,454,194
Operations	1,509,636
Administrative	2,020,026
Total Operating Expenses	<u>33,006,347</u>
Operating Income (Loss)	<u>6,633,981</u>
NON-OPERATING REVENUES (EXPENSES)	
Investment earnings (loss)	139,483
Gain on disposal of equipment	13,761
Total Non-Operating Revenues (Expenses)	<u>153,244</u>
OM&R Revenue Refund	<u>1,568,526</u>
Change in Net Position	5,218,699
Net Position, Beginning of Year	1,974,273
Net Position, End of Year	<u><u>\$ 7,192,972</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, 2020**

	OM&R Fund
Cash Flows from Operating Activities	
Cash received from customers	\$ 35,413,680
Cash payments to suppliers	(27,536,145)
Cash payments to employees	(4,825,050)
	<hr/>
Net cash provided (used) by operating activities	<hr/> 3,052,485 <hr/>
Cash Flows from Capital and Related Financing Activities	
Proceeds from sale of property and equipment	22,161
Acquisition of capital assets	(595,791)
	<hr/>
Net cash provided (used) by capital and related financing activities:	<hr/> (573,630) <hr/>
Cash Flows from Investing Activities	
Investment income	157,140
	<hr/>
Net cash provided (used) by investing activities	<hr/> 157,140 <hr/>
Net change in cash and investments	2,635,995
Cash and Investments, Beginning of Year	<hr/> 6,335,194 <hr/>
Cash and Investments, End of Year	<hr/> \$ 8,971,189 <hr/>
Reconciliation of cash and investments to Statement of Net Position:	
Unrestricted assets - cash and investments	\$ 7,264,321
Restricted assets - cash and investments	1,706,868
	<hr/>
Total cash and investments	<hr/> \$ 8,971,189 <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, 2020**

	OM&R Fund
Reconciliation of Operating Income	
(Loss) to Net Cash Provided (Used)	
by Operating Activities	
Operating income (loss)	\$ 6,633,981
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	537,083
Changes in assets and liabilities:	
Accounts receivable	(4,979,070)
Prepaid expenses	(272,991)
Accounts payable	379,785
Compensated absences	1,275
Deferred inflows	752,422
Net cash provided (used) by operating activities	<u>\$ 3,052,485</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, 2020 is \$2,526,561.

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, 2020 is \$587,178.

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, 2020 is \$3,995,517. This is comprised of annual amounts accrued for fiscal years 2018, 2019, and 2020. Those amounts are \$1,444,043, \$982,947, and \$1,568,526; 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, 2020, the Authority implemented no standards.

GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*. The requirements of this statement are effective as of May 2020.

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. 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.

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.

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 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 February 15, 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, 2020 is as follows:

Cash in bank	\$ 115,751
Local Agency Investment Fund	<u>9,517,159</u>
Total cash and investments	<u><u>\$ 9,632,910</u></u>

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

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

The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires California banks and savings and loan associations to collateralize deposits by pledging government securities. The market value of the pledged securities must equal at least 110 percent of deposits. California law also allows financial institutions to collateralize an Authority's deposits by pledging first trust deed mortgage notes having a value of 150 percent of 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, 2020 is as follows:

	Beginning Balance	Additions/ Completions	Retirements/ Adjustments	Ending Balance
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated:				
Vehicles and heavy equipment	2,957,082	-	-	2,957,082
Tools and other	3,165,830	595,791	(75,330)	3,686,291
Total capital assets being depreciated	6,122,912	595,791	(75,330)	6,643,373
Less accumulated depreciation	3,917,347	537,083	(66,930)	4,387,500
Total capital assets being depreciated, net	2,205,565	58,708	(8,400)	2,255,873
Total capital assets, net	<u>\$2,205,565</u>	<u>\$ 58,708</u>	<u>\$ (8,400)</u>	<u>\$ 2,255,873</u>

Depreciation expense for the year ended September 30, 2020 is \$537,083.

NOTE 4 – DEFERRED 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, 2020 was \$230,394.

FRIANT WATER AUTHORITY
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4 – DEFERRED 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 occurs 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 year the Authority used the operations and maintenance costs that were incurred in the Authority for the fiscal years September 2018-2020 to calculate the restricted amount of \$1,706,868.

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, 2020
Total assets	\$ 237,525,073
Deferred outflows of resources	1,054,750
Total liabilities	113,075,164
Deferred inflows of resources	1,817,452
Net position	\$ 123,687,207
Total revenues	\$ 197,639,443
Total expenditures	172,886,738
Net increase in net position	\$ 24,752,705

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, 2020, expenditures exceeded appropriations as follows:

Expenditures	Amount
General Fund - General Member	
City of Fresno vs USA (JDA)	930
Delta Supply, Tracking, Policies & Defense	29,290
San Joaquin Settlement	2,976
Upstream Storage	2,787
NASA Airborne Snow Observatory	3,698
Friant Member & Grower Coordination	81
Grants & Funding Development	608
State Regulatory Affairs	22,538
Travel Expense	1,944
Retirement, Health Ins & Payroll taxes	2,250
SJV Blue Print	2,356
Enterprise Fund-OM&R Fund	
Canal maintenance	1,998,063

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. 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, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
Revenues				
Membership assessment	\$ 2,064,000	\$ 2,064,000	\$ 2,114,000	\$ 50,000
Interest	-	-	14,302	14,302
Investment earnings (loss)	-	-	272	272
Miscellaneous	50,000	50,000	49,626	(374)
Total Revenues	2,114,000	2,114,000	2,178,200	64,200
Expenditures				
City of Fresno vs USA (JDA)	7,145	7,145	8,075	(930)
GM administrative costs	284,418	284,418	238,851	45,567
Administration allocation	210,000	210,000	156,964	53,036
Water supply management	25,021	25,021	17,749	7,272
Friant supply, tracking, policies & defense	16,833	16,833	13,873	2,960
Delta supply, tracking, policies & defense	370,776	370,776	400,066	(29,290)
San Joaquin Settlement	94,605	94,605	97,581	(2,976)
Consultation	2,448	2,448	1,717	731
Friant sustainability plan	359	359	316	43
Upstream storage	54,081	54,081	56,868	(2,787)
Special projects	51,963	51,963	1,627	50,336
NASA airborne snow observatory	13,987	13,987	17,685	(3,698)
Organization & governance	19,330	19,330	13,580	5,750
Annual strategic planning	896	896	836	60
Friant member & grower coordination	57,710	57,710	57,791	(81)
Grants & funding development	1,856	1,856	2,464	(608)
Temperance Flat Reservoir Authority	35,000	35,000	-	35,000
Outreach & engagement	118,829	118,829	100,251	18,578
Legislative affairs	116,896	116,896	113,211	3,685
State regulatory affairs	71,843	71,843	94,381	(22,538)
External affairs	168,513	168,513	152,913	15,600
Communications & media relations	40,593	40,593	29,577	11,016
Employee holiday, sick, vacation & jury	142,721	142,721	92,243	50,478
Travel expense	19,570	19,570	21,514	(1,944)
Retirement, health ins. & payroll taxes	131,263	131,263	133,513	(2,250)
SJV blue print	57,344	57,344	59,700	(2,356)
Total Expenditures	2,114,000	2,114,000	1,883,346	230,654
Net Change in Fund Balance	\$ -	\$ -	294,854	\$ (166,454)
Fund Balance, Beginning of Year			317,377	
Fund Balance, End of Year			\$ 612,231	

FRIANT WATER AUTHORITY

SUPPLEMENTARY INFORMATION

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
REVENUES				
FWA OM&R revenues	\$ 10,053,429	\$ 10,053,429	\$ 27,327,877	\$ 17,274,448
OM&R federal assistance	-	-	6,849,218	6,849,218
OM&R DWR assistance	-	-	463,233	463,233
FKC-MRCCP cost-share revenues	5,000,000	5,000,000	5,000,000	-
Interest	106,000	106,000	112,137	6,137
Decrease in investment fair value	-	-	27,346	27,346
Miscellaneous	-	-	13,761	13,761
Total FWA OM&R Revenues	<u>15,159,429</u>	<u>15,159,429</u>	<u>39,793,572</u>	<u>24,634,143</u>
Total Revenues:	<u>15,159,429</u>	<u>15,159,429</u>	<u>39,793,572</u>	<u>24,634,143</u>
Expenses:				
Canal maintenance				
Vehicle and equipment				
acquisition	299,756	299,756	-	299,756
Vehicle and equipment service	736,462	736,462	467,296	269,166
Supervision	328,514	328,514	327,299	1,215
Weed and pest control	675,694	675,694	588,034	87,660
Friant Biological Opinion Imp	42,634	42,634	1,253	41,381
Road maintenance	203,791	203,791	53,133	150,658
Yard and building maintenance	265,821	265,821	279,694	(13,873)
Structure and gate maintenance	103,524	103,524	201,001	(97,477)
Right-of-way and structure				
cleaning	44,874	44,874	60,650	(15,776)
Bargate, guardrail and lock				
maintenance	53,951	53,951	30,566	23,385
Embankment maintenance	62,517	62,517	101,566	(39,049)
Bridge maintenance	74,129	74,129	20,638	53,491
Miscellaneous maintenance	20,216	20,216	63,757	(43,541)
Concrete lining repair	8,614	8,614	7,941	673
Drain ditch and channel				
maintenance	26,553	26,553	8,553	18,000
Fence maintenance	38,046	38,046	42,571	(4,525)
Mud jacking	14,464	14,464	3,843	10,621
Painting	56,021	56,021	19,188	36,833
Sump pump maintenance	1,907	1,907	162	1,745
Cross drainage and structure				
maintenance	13,873	13,873	-	13,873
Rip-rapping	6,566	6,566	197	6,369
USBR Pump-Back project	147,483	147,483	405,954	(258,471)
FKC subsidence pumping	5,000,000	5,000,000	7,214,422	(2,214,422)
FKC Capacity Correction (FWA)	-	-	311,659	(311,659)
FKC Title Transfer	669,831	669,831	93,846	575,985
GSA Engagement	120,000	120,000	121,372	(1,372)
Right of Way Management	23,012	23,012	52,841	(29,829)
Operations supervision	41,923	41,923	45,572	(3,649)
Water supply coordination				
& monitoring	13,383	13,383	156,127	(142,744)
Water quality	-	-	7,445	(7,445)
Legal - direct	6,140	6,140	6,668	(528)

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
Safety and first aid training	\$ 82,419	\$ 82,419	\$ 37,269	\$ 45,150
Payroll preparation	2,393	2,393	529	1,864
Meeting expenses	54,285	54,285	203,208	(148,923)
Training and education	60,695	60,695	36,811	23,884
Procurement expense	8,856	8,856	3,621	5,235
Inventory and property management	10,398	10,398	1,926	8,472
Employee holiday, sick, vacation and jury duty	168,300	168,300	295,573	(127,273)
Travel	8,610	8,610	8,676	(66)
Personnel administration	10,186	10,186	9,699	487
Utilities	77,181	77,181	84,527	(7,346)
Telephone expenses	12,911	12,911	13,927	(1,016)
Dues and subscriptions	21,385	21,385	5,241	16,144
Budget preparation	12,308	12,308	4,159	8,149
Retirement, health ins, payroll taxes	826,505	826,505	889,051	(62,546)
Outside services	-	-	2,955	(2,955)
Depreciation	-	-	163,774	(163,774)
Total canal maintenance	10,456,131	10,456,131	12,454,194	(1,998,063)
Water operations				
Vehicle and equipment acquisition	47,975	47,975	-	47,975
Vehicle and equipment service	3,926	3,926	1,521	2,405
Yard and building maintenance	81,305	81,305	48,531	32,774
Structure and gate maintenance	216,520	216,520	87,851	128,669
Bargate, guardrail and lock maintenance	5,068	5,068	2,560	2,508
Sump pump maintenance	32,445	32,445	3,660	28,785
Right-of-way management	8,953	8,953	-	8,953
Communications and instrumentation	273,938	273,938	111,127	162,811
Meter repair and calibration	181,068	181,068	55,481	125,587
Canal patrol	193,416	193,416	281,279	(87,863)
Operations reports	115,499	115,499	92,933	22,566
Supervision	42,415	42,415	60,758	(18,343)
Water measurement	67,703	67,703	14,382	53,321
Water quality	71,668	71,668	10,578	61,090
Miscellaneous	4,241	4,241	54,601	(50,360)
Ground water and seepage well measurement	4,419	4,419	1,580	2,839
Safety and first aid training	17,515	17,515	4,788	12,727
Payroll preparation	509	509	-	509
Water supply coordination & monitoring	163,853	163,853	120,160	43,693
Meeting expenses	8,505	8,505	4,141	4,364
Training and education	33,526	33,526	1,700	31,826
Procurement expense	1,018	1,018	-	1,018
Inventory and property management	5,016	5,016	-	5,016
Employee holiday, sick, vacation and jury duty	72,643	72,643	102,563	(29,920)
Utilities	26,753	26,753	51,310	(24,557)

**FRIANT WATER AUTHORITY
BUDGETARY COMPARISON SCHEDULE
ENTERPRISE FUND (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amount	Final Budget
Telephone expenses	\$ 57,491	\$ 57,491	\$ 14,073	\$ 43,418
Budget preparation	1,018	1,018	-	1,018
Retirement, health ins,				
payroll taxes	361,549	361,549	298,204	63,345
Postage	564	564	74	490
Depreciation	-	-	85,781	(85,781)
Total water operations	2,100,519	2,100,519	1,509,636	590,883
Administration				
Vehicle and equipment				
acquisition	364,439	364,439	-	364,439
Communications and				
instrumentation	12,888	12,888	16,759	(3,871)
Water supply coordination				
& monitoring	12,241	12,241	5,216	7,025
FKC subsidence pumping	-	-	7,691	(7,691)
Administrative supervision	12,888	12,888	14,742	(1,854)
Safety and first aid training	18,108	18,108	22,677	(4,569)
Typing and filing	256,145	256,145	176,374	79,771
Payroll preparation	8,041	8,041	9,715	(1,674)
Meeting expense	271,471	271,471	238,316	33,155
Training and education	42,682	42,682	9,887	32,795
Miscellaneous	4,213	4,213	3,801	412
Inventory and property				
management	2,178	2,178	-	2,178
Employee holiday, sick,				
vacation and jury duty	70,281	70,281	93,458	(23,177)
Data processing	190,621	190,621	159,254	31,367
Travel expense	16,700	16,700	3,184	13,516
Accounting and auditing	356,069	356,069	293,571	62,498
Personnel administration	140,430	140,430	77,037	63,393
Retirement administration	330,831	330,831	91,920	238,911
Liability insurance	139,400	139,400	76,063	63,337
Workers' compensation				
insurance	120,000	120,000	80,218	39,782
Legal services	-	-	48,068	(48,068)
Utilities	45,756	45,756	37,677	8,079
Telephone expense	24,815	24,815	26,217	(1,402)
Office supplies	76,957	76,957	32,394	44,563
Employee incentives and awards	20,500	20,500	12,702	7,798
Postage	4,510	4,510	1,753	2,757
Dues and subscriptions	123,422	123,422	106,211	17,211
Budget preparation	14,595	14,595	5,233	9,362
Lease office equipment	24,877	24,877	33,566	(8,689)
Retirement, health ins &				
payroll taxes	-	-	205,275	(205,275)
Depreciation	-	-	288,011	(288,011)
Administration allocated	(208,282)	(208,282)	(156,964)	(51,318)
Total administration	2,496,776	2,496,776	2,020,026	476,750
Total FWA OM&R expenses	\$ 15,053,426	\$ 15,053,426	\$ 15,983,856	\$ (930,430)

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, 2020, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and we have issued our report thereon dated February 15, 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 three instances 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 items No. 2020-001 through 2020-003.

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
February 15, 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, 2020. 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, 2020.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2020-001 through 2020-003. 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 three instances of significant deficiencies that are required to be reported in accordance with the Uniform Guidance, and which are described in the accompanying schedule of findings and questioned costs as items No. 2020-001 through 2020-003. Our opinion on each major federal program is not modified with respect to these matters.

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

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." The signature is written in a cursive, flowing style.

Fresno, California
February 15, 2022

**FRIANT WATER AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

<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				
<i>FKC Capacity Correction Project</i>				
San Joaquin River Restoration Settlement	15.555	R19AC00013	\$ -	\$ 6,208,583
Water Infrastructure Improvements for the Nation	15.555	R19AC00013	-	640,635
Subtotal- FKC Capacity Correction Project			-	6,849,218
TOTAL U.S. DEPARTMENT OF INTERIOR			-	6,849,218
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ -	\$ 6,849,218

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, 2020**

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, 2020**

SECTION II – FINANCIAL STATEMENT FINDINGS

There are no findings to be 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.

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

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.

**FRIANT WATER AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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 2019-001 – 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: 2018/19

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:

See current year finding 2020-001.

FRIANT WATER AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019

Finding 2019-002 – 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: 2018/19

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 §200.32 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.

Current Year Status:

See current year finding 2020-002.

**FRIANT WATER AUTHORITY
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Finding 2019-003 – 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: 2018/19

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 one 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, suspend or terminate the federal award, initiate suspension or debarment proceedings, withhold 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 2020-003.

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.

Loren Booth
Hills Valley I.D.

Chris Tantau
Kaweah Delta W.C.D.

Michael Brownfield
Lindmore I.D.

Josh Pitigliano
Lower Tule River I.D.

Kent H. Stephens
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Saucelito I.D.

Matt Leider
Tea Pot Dome W.D.

Edwin L. Wheaton
Terra Bella I.D.

Rick Borges
Tulare I.D.

Jason R. Phillips
Chief Executive Officer

854 N. Harvard Ave.
Lindsay, CA 93247

1121 L St., Ste. 610
Sacramento, CA 95814

(559) 562-6305

Corrective Action Plan For the Fiscal Year Ended September 30, 2020

Finding	2020-001
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:	2019/20
Compliance Requirement:	Reporting
Questioned Costs:	N/A

The Authority recognizes the need to improve the timeliness of report submissions within the required federal timeframe.

Corrective Action Plan:

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.

Contact:

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

Cliff Loeffler
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(559) 562-6305

Finding 2020-002
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: 2019/20
Compliance Requirement: Procurement, Suspension & Debarment
Questioned Costs: N/A

The Authority recognizes the need to update all procurement policies and procedures to ensure compliance with the Uniform Guidance requirements for federal programs.

Corrective Action Plan:

The Authority will amend current procurement policies to be consistent with the procurement standards found in 2 CFR§200.317 through §200.32 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.

Contact:

Wilson Orvis, Chief Financial Officer
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worvis@friantwater.org

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Finding 2020-003
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: 2019/20
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 will institute internal procedures to ensure that required financial and performance reports are submitted timely.

Contact:

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PRIOR YEAR FINDINGS AND QUESTIONED COSTS

Reference: 2019-001

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:

See finding 2020-001.

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Reference:

2019-002

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:

See finding 2020-002.

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Reference: 2019-003

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 one 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, suspend or terminate the federal award, initiate suspension or debarment proceedings, withhold 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 finding 2020-003.

Agenda Report

No. 3.D

DATE: February 24, 2022

TO: Board of Directors

FROM: Wilson Orvis, CFO

SUBJECT: Middle Reach Capacity Correction Project, Phase 1, Spending Plan Update

SUMMARY:

Exhibit C of the “Cost Share and Contributed Funds Agreement between the Friant Water Authority and the United States of America for the Friant-Kern Canal Middle Reach Capacity Correction Project” (April 28, 2021) [Cost-Share Agreement] sets forth the Spending Plan for the Middle Reach Capacity Correction Plan, Phase 1 (Project). The Spending Plan identified the total estimated costs for the Project, the estimated Project expenditures by quarter, and set forth the funding amounts, by quarter, to be provided by the Friant Water Authority (FWA) to the Bureau of Reclamation (Reclamation) to cover FWA’s portion of the Project costs and to ensure that, by the end of the Project, FWA’s share of the Project costs was at least 50%.

The original Spending Plan in the Cost-Share Agreement executed last April was based upon a 60% design cost estimate for the construction contract and an estimated progress payment schedule. It was understood that (1) once the final construction contract had been awarded, (2) the total Project budget updated accordingly, and (3) the progress payment schedule had been received from the selected contractor; that the Spending Plan would need to be updated so that FWA could begin providing quarterly payments to Reclamation to support the construction contract outlays.

The progress payment schedule was received from the contractor on February 3, 2022. FWA staff briefed and received input from the Executive Committee on February 14 and discussed the proposed update with Reclamation staff who indicated the payment terms would be acceptable. Based upon those discussions, the attached version of the updated Spending Plan is being provided to the Board of Directors for final approval.

Based upon the updated Spending Plan, the first payment to be made by FWA to Reclamation for Project construction contract costs must be made prior to March 31, 2022.

CONSIDERATIONS AND DRIVERS

The following considerations governed the development of the original and updated Spending Plan:

- (1) While Reclamation’s cost-share can exceed 50% at times during the Project, by the end of the Project, Reclamation’s cost-share cannot exceed 50%.

- (2) Reclamation's percentage of construction contract expenditures cannot exceed 65%.
- (3) As soon as Friant secures the anticipated lump-sum settlement payment from the Eastern Tule Groundwater Sustainability Agency (ETGSA), FWA must increase its funding share to achieve a 50% cost share as soon thereafter as practicable. If the ETGSA 218 election is unsuccessful, FWA will still need to increase its funding share in order to achieve the mandatory 50% cost-share.

The proposed updated Spending Plan incorporates the updated Project budget, actual costs incurred by Reclamation and FWA through December 31, 2021, and projected expenditures for all line-items of cost by quarter, including the construction contractor's progress payment schedule in accordance with the considerations outlined above. Some key drivers are described below:

- In order to ensure that FWA achieves the mandatory 50% cost-share for Phase 1, a majority of the canal and replacement pump construction contract costs (~\$118.6 million of the estimated \$195 million contract costs) will need to be covered by payments from FWA to Reclamation
- The pace of FWA payments to Reclamation cannot be substantively revised downward from the current pace (35% through the end of CY 2022) without Reclamation exceeding 50% by Project end. In other words, there do not appear to be other options that would substantively improve FWA's interim cash position without impacting FWA's ability to meet the 50% mandatory cost-share by the end of the Project.

EXECUTIVE COMMITTEE REVIEW:

The Executive Committee reviewed the proposed updated Spending Plan at its February 14, 2022 meeting and had no substantive revisions.

RECOMMENDED ACTION:

The Board of Directors approve the updated Spending Plan to the Cost-Share Agreement for the Project.

SUGGESTED MOTION:

A motion to approve the updated Spending Plan to the Cost-Share Agreement for the Project.

ATTACHMENTS

Attachment 1 – DRAFT, Updated Spending Plan, Exhibit C, Cost-Share Agreement for the Middle Reach Capacity Correction Project, Phase 1.

EXHIBIT C

SPENDING PLAN

Friant-Kern Canal Middle Reach Capacity Correction Project Phase 1 – Spending Plan

February 2022 Updated Draft¹

Estimated Cost and Maximum Cost for Phase 1:

Estimated Non-Construction Contract Costs: \$97.5 million

Estimated Construction Contract Cost²: \$195.0 million

Maximum Cost: \$292.5 million

Definitions:

Maximum Cost is the cost estimate for Phase 1 of the Project, including prior eligible costs. The Maximum Cost may only be increased if sufficient funding is identified and both FWA and Reclamation agree to increase the cost.

Phase 1 Construction Cash Flow is shown in Table 1 and represents the quarterly expenditures to complete Phase 1, including all anticipated construction contract and non-contract costs. Table 1 also shows the expected quarterly contributions by FWA and Reclamation over the construction period. FWA or Reclamation can agree to fund a larger share of the quarterly payment, but total contributions for Phase 1 construction contract and non-contract costs will be shared equally with FWA's intent to reach the 50% cost share level as soon as possible. FWA and Reclamation will meet on at least a quarterly basis to update cash flows and contributions to ensure that upcoming quarterly cash contributions are available. As new Project information is available, the project budget and expenditures will be updated to reflect the new information. The timing of expenditures will be reviewed by Reclamation and FWA to ensure contribution schedules can be met.

Phase 1 FWA Contributions to Reclamation are also shown in Table 1 ("FWA Payments to Bureau") and represent the expected payments by FWA into the Contributed Funds Account.

¹ This version is updated to reflect: (1) Total Project Cost estimate of \$292.5 million, (2) projected expenditures by quarter developed jointly by Reclamation and FWA, and (3) Construction Contractor Progress Payment Schedule (received February 3, 2022).

² Includes anticipated contract costs for the canal construction and replacement pump stations. The contingency line-item budget is included in the non-contract cost total.

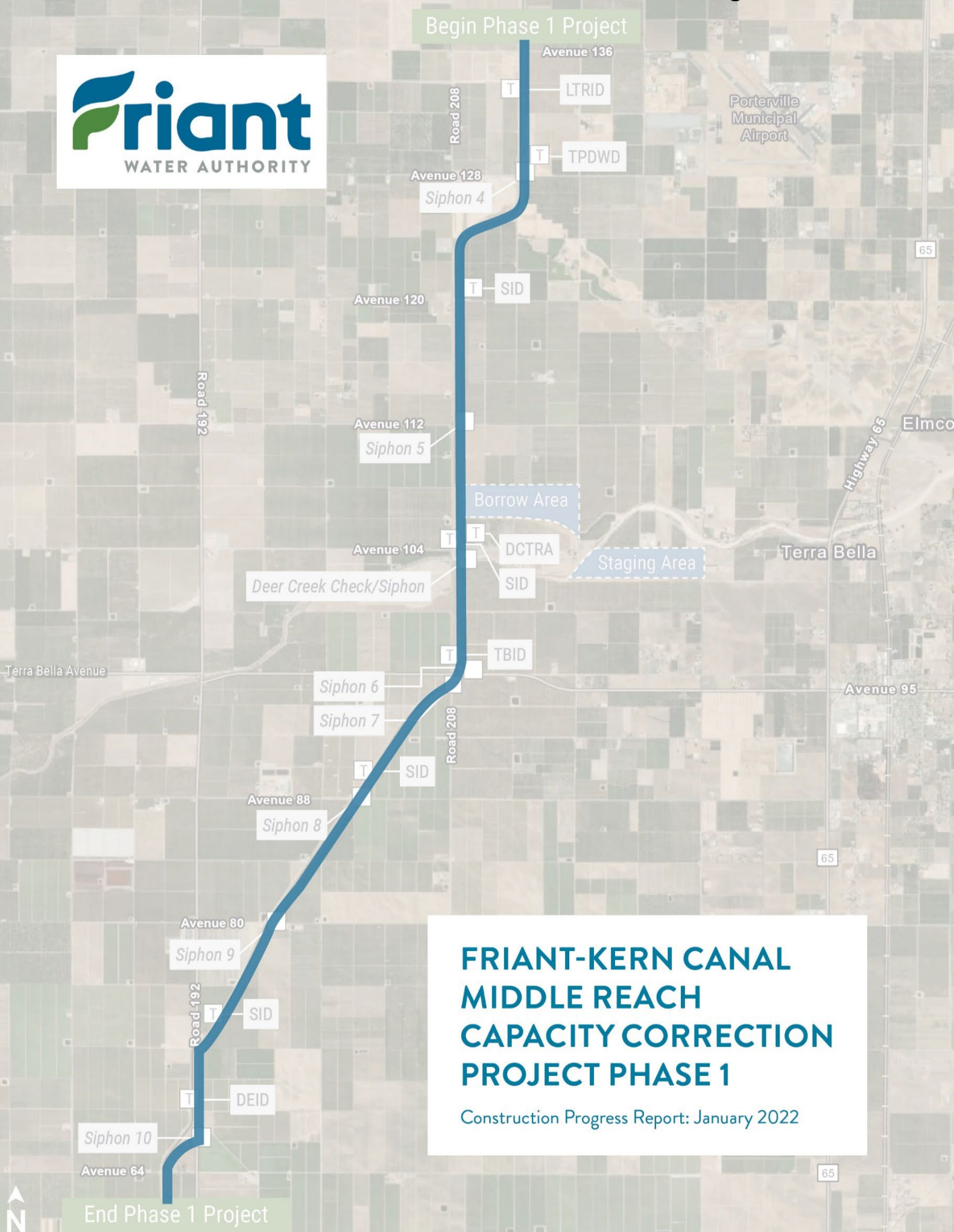
**Friant-Kern Canal Middle Reach Capacity Correction Project
Second Draft Phase 1 - Spending Plan and Cost Shares**

Cost Estimate Dated: *February 2022*

			Federal Funding				Friant Water Authority					
Beginning Calendar Quarter	Calendar Year	Fiscal Year	Contractor Payments	Bureau Costs	Right of Way	Federal Contribution		Payments to Bureau	FWA Costs	Right of Way (2)	FWA Contribution	Federal %
10/1/2021	2021 Q4 (1)	2022 Q1	1,327,000	24,698,000	6,100,000	32,125,000		-	3,691,000	6,690,000	10,381,000	75.6%
1/1/2022	2022 Q1	2022 Q2	12,571,000	3,739,000	828,000	17,138,000		6,769,000	245,000	4,663,000	11,677,000	69.1%
4/1/2022	2022 Q2	2022 Q3	20,932,000	3,050,000	666,000	24,648,000		11,520,000	671,000	2,661,000	14,852,000	66.7%
7/1/2022	2022 Q3	2022 Q4	18,629,000	3,424,000	663,000	22,716,000		10,529,000	1,113,000	-	11,642,000	66.6%
10/1/2022	2022 Q4	2023 Q1	17,554,000	3,749,000	30,000	21,333,000		12,682,000	1,569,000	-	14,251,000	65.3%
1/1/2023	2023 Q1	2023 Q2	1,618,000	3,700,000	-	5,318,000		25,618,000	1,519,000	-	27,137,000	57.8%
4/1/2023	2023 Q2	2023 Q3	1,079,000	3,088,000	-	4,167,000		25,079,000	1,076,000	-	26,155,000	52.3%
7/1/2023	2023 Q3	2023 Q4	1,079,000	3,088,000	-	4,167,000		19,079,000	1,076,000	-	20,155,000	49.1%
10/1/2023	2023 Q4	2024 Q1	1,079,000	3,038,000	-	4,117,000		4,579,000	1,036,000	-	5,615,000	48.9%
1/1/2024	2024 Q1	2024 Q2	540,000	2,596,000	-	3,136,000		2,040,000	594,000	-	2,634,000	49.0%
4/1/2024	2024 Q2	2024 Q3	-	1,579,000	-	1,579,000		750,000	152,000	-	902,000	49.1%
7/1/2024	2024 Q3	2024 Q4	-	1,579,000	-	1,579,000		-	152,000	-	152,000	49.4%
10/1/2024	2024 Q4	2025 Q1	-	1,057,000	-	1,057,000		-	250,000	-	250,000	49.5%
1/1/2025	2025 Q1	2025 Q2	-	1,057,000	-	1,057,000		-	150,000	-	150,000	49.7%
4/1/2025	2025 Q2	2025 Q3	-	1,057,000	-	1,057,000		-	150,000	-	150,000	49.8%
	2025 Q3	2025 Q4	-	1,057,000	-	1,057,000		-	148,000	-	148,000	50.0%
	2025 Q4	2025 Q1	-	-	-	-		-	-	-	-	50.0%
		Total	76,408,000	61,556,000	8,287,000	146,251,000		118,645,000	13,592,000	14,014,000	146,251,000	

(1) Calendar Year 2022Q4 includes all costs incurred through December 31, 2021. This includes \$1.3 million initial payment to Contractor in December, planning costs and Right of Way purchases.

(2) Includes utility relocations



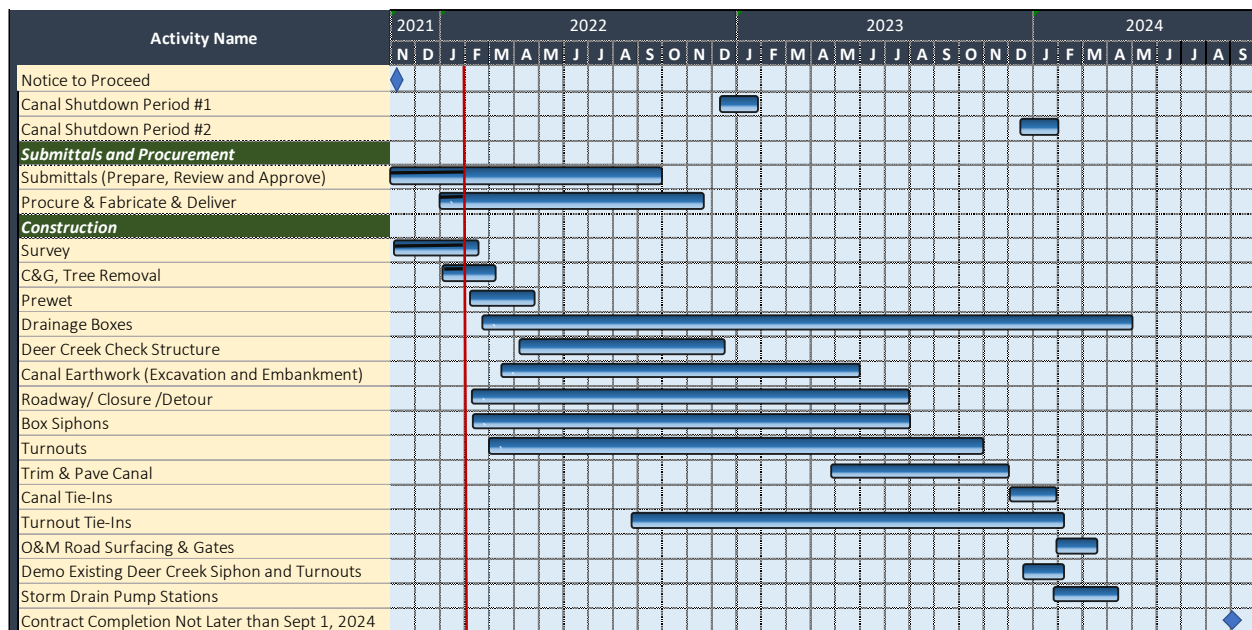
FRIANT-KERN CANAL MIDDLE REACH CAPACITY CORRECTION PROJECT PHASE 1

Construction Progress Report: January 2022

Summary of Work Accomplished

- Continued mobilization activities that included setting up the Contractor and Reclamation field offices.
- Conducted pre-construction surveying within the work area to set the new canal centerline and work area limits and the existing grades survey.
- Installed biodegradable straw waddles close to the work area limits in preparation for tree removal and clearing and grubbing activities.
- Tree removal was completed for a significant portion of the alignment, and chipping and haul out operations started behind this activity.
- Asbestos and lead inspections were conducted for several facilities that will be demolished.
- Conducted groundbreaking ceremony at the Project site.

Schedule Progress



Work completed to-date (based on cost) is approximately 3.6 percent of the original contract amount, and the elapsed time (through January, 2022) represents approximately 8.8 percent of the total contract time

Construction Narrative

The Contractor continued to conduct mobilization activities that included setting up their primary office in Porterville as well as continuing the tenant improvement work for the Reclamation main office also located in Porterville. Good progress was made on submittal preparation and requests for information to clarify information needs of the Project. Pre-construction surveying activities were conducted including staking the new canal centerline and work area limits. Three-point cross section surveys of the existing grades along the canal centerline were also conducted, and a specialized survey drone was used to take photogrammetry shots within the work area limits.

Once the canal limits of work area was surveyed, straw wattles were placed at the limits of work area. Tree removal started, and the work was done by two CAT 336 excavators with thumb attachments to pull the trees out by the roots. A few segments remain for tree removal. Miscellaneous items such as irrigation system driplines were removed to facilitate chipping and tree removal. Asbestos and lead inspections were conducted at Casa Blanco turnout and other locations that will be demolished as part of the Project.

Lastly, a groundbreaking ceremony was conducted at the Project site. Keynote speakers included representatives of Friant Water Authority, California Department of Water Resources, and the Bureau of Reclamation, as well as State and Federal elected officials.

Environmental

Stantec conducted worker environmental awareness training for construction personnel. Pre-construction bio-surveying work was conducted for the majority of the alignment and the TBID staging site for San Joaquin kit fox and burrowing owls. Pre-construction surveys included camera trapping for kit fox. To date, no evidence has been found to indicate the presence of kit fox or burrowing owls within the work area. Stantec coordinated with Reclamation and the Contractor regarding nesting birds that may be present in the work areas.

Change Orders

Project partnering was added to the Project for an additional \$20,000.

Construction Progress Photographs¹



Conducting surveying, south of Deer Creek on Farmland Reserve parcel.



Merritt Ranch property owner removing their existing well pump that conflict with planned construction.



Trenching for the biodegradable straw wattle installation, starting south of Hesse Ave.



Biodegradable straw wattle installation, starting at Ave. 136 working south toward Ave. 128.



Clearing and grubbing, between Ave. 136 and Ave. 128. Two CAT 336 excavators with thumb attachment used for removal of the trees and roots.



Clearing and grubbing olive trees, south of Ave. 128 on former Jagger parcel.

¹ Photographs courtesy of Reclamation



Removing irrigation dripline ahead of clearing and grubbing operations.



FWA removing trees potential for bird nesting in TBID recharge basin.



Exclusion area (50-ft buffer) for the area with dens that could potentially house kit fox. All exclusion areas are on the canal banks and none in the clearing/grubbing work area.



Taking asbestos sample at Casa Blanca Turnout. Lead and asbestos samples were collected at Casa Blanca turnout, SID-S2, Deer Creek Wasteway and recorder house.



Installing biodegradable wattles.



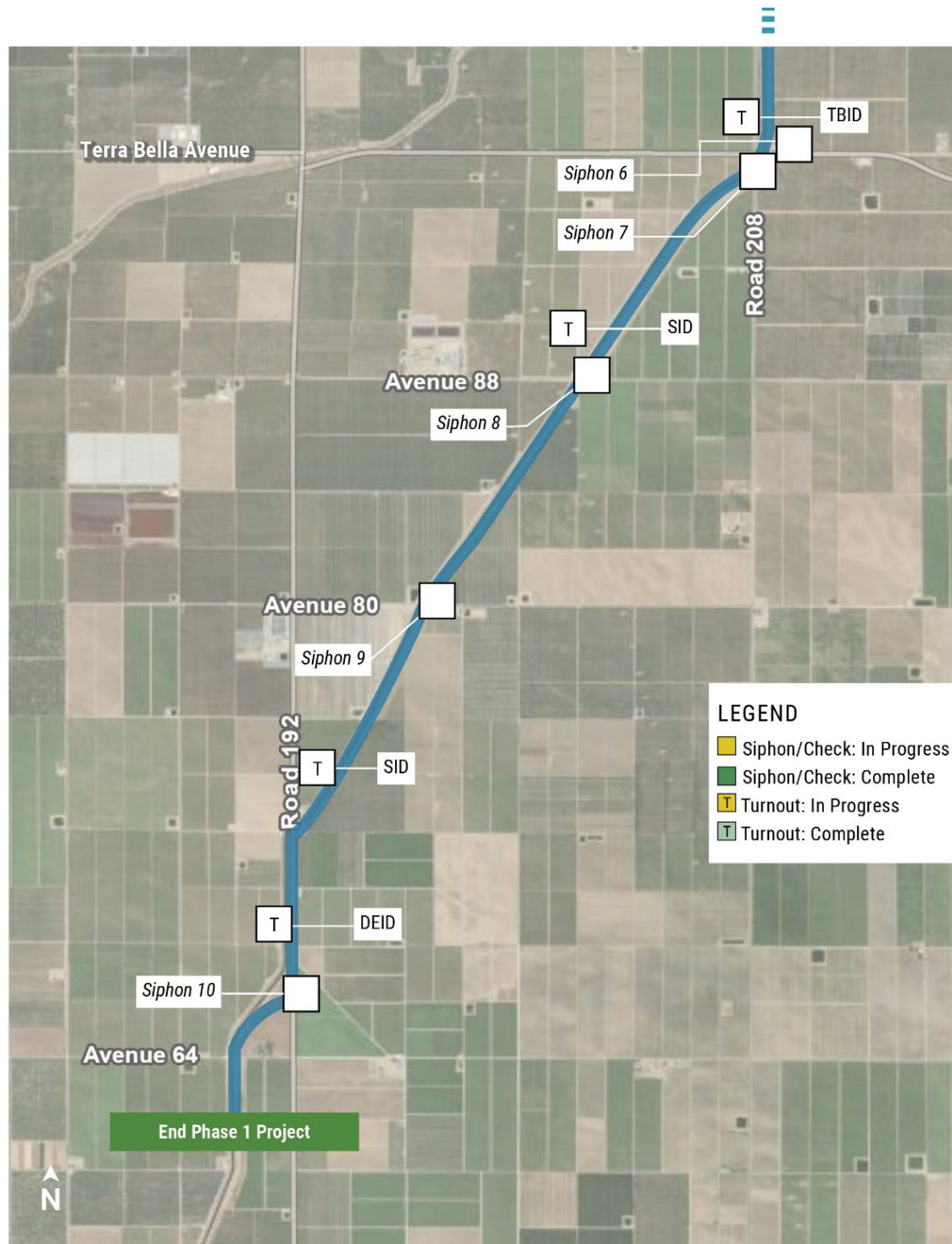
Project Groundbreaking.

Progress Map



Continued on Next Page

Progress Map continued



Financial Summary (As of 1/31/22)

Sources of Funds	Federal Funding		Friant Water Authority Funding				
	SJRRP funds	WIIN funds	FWA Contractors	Eastern Tule GSA	Pixley GSA	Delano GSA	State Funding-DWR
Anticipated Funding	\$41M-\$46.9M	\$ 210,550,000	\$ 50,000,000	\$125M-\$200M	\$ 11,000,000	\$ 1,200,000	\$29.4M-\$74M
Funds Secured/Received to Date	\$ 41,000,000	\$ 210,550,000	\$ 22,192,549	\$ 4,105,114	\$ 11,000,000	In progress	In progress
Expenditures	(29,373,153)	(4,310,118)	(14,049,159)	-	-	-	-
Remaining Funding Available	\$ 11,626,847	\$ 206,239,882	\$ 8,143,389	\$ 4,105,114	\$ 11,000,000	In progress	In progress

Budget to Actual Spending								
Project Cost Category	Budget Estimate (January 2022)			Expenditures through January 31, 2022			Remaining Budget	
	Bureau of Reclamation	FWA (Non-Federal)	Total Project Cost	Bureau of Reclamation	FWA (Non-Federal)	Total Expenditures	Bureau of 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)	\$ (26,606,781)	\$ -	\$ -
ROW & Land Acquisition	\$ 8,288,108	\$ 14,013,460	\$ 22,301,568	\$ (6,746,473)	\$ (10,329,696)	\$ (17,076,169)	\$ 1,541,635	\$ 3,683,764
Legal & Administration (Facilitating Services) & IT Services	\$ 517,667	\$ 506,000	\$ 1,023,667	\$ (237,132)	\$ (38,760)	\$ (275,892)	\$ 280,535	\$ 467,241
Permitting, NEPA/CEQA, Cultural Resources, & Environmental Monitoring	\$ 1,176,106	\$ 500,000	\$ 1,676,106	\$ (153,824)	\$ (101,908)	\$ (255,732)	\$ 1,022,282	\$ 398,092
Project Management	\$ 2,360,302	\$ 1,987,500	\$ 4,347,802	\$ (487,449)	\$ (53,063)	\$ (540,512)	\$ 1,872,853	\$ 1,934,437
Construction Management	\$ 12,000,000	\$ -	\$ 12,000,000	\$ (261,325)	\$ -	\$ (261,325)	\$ 11,738,675	\$ -
Design & Specifications	\$ 1,785,380	\$ -	\$ 1,785,380	\$ (1,227,086)	\$ -	\$ (1,227,086)	\$ 558,294	\$ -
Construction Support	\$ 13,561,832	\$ -	\$ 13,561,832	\$ (161,726)	\$ -	\$ (161,726)	\$ 13,400,106	\$ -
Construction Contract - Phase 1 Replacement Pump Stations	\$ 8,629,263	\$ 8,629,263	\$ 17,258,525	\$ -	\$ -	\$ -	\$ 8,629,263	\$ 8,629,263
Construction Contract - MRCCP Phase 1	\$ 67,776,203	\$ 110,013,952	\$ 177,790,155	\$ (1,327,208)	\$ -	\$ (1,327,208)	\$ 66,448,995	\$ 110,013,952
Construction Contract Contingency	\$ 7,074,092	\$ 7,074,092	\$ 14,148,184	\$ -	\$ -	\$ -	\$ 7,074,092	\$ 7,074,092
Total	\$ 146,250,000	\$ 146,250,000	\$ 292,500,000	\$ (33,683,271)	\$ (14,049,159)	\$ (47,732,431)	\$ 112,566,729	\$ 132,200,841

Agenda Report

No. 4.B

DATE: February 24, 2022

TO: Board of Directors

FROM: Ian Buck-Macleod, Water Resources Manager

SUBJECT: Water Operations Update

SUMMARY:

Reclamation released initial CVP allocations on February 23rd with an initial Class 1 allocation of 15%. Irrigation water service and repayment contractors north and south of the Delta received a 0% allocation, and M&I 25% of historical use. The most recent CVO forecasts were made available at the end of January, which included an outlook for the coming water year at a 90% and 50% exceedance probability hydrology, which along with recent internal 90% projections did not show a potential call on Friant. A preview of CVO's 99% projection showed a potential for a call in August or September if conditions remain exceptionally dry. After an active storm track in the second half of December, January and February have been exceptionally dry throughout most of the State. Current forecasts suggest a switch to a somewhat more active storm track over the next several weeks. It remains to be seen how long this may last and what storms might materialize.

DISCUSSION:

Inflow Forecasts

After an exceptionally wet second half of December, January and February have been exceptionally dry in most areas of the State, with some areas experiencing their longest midwinter precipitation streak. Precipitation across the State as a percent of normal currently ranges from 73% to 93%. Near normal temperatures for most of January kept snowpack conditions steady, however February has generally seen above average temperatures and the snowpack has begun to see a noticeable melt. Current SWE ranges from 62% to 70% of normal for the date. Several small storms over the last week have had a minimal effect on snowpack conditions. Current long-range forecasts suggest the switch to a more active storm track may continue to occur over the coming weeks.

Table 1 shows the unimpaired inflow forecasts for Shasta and Millerton 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). As a result of the defined shortage criteria, unimpaired inflow to Shasta in WY 2022 needs to be at least 4.0 MAF this year to avoid a Shasta Critical year. DWR's forecast for Shasta remains wetter at all exceedance levels, as compared to the CNRFC forecast. Both the CNRFC and DWR 50% forecasts for Millerton would result in annual water year inflow that is below the long-term average.

Table 1. Unimpaired Inflow Forecasts for WY 2022

Item	Exceedance		
	90%	50%	10%
CNRFC Shasta Unimpaired Inflow (TAF) ¹	2880	3460	4610
DWR Shasta Unimpaired Inflow (TAF) ²	3065	3825	6115
CNRFC Millerton Unimpaired Inflow (TAF) ¹	1070	1470	2220
DWR Millerton Unimpaired Inflow (TAF) ²	925	1370	2085
SCCAO Millerton Unimpaired Inflow (TAF) ³	1054	1457	2192

Notes:

¹ As of February 22.

² As of February 15.

³ As of February 18. Blended smoothing of 40% DWR / 60% CNRFC with offset for recent ASO flight.

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 54%, 58%, and 113% of average, respectively. All upstream reservoirs except Oroville are at or near the minimum flow requirement for this time of year. Oroville releases increased in February to help meet Delta outflow requirements. Folsom releases are still above minimums, but releases are essentially equal to outflow. As hydrologic conditions continue to dry out with the lack of precipitation, storage gains at all reservoirs have slowed considerably.

CVO provided a January projection at both the 90% and 50% exceedance levels. These projections used the January 1 DWR flow forecasts, which at this point in time are overly optimistic at even the 90% level. As such, all reservoir and operations projections included in this document include CVO's January 90% projection and an internal projection which uses inflows based off the most recent CNRFC 90% projection, which is much drier. The CVO projection can be viewed as a very optimistic projection, while the internal projection provides a much more realistic outlook. CVO is expected to provide their February projection on February 23rd.

Figures 1 and 2 show the projected Shasta Lake and Millerton Lake storage through April based off the most recent CVO and internal projections, respectively, as compared to actuals to date. The Shasta projection also includes the internal projection. Shasta storage had trended above the 90% exceedance projection from CVO and the internal projection since the end of December, however storage increases have slowed dramatically as hydrologic conditions have dried out. End of April storage levels differ by approximately 800 TAF between CVO's 90% projection and the internal projection. Storage levels under the internal projection would result in an extremely difficult temperature management operation and essentially no water would be available from Shasta for Delta water quality and export needs this summer. The preview of CVO's 99% projection showed Shasta storage levels below 600 TAF in September. The Millerton projections include an internal 90% and 50% projection. Millerton Lake storage has trended near

or slightly below the forecast for most of the past month. Storage is currently trending downwards as more water is being stored upstream than was forecasted.

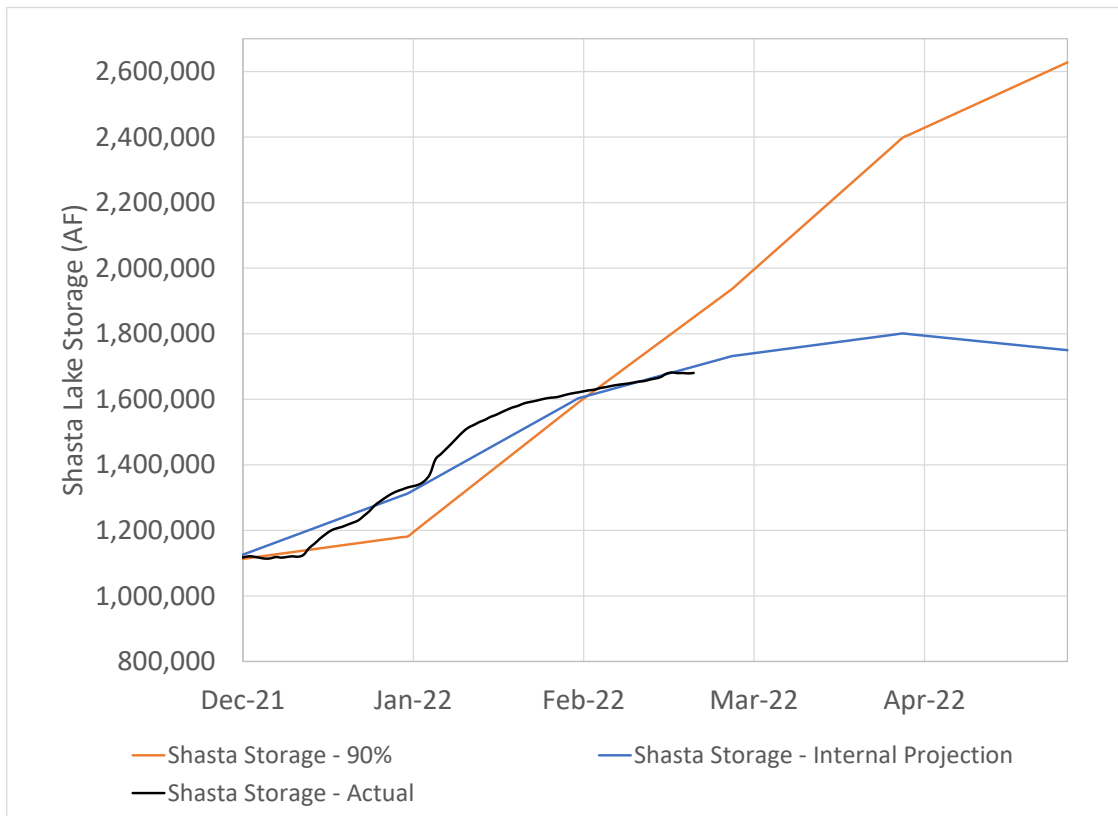


Figure 1. Shasta Lake Storage – January CVO and Internal Projection Compared to Actuals

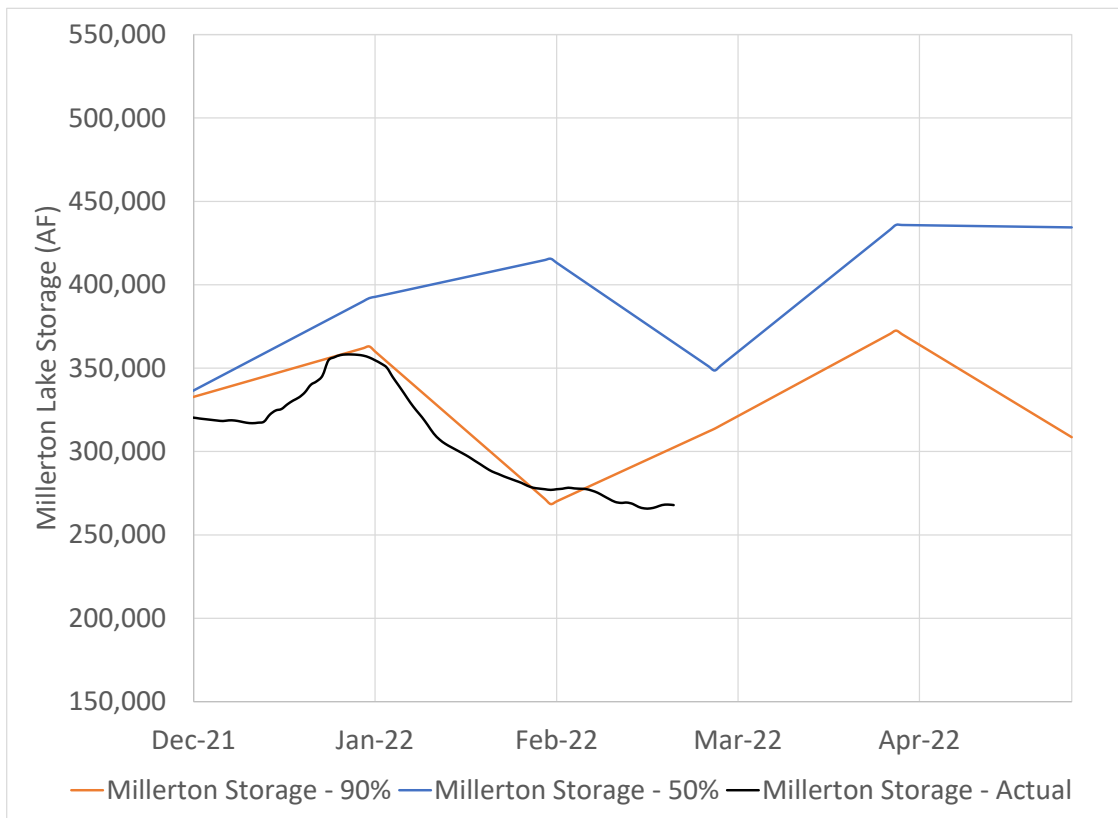


Figure 2. Millerton Lake Storage – Internal Exceedance Projections Compared to Actuals

CVP SOD Operations

Delta Operations

Jones exports were at a full five-unit operation for most of January, and until recently had been at a two-unit operation for most of February. Jones exports were cut to a one-unit operation on February 20th to help meet outflow requirement in response to declining Delta inflow. These export levels are likely to remain until additional inflow becomes available or outflow requirements are reduced at some point in March. Actual exports in March will be highly dependent on future hydrologic conditions. Figure 3 shows the projected daily Jones pumping through April as compared to actuals to date.

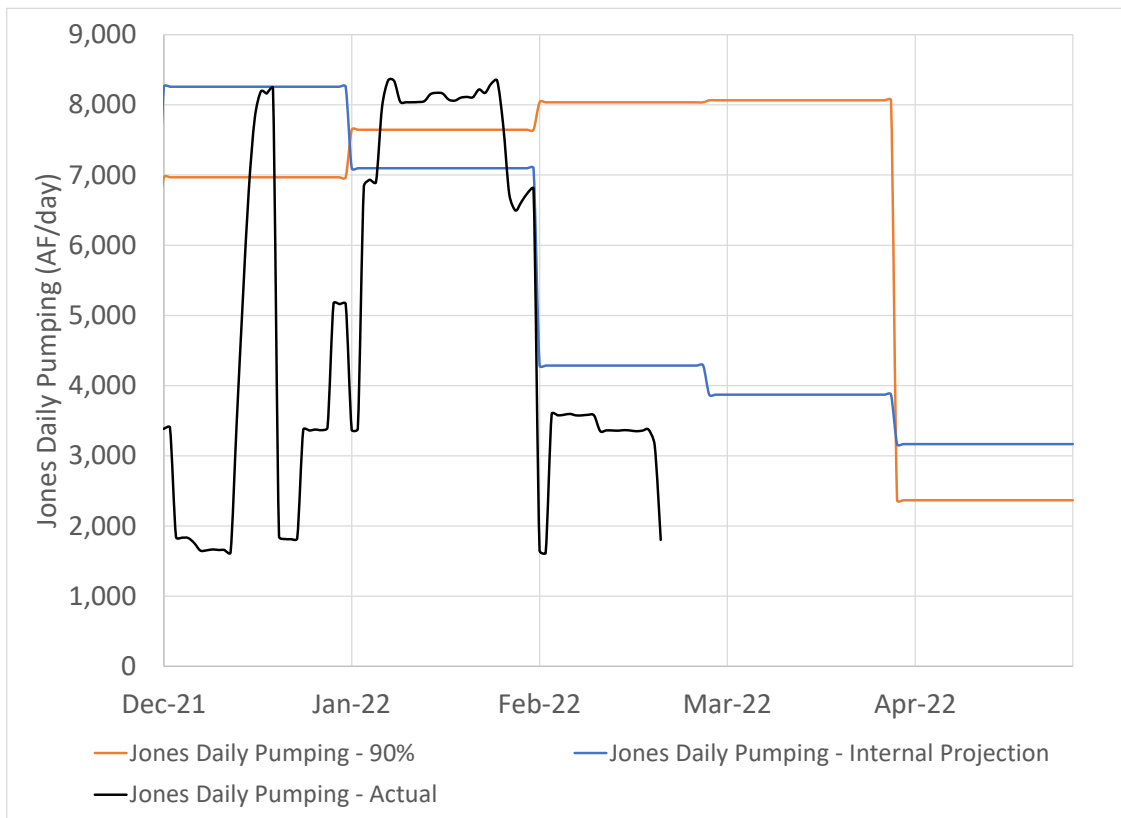


Figure 3. Daily Jones Pumping – January Exceedance Projections Compared to Actuals

As of February 15th, water right curtailments had been reimposed on Stony Creek, Cache Creek, Putah Creek, the Mokelumne River, the Calaveras River, and the Chowchilla River. Further curtailments may be likely depending on hydrologic conditions.

San Luis Operations

CVP San Luis Reservoir storage is at 333 TAF—53% of its 15-year average. Project water began being stored in early January as the approximately 200 TAF of borrowing from Federal contractors was paid back. Figure 4 shows the CVO 90% exceedance projection and the internal projection of San Luis Federal storage through April as compared to actuals. Please note the CVO and internal projections display actual storage, which currently includes at least 200 TAF of non-project water. The difference in end of March storage (annual maximum) between the two projections is essentially a result of the difference in forecasted March exports. A few notes/assumptions for the CVP San Luis internal projection:

- Uses CNRFC inflow forecasts, Sac Valley accretions/depletions based off 2014/2015, and assumes Shasta Critical year delivery volumes
- Assumes the SWP pays back the current COA debt by the end of August mostly through disproportionate pumping, and remaining COA sharing to meet in-basin use reflects a critical year 60/40 sharing (Reclamation/DWR)
- CVP SOD Ag allocation = 0%; CVP M&I allocation = 50%

Both projections suggest there will be sufficient supply available SOD to meet Exchange Contractor demands. The internal projection forecasts CVP San Luis low point to occur in July, with about 80 TAF in storage, while the CVO 90% projection forecasts CVP San Luis low point to occur in August, with about 50 TAF in storage. A preview of the February CVO 99% projection indicated a call on Friant would be necessary in August and September, with an approximate shortage of 100 TAF.

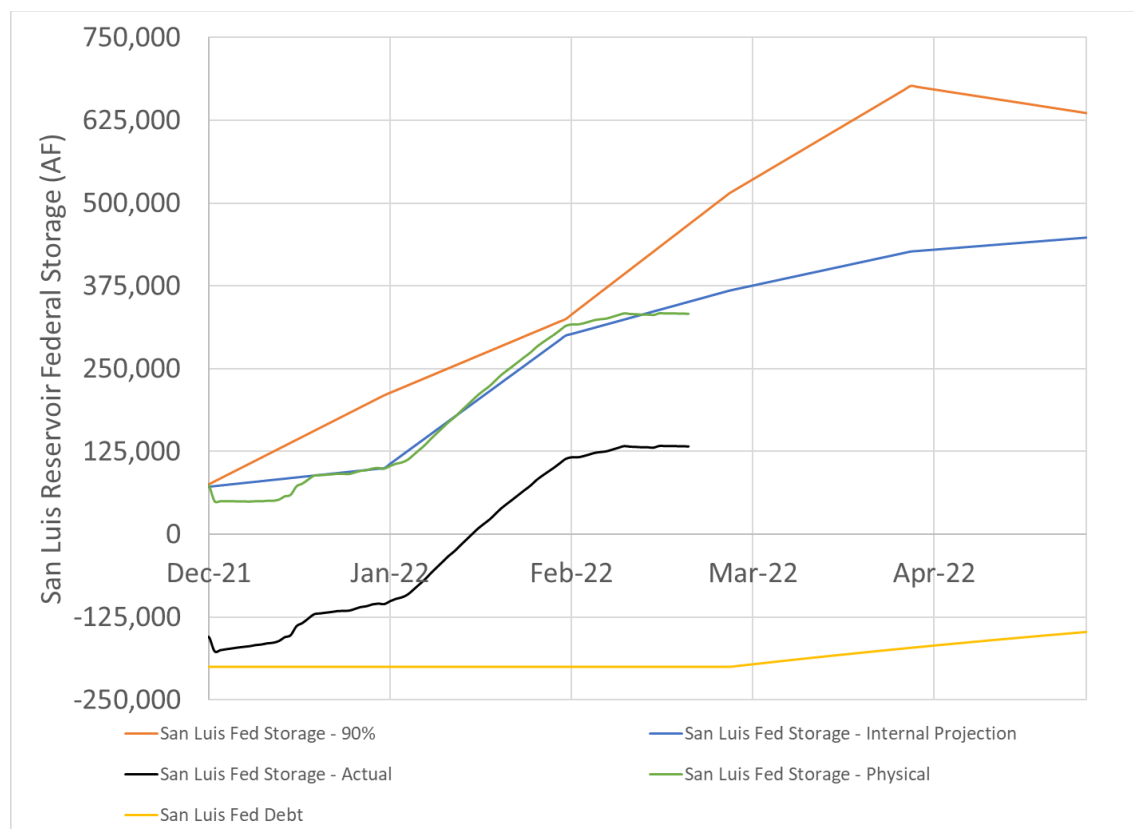


Figure 4. San Luis Federal Storage – January Exceedance Projections as Compared to Actuals

Exchange Contract

At this time, initial forecasts suggest there is approximately a 10% chance that water from Friant will be needed to meet Exchange Contractor demands during the 2022 irrigation season; however, this chance is beginning to increase as conditions remain dry. If conditions remain exceptionally dry, the call suggested by CVO's 99% projection could come to fruition. To further reduce the probability that Friant water will be needed to meet Exchange Contractor demands, Northern California reservoirs will need to see additional improvements in storage.

Friant Division Allocation

Airborne Snow Observatory

The first ASO flight was conducted on February 6 and 7. SWE was estimated at 667 TAF, which is significantly less than Reclamation's consensus estimate snowpack at that time. The results of this flight resulted in reducing runoff forecasts from 50 to 90 TAF. The next flight is anticipated to occur between March 15 to April 1, depending on hydrology. Typical peak snow accumulation occurs at the end of March.

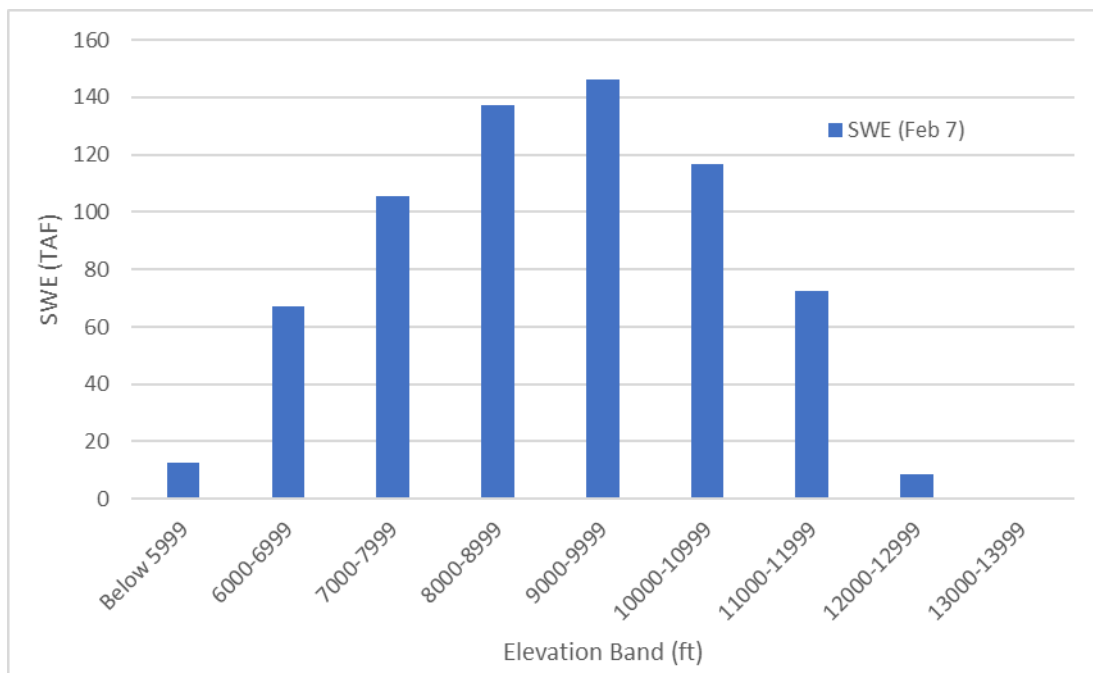


Figure 5. ASO Estimated Snow Water Equivalent by Elevation Band

Friant Division Contractors

The initial CVP Friant allocation for 2022 is 15% of Class 1 supplies (120 TAF). Reclamation stated that carryover into water year 2022 will be limited to the lesser of a) The Contractor's amount of unused Class 1 as of October 31st or, b) 10% of Maximum Class 1 contract quantity. As of January 14th, Reclamation is projecting approximately 22.4 TAF of carryover supplies into contract year 2022. FWA forecasts that the 90% exceedance for WY2022 forecast shows on the order of 45% Class 1 allocation, while the 50% exceedance forecast shows a 95% Class 1 allocation.

San Joaquin River Restoration Allocation

On February 18th, Reclamation notified the Restoration Administrator that this year's second Restoration Allocation is a Normal-Dry year type, set at 254,413 acre-feet at Gravelly Ford. The allocation is based on a blended DWR (40%)/NWS (60%) with offset for recent ASO flight at the 75% exceedance forecast for Millerton, with a total inflow of 1,235 TAF. The schedule submitted by the Restoration Administrator on February 1st was approved by Reclamation, with the note that uncontrolled season operations could affect the ability of the Restoration Administrator to move 9 TAF from spring to summer months, pending a water supply test. No Unreleased Restoration Flows (URF) were made available, but the schedule includes the potential for URF if there is no change in the allocation. Reclamation requested a new recommendation by March 1.

As of February 22nd, Restoration Flows at Gravelly Ford and Sack Dam were approximately 210 cfs and 90 cfs, respectively.

San Joaquin River Restoration Recapture

After the resumption of restoration flows this fall, a small amount of recapture had occurred at Mendota Pool. There is currently no recapture occurring at PID or BCID as both districts do not have any available diversion capacity. 670 AF was recaptured in January: 290 AF in the last four days on behalf of two districts

were able to direct-deliver recapture water and 380 AF in early January that is available for all participants. No water is expected to be recaptured in February.

AGENDA REPORT

NO. 4.C

DATE: February 24, 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

Conveyance Funding/SB 559

On February 8, the California Department of Water Resources notified FWA that Director of Water Resources Karla Nemeth had determined that FWA had an appropriate non-State cost share for the FKC Middle Reach Capacity Correction Project to make FWA eligible to receive the \$39.2 million in State funding included in California's 2021-2022 budget.

New Water Bills for 2022

February 18 was the deadline for new bills to be introduced in the 2022 legislative session; at this point in the year, many bills are introduced as "spot bills," which merely state a legislator's intent to subsequently bring forth a measure on a specific policy issue. Nonetheless, several bills have been introduced related to water that FWA will track throughout the session. A few select bills FWA has flagged are noted below.

- SB 890 (Nielsen, Borgeas): Would fund the remaining \$585 million of the \$785 million requested in SB 559 for conveyance projects and \$2.6 billion for Sites Reservoir.
- SB 1146 (Grove): Spot bill related to beneficial uses of water.
- SB 1166 (Grove): Spot bill related to water rights applications and priorities.

- SB 1218 (Hurtado): Would require the Delta Stewardship Council to publish annually on its website, in consultation with relevant state and federal agencies and the public, a water supply reliability estimation for the water flows into the Delta and out of the Straits of Carquinez and into the San Francisco Bay.
- SB 1219 (Hurtado): Would dissolve the State Water Resources Control Board as of January 1, 2025, and also direct the Secretary of the Natural Resources Agency and the Secretary for Environmental Protection to convene a Blue Ribbon Commission to develop and submit to the Governor and to the Legislature recommendations for a modern 21st century set of water agencies for the State on or before December 31, 2024.

There has also been discussion of a bill related to potential exemptions from compliance with the fully appropriated stream regulations for flood flow diversions. Draft legislative language was recently considered and approved for support by San Luis & Delta-Mendota Water Authority. FWA staff are considering the potential implications of such a law for Friant contractors. As of the deadline of February 18 for new legislation, it did not appear that bill containing the proposed language (attached) was introduced. However, the language can still be amended into a spot bill later in the session.

Federal Affairs

FY 2022 Appropriations – omnibus currently under construction – current CR provides government funding through March 11 – provisions important to FWA include earmark for at least \$10M out of additional funding provided by Senate version to be allocated to canal reconstruction projects to repair damages related to subsidence/ Senate report language requesting Administration budget for SJR Restoration Settlement funding in addition to access to the SJRR Settlement Fund/ Senate report language encourages additional funding in budget for FKC repairs.

STREAM Act (Feinstein) – introduction as soon as next week – draft bill creates a WIIN Act-like funding program for new water/groundwater storage projects/provides for additional investments in ecosystem restoration projects/provides for access to non-reimbursable funds from the Aging Infrastructure Account for projects that go through a redesign of an extraordinary maintenance project to meet previously unmet needs and add additional benefits currently not provided by existing project infrastructure/other provisions.

GOP Water Legislation – FWA staff is working with minority staff on Senate ENR Committee to introduce legislation that would (among other provisions) amend the Infrastructure Investment and Jobs Act (IIJA) and P.L. 111-11 to allow for regulating reservoirs to be eligible for new Small Storage Grant Program; as well as clarify that the 35% non-reimbursable emergency extraordinary maintenance funding will have access the Aging Infrastructure Account for funding, among other provisions.

Water Resources Development Act – FWA staff and advocates are preparing a support letter for amendments to the WRDA bill to change WIFIA to allow for transferred work operators to access financing if the repayment source is from a non-federal source, and to allow for repayment terms to be extended to 55-years.

BUDGET IMPACT:

None.

ATTACHMENTS:

Family Farm Alliance Executive Director's Report for February 2022; SB 890 (Jan. 31, 2022); SB 1146 (Feb. 16, 2022); SB 1166 (Feb. 17, 2022); SB 1218 (Feb. 17, 2022); SB 1219 (Feb. 17, 2022); Proposed Draft Bill Related to Fully-Appropriated Stream Status; FWA WOTUS Proposed Rule Comments; FWA Legislative Tracker; FWA Canal Bill Support Letter - Feinstein; Written Testimony CEO Jason Phillips GOP Drought Forum; and Camille Calimlim Touton USBR Commissioner FWA Support Letter



MEMORANDUM

TO: FRIANT WATER AUTHORITY BOARD OF DIRECTORS
FROM: DAN KEPPEL, EXECUTIVE DIRECTOR
SUBJECT: EXECUTIVE DIRECTOR'S REPORT
DATE: FEBRUARY 14, 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 engaging in Biden Administration rulemaking efforts, monitoring federal agency implementation of the *Infrastructure Investment and Jobs Act*, preparing for our 2022 annual conference, public outreach and speaking engagements. These issues and other matters important to our members are further discussed in this memo.

BIDEN ADMINISTRATION DEVELOPMENTS

1. President Biden to Release FY 2023 Budget Request at March State of the Union

President Biden will release his FY 2023 budget around the time of his State of the Union speech to Congress on March 1, according to acting Office of Management and Budget (OMB) Director Shalanda Young. The President is required to release an annual budget request the first Monday in February, but that deadline has not been met in recent years, which typically happens during a transition to a new Administration.

2. Federal Agencies Mobilize to Overhaul Water Infrastructure

Federal agencies are moving fast to using newly enacted funding from the *Infrastructure Investment and Jobs Act* (IIJA) to address aging water and power infrastructure challenges across the country, including the American West. With President Joe Biden's signature on the bipartisan IIJA (also referred to as the Bipartisan Infrastructure Law, or "BIL") on November 15, the Family Farm Alliance and others involved with the year-long effort to secure \$8.3 billion in Western water infrastructure provisions are now working with the Biden Administration to immediately clear the

path for projects that will address critical Western water supply needs. Now, the energies of our infrastructure coalition will be redirected to the agencies overseeing administration of the funds; namely – the Bureau of Reclamation (Reclamation). We want to ensure that most of these dollars are spent on-the-ground for the intended purpose, and we’re already working with them to ensure that billions of dollars are spent on new infrastructure in a way that is efficient and effective.

a. White House Releases BIL Guidebook

The White House last month released a guidebook on the BIL. President Biden on January 31 welcomed governors to the White House on as part of the winter meeting of the National Governors Association, where he stressed the importance of infrastructure, telling them that they “know how to build roads and bridges” and that there are “a lot to build.” Addressing nearly \$1 trillion in federal funds, this guidebook offers insights on how to access both new and existing federal program funding included in BIL. About 60 percent of the funds will be distributed through formula, leaving 40 percent to be distributed through competitive grant programs. The guidebook contains 13 chapters grouping BIL programs into four major categories: 1) Transportation, 2) Climate, Energy, and the Environment, 3) Broadband, and 4) Other Programs. Other BIL water provisions include \$8.3 billion for the Bureau of Reclamation, including \$3.2 billion for aging infrastructure, \$1.15 billion for new storage and conveyance, \$100 million for small scale storage projects, \$250 million for ecosystem restoration, \$100 million for multi-benefit watershed projects and \$400 million for WaterSMART, including \$100 million for natural infrastructure projects. The 465-page report outlines what BIL funds are available, how to apply for them, and who to contact for questions. Each program’s funding amount and period of eligibility are listed with insight on the potential projects that would qualify. The Biden Administration will publish subsequent versions of this document to keep state and local governments up to date on the latest deadlines and details.

b. Implementation Letter Sent to Administration

Last month, the Alliance submitted a letter- co-signed by ACWA, California Farm Bureau, NWRA and Western Growers - to the Secretaries of Agriculture and Interior and the Chair of White House Council on Environmental Quality. The letter outlines four general concerns we have regarding implementation of the IIJA. We also sent courtesy copies to the Commissioner of Reclamation and the Chiefs of the Forest Service and Natural Resources Conservation Service (NRCS). One of the concerns noted in our letter is how IIJA requirements regarding Build America, Buy America could impact infrastructure projects costs and time frames. On January 19, the Biden Administration [announced](#) a new “Made in America Council”. The Council will share data that can help promote domestic sourcing and best practices across agencies that are facing similar challenges and opportunities, and also surface recommendations to help build and expand critical U.S. supply chains.

3. WaterSMART Funding Opportunities

The Bureau of Reclamation is offering up funding opportunities-a-plenty through its popular WaterSMART program. Through WaterSMART, Reclamation works cooperatively with states, tribes, and local entities as they plan for and implement actions to increase water supply through investments to modernize existing infrastructure and avoid potential water conflicts.

a. Cooperative Watershed Management Program

The WaterSMART Cooperative Watershed Management Program Phase I funding opportunity is now available from Reclamation to develop a watershed group, complete watershed management planning activities, and design watershed management activities. Applicants may request up to \$200,000 for projects to be completed within two years. A non-federal cost-share is not required for this funding opportunity. The funding opportunity is available on [grants.gov](https://www.grants.gov) by searching for opportunity number R22AS00163. Applications are due on March 31, 2022, at 4 pm MDT. The Bureau of Reclamation will host a webinar on Thursday, February 17, 2022, at 1 pm MST to discuss eligible applicants and project types, program requirements, and the evaluation criteria for the Cooperative Watershed Management Program Phase I funding opportunity. You can find out more about this program and the webinar at www.usbr.gov/watersmart/cwmp.

b. Basin Studies and Water Management Options Pilots

Reclamation is requesting letters of interest from eligible non-federal entities for Basin Studies and Water Management Options Pilots. Letters of interest are due by February 11, 2022, to the nearest regional office. Through basin studies, Reclamation works with state and local partners to develop projections of future water supply and demand, including the impacts of climate change, and to identify collaborative strategies to ensure sustainable future water supplies in river basins across the Western United States. Reclamation is also requesting letters of interest for Water Management Options Pilots. These pilots allow Reclamation to work with state and local partners to evaluate solutions to water management challenges by building on completed basin studies. Pilots may include both additional analysis that further develop strategies identified in a basin study and/or efforts to update or expand analysis. To learn more about WaterSMART Basin Studies and to locate contact information for your respective regional office, visit www.usbr.gov/watersmart/index.html.

c. Title XVI and Desalination Construction Projects

Reclamation will host a webinar on Wednesday, February 9, 2022, at 10 a.m. MST to share information about Title XVI Program and Desalination Construction Project funding opportunities that are currently open for applications, and how projects can become eligible to compete for funding under future funding opportunities. The Title XVI Program provides financial assistance to local water agencies for the planning, design, and construction of water reclamation and reuse projects. The Title XVI WIIN Act Notice of Funding Opportunity invites sponsors of projects

eligible under Section 4009(c) of the WIIN Act to request cost-shared funding for planning, design, and/or construction of those Projects. The Title XVI Congressionally Authorized Water Reclamation and Reuse Projects Funding Opportunity is available for planning, design, and construction of congressionally authorized Title XVI Projects. You may access this funding opportunity by searching [grants.gov](https://www.usbr.gov/grants) for opportunity number R22AS00116.

The Desalination Construction Projects Under the WIIN Act Funding Opportunity is available for planning, design, and construction of ocean and brackish water desalination projects eligible under Section 4009(a) of the WIIN Act. You may access this funding opportunity by clicking by searching [grants.gov](https://www.usbr.gov/grants) for opportunity number R22AS00117. Applications under each funding opportunity are due on March 15, 2022 at 4:00 p.m. MDT. Local water agencies that are the sponsors of water recycling or desalination projects are encouraged to participate. Learn more at <https://www.usbr.gov/watersmart>.

4. Administration Tees Up Climate, Conservation Funding Opportunities

At a forum on climate policy and agriculture, U.S. Secretary of Agriculture Tom Vilsack said he's noted a "sea change" in farmers' thinking on the issue since his first stint heading the Agriculture Department from 2009 to 2017. Secretary Vilsack used the Bipartisan Policy Center forum, to promote the USDA's focus on climate, including a plan for conservation pilot projects around the country that could reveal the carbon benefits of various practices. NRCS recently announced several new and expanded opportunities for climate smart agriculture and regional conservation efforts in 2022. Climate smart agriculture updates include nationwide availability of the Environmental Quality Incentives Program (EQIP) Conservation Incentive Contracts option, a new and streamlined EQIP Cover Crop Initiative, and added flexibilities for producers to easily re-enroll in the Conservation Stewardship Program (CSP). These improvements to NRCS' working lands conservation programs, combined with continued program opportunities in all states, are part of the Biden-Harris Administration's effort to support climate-smart agriculture.

a. New Partnership Announced

NRCS is announcing a new partnership with Farmers for Soil Health, an initiative of the United Soybean Board, National Corn Growers Association and National Pork Board. Farmers For Soil Health works to advance use of soil health practices – especially cover crops – on corn and soybean farms. The initiative has a goal of doubling the number of corn and soybean acres using cover crops to 30 million acres by 2030. Other partners include the National Association of Conservation Districts, Soil Health Institute, and The Sustainability Consortium.

b. Cover Crops, Conservation Incentives, CSP

To complement the new partnership, NRCS is investing \$38 million through the new targeted Cover Crop Initiative in 11 states to help agricultural producers mitigate climate change through the widespread adoption of cover crops. Western states include California, Colorado, and South

Dakota. States were selected for this initial pilot based on their demonstrated demand for additional support for the cover crop practice. Sign-up dates will be determined at the state-level, and applications will be selected for funding by Feb. 11, 2022. NRCS accepts applications for conservation programs – including EQIP and CSP – year-round. However, producers and landowners should apply by state-specific, signup dates to be considered for each year’s funding. To apply, producers should contact their [local USDA Service Center](#).

c. Regional Conservation Partnership Program

USDA last month also announced up to \$225 million in available funding for conservation partners through the Regional Conservation Partnership Program (RCPP), a partner-driven program that leverages collective resources to find solutions to address natural resource challenges on agricultural land. This year’s funding announcements include opportunities for projects that address climate change, benefit historically underserved producers and support urban agriculture. There are two types of funding opportunities under RCPP: Classic and Alternative Funding Arrangements (AFA). Through AFA, partners have more flexibility in working directly with agricultural producers to support the development of new conservation structures and approaches that would not otherwise be available under the RCPP “Classic” funding. The 2018 Farm Bill provided improved contracting for partners engaged in work with producers, which is intended to be streamlined and made more effective under the RCPP. Project types that may be suited to AFA, as highlighted by the 2018 Farm Bill include projects that:

- Use innovative approaches to leverage the federal investment in conservation.
- Deploy a pay-for-performance conservation approach.
- Seek large-scale infrastructure investment that generate conservation benefits for agricultural producers and nonindustrial private forest owners.

USDA is accepting project proposals for both components of RCPP through April 13, 2022. View the funding opportunity on [grants.gov](#) for RCPP Classic and RCPP AFA. Funding is open to agriculture and silviculture associations, non-government organizations, Indian tribes, state and local governments, conservation districts and universities, among others.

d. Partnerships for Climate-Smart Commodities

Agriculture Secretary Tom Vilsack on February 7 announced that the U.S. Department of Agriculture is delivering on its promise to expand markets by investing \$1 billion in partnerships to support America’s climate-smart farmers, ranchers and forest landowners. The new [Partnerships for Climate-Smart Commodities](#) opportunity will finance pilot projects that create market opportunities for U.S. agricultural and forestry products that use climate-smart practices and include innovative, cost-effective ways to measure and verify greenhouse gas benefits. USDA is now accepting project applications for fiscal year 2022.

For the purposes of this funding opportunity, a climate-smart commodity is defined as an agricultural commodity that is produced using agricultural (farming, ranching or forestry) practices that reduce greenhouse gas emissions or sequester carbon. Funding will be provided to partners through the USDA's [Commodity Credit Corporation](#) for pilot projects to provide incentives to producers and landowners to:

- implement climate-smart production practices, activities, and systems on working lands,
- measure/quantify, monitor and verify the carbon and greenhouse gas (GHG) benefits associated with those practices, and
- develop markets and promote the resulting climate-smart commodities.

A range of public and private entities may apply, but the primary applicant must be an entity, not an individual. Funding will be provided in two funding pools, and applicants must submit their applications via [Grants.gov](#) by: 1) April 8 for the first funding pool (proposals from \$5 million to \$100 million); and 2) May 27 for the second funding pool (proposals less than \$5 million).

5. MOU Between NOAA and Army Corps of Engineers

Water users across the West have expressed concerns in recent weeks regarding a [joint memorandum](#) between the Department of Army Civil Works (Corps) and the National Oceanic and Atmospheric Administration (NOAA). As described in the document, this memorandum resolves for Corps and NOAA's National Marine Fisheries Service (NMFS) how the agencies evaluate the effects of projects involving existing structures on listed species and designated critical habitat in Endangered Species Act (ESA) Section 7 consultations. This started several years ago with a unilateral decision by NOAA in the Pacific Northwest that primarily impacted the maintenance of coastal & Puget Sound port and maritime infrastructure. It is now national in scope.

The challenge arises for the Corps' Regulatory Program and anyone who needs Corps permits where they are required to do a Section 7 Consultation with NOAA Fisheries to get a maintenance permit. Applicants will no longer be able to include the existing structure as part of the environmental baseline when doing their calculations to figure out mitigation for their maintenance action. So now, they will have to mitigate not only for the maintenance work being performed, but also for the "enduring effects" of the entire structure in the environment for however long the useful life of the structure has been extended. Advocates for ports in the Pacific Northwest estimate that this will increase maintenance costs 5-30% and almost all maintenance permits will be required to go through formal consultation, which takes more time and has additional costs associated, too. While the maintenance of Federal channels, locks and dams may be covered under the Civil Works program, entities needing permits for any maintenance work for facilities on, over, or near the water, may be impacted by this. Anyone needing permits from the Corps where an ESA Section 7 consultation is required is likely going to face this challenge.

We are working with others in the regulated community to assess the impacts this would impose economically with Section 7 consultations. Since this is now national in scope, there may be interest from Congressional delegations outside of the Northwest, especially as port projects in their areas start to feel the impacts.

6. Corps of Engineers Guidelines for Climate and Environmental Justice

In other Corps news, House Transportation and Infrastructure (T&I) Democrats sent a [letter](#) to Assistant Secretary of the Army for Civil Works Michael Connor and Brenda Mallory, chair of the Council on Environmental Quality (CEQ) at the White House complaining that the Army Corps of Engineers (Corps) is late in updating 30-year-old planning and construction guidelines for federal projects, called the principles, requirements and guidelines (PR&Gs). The letter opines that the lack of updates to the PR&Gs could hamstring the Corps' ability to tackle climate change and environmental justice and deploy infrastructure dollars. The Alliance has in the past criticized the updates in question, as they would elevate environmental concerns as the agency weighs costs and benefits of water resource projects, such as building dams and levees. The Corps was supposed to have updated the PR&Gs by last summer under the 2020 Water Resources Development Act (WRDA) bill. According to House T&I staff, all other federal water resource agencies have finished implementing the PR&Gs.

8. Foothill Yellowlegged Frog Proposed for ESA Listing

The U.S. Fish and Wildlife Service (Service) has proposed to list four of six distinct population segments (DPSs) of the foothill yellowlegged frog, a stream dwelling amphibian from Oregon and California, under the Endangered Species Act (ESA). After a review of the best scientific and commercial information available, the Service finds that listing the South Sierra and South Coast DPSs as endangered and the North Feather and Central Coast DPSs as threatened is warranted. In the Service's proposal, water management policies, ag practices and other factors are identified as threats. All of these DPSs are in California.

If you think protecting a frog under the ESA is no big thing – think again. Just ask the irrigators in Central Oregon who have had their stored water management impacted in a major way due to the listing of the Oregon spotted frog a few years back. The same activist groups behind the latest frog listing are the same ones driving this latest effort. We're working with California Farm Bureau, the timber industry, and others to assess how best to engage. The comment period for this proposal ends on February 28, so some – including California House Republicans – have asked for a 90-day comment period extension.

DEVELOPMENTS IN CONGRESS

Mark Limbaugh and his team at The Ferguson Group report that the Senate will now vote on temporary spending legislation this week extending government funding through March 11 as the current continuing resolution (CR) is set to expire on Friday. The House passed the new CR last

week. Top appropriators in Congress have announced that they reached a deal on a framework for omnibus legislation that would include all 12 spending bills for the rest of FY 2022. This included an agreement on top line spending levels that will be translated into budget allocations for staff to begin their work writing the omnibus with the goal of having much of this work finished by March 1. Democrats are seeking to finally override the funding levels carried over from the spending package signed into law in the last weeks of Donald Trump’s presidency, while Republicans are fighting for a military budget far above the less than 2 percent increase President Joe Biden requested. While specific contentious policy debates may yet upend the talks, leaders in both parties applauded the framework agreement.

9. Water Resources Development Act

Key House and Senate committees are moving ahead with plans to draft a new Water Resources Development Act (WRDA) to authorize billions of dollars for Army Corps of Engineers (Corps) flood protection, river locks and dams, environmental restoration and other civil works projects. As they work on the legislation in coming months, lawmakers' goal is to pass a bill by the end of the year. I was invited earlier this month speak at the monthly meeting of stakeholders and Senate staff hosted by the Western Caucus Foundation, where the topic of the day was WRDA. We and the offices of several Western Senators view WRDA as one potential vehicle to include a “Reclamation title”, similar to what occurred with the 2016 WRDA, or “Water Infrastructure Improvements for the Nation” (WIIN) Act, which included significant new authority for Reclamation to support water storage projects. Our priorities for the remainder of this Congress will be looking for ways to keep money flowing to larger storage projects on a cost-share basis and making necessary tweaks to the recently passed BIL. The vehicle that could carry such legislation might be WRDA or some other omnibus package that moves later this year. The House Subcommittee on Water Resources and Environment conducted a February 8 hearing to hear stakeholder priorities on proposals for the 2022 WRDA.

10. ‘Build Back Better Act’ Set Back Even Further

With the consumer price index rising 7.5 percent over the last year, the fastest pace in since 1982 according to the Bureau of Labor Statistics, Sen. Joe Manchin (D-WV) – the Senate’s crucial swing vote – warned Congress about constraining new spending, derailing any current plans to resurrect President Biden’s *Build Back Better Act (BBB Act)*, his signature climate and social spending bill. The bill was to have been passed under Senate budget reconciliation rule that only requires a majority vote rather than the 60-vote threshold other bills must attain to pass the Senate. In the 50-50 Senate, that means every single Democrat must vote for the bill to have Vice President Harris break the tie. Sen. Manchin announced his objection to the House-passed \$1.7 trillion *BBB Act* in December and has declared the bill “dead” in its current form in the Senate.

Mark Limbaugh reports there are ongoing discussions among Democrats about how to revive the *BBB Act* and budget reconciliation in some form, calling the *BBB Act* a “deficit reduction” bill that would help ease inflation. But so far, Sen. Manchin has not budged on his inflation concerns,

restating his position that the legislation would be better served by “starting over” in the various committees through hearings and markups, a process that would take most of the year to accomplish. And the extended absence of Sen. Ben Ray Lujan (D-NM), as he recovers from a stroke, would make it impossible to pass a revised reconciliation bill soon, taking the pressure off trying to revise and move something quickly through the Senate.

11. House Democrats to Push EJ Agenda with NR Committee Hearing

House Natural Resources Chairman Raul Grijalva (D-ARIZONA) is set to convene a hearing on his "*Environmental Justice for All Act*," [H.R. 2021](#), which would provide more protections for communities and individuals affected by pollution and environmental safety hazards. With the *BBB Act* (which would make major investments in aid to environmental justice communities) stalled in the Senate, House Democrats are pushing environmental justice (EJ) legislation to address the need.

The legislation would require federal agencies to consider community health impacts during permitting decisions; codify into law the federal government's existing environmental justice initiatives; and impose new fees on oil, gas and coal companies to fund local transitions away from fossil fuel economies. The bill would also reverse a 2001 Supreme Court ruling that has made it harder for private citizens to pursue legal remedies when they are victims of actions that disproportionately harm poor, nonwhite communities. The bill would also reverse a 2001 Supreme Court ruling that has made it harder for private citizens to pursue legal remedies when they are victims of actions that disproportionately harm poor, nonwhite communities. While Democrats expect to have the votes to pass the bill in the House, even unanimous support among Senate Democrats will not be enough to advance it in the Senate due to the filibuster rules requiring 60-votes to move legislation in that body. Republicans are united in their opposition to the bill.

JUDICIAL DEVELOPMENTS

12. Supreme Court to Revisit WOTUS

Potentially game-changing news for Western farmers and ranchers hit the headlines last month when the U.S. Supreme Court announced that the justices will revisit and potentially limit the scope of Clean Water Act (CWA) precedent. The case to be taken up by the Supreme Court centers on a conflict between an Idaho couple, Chantell and Michael Sackett, and the Environmental Protection Agency (EPA). The Sacketts attempted to build a home on land the EPA claims to be federally protected wetlands under the CWA. As reported in *E&E News*, the Supreme Court in 2012 sided with the Sacketts in their battle for judicial review of an EPA order that stopped them from building a house on their land and threatened fines of more than \$30,000 a day. In a short order last month, the justices agreed to consider whether the 9th U.S. Circuit Court of Appeals erred when it affirmed that the federal government has permitting authority over the couple's property in northern Idaho.

The interpretation of what qualifies as “waters of the U.S.” (WOTUS) under the CWA is the focus of this case. Justice Anthony Kennedy provided the key vote in the 4-1-4 decision in *Rapanos v. United States* in 2006, where he disagreed with his colleagues on how to determine in which cases the federal government can exercise its CWA authority. In the years since *Rapanos*, federal courts have generally favored Justice Kennedy’s “significant nexus” test, which takes a broad view of federal jurisdiction, over Justice Antonin Scalia’s narrower definition requiring a wetland to have a continuous surface connection to a regulated water. Former Justice Kennedy’s test had served as the basis for the Obama administration’s Clean Water Rule, which the Trump administration later replaced with the Navigable Waters Protection Rule (NWPR). The Trump rule relied heavily on former Justice Scalia’s CWA interpretation. That rule was struck down by a federal court in Arizona last year, giving the Biden administration a chance to write a brand-new rule.

Last month’s decision to grant *cert* could provide a new perspective of what the language in the CWA really means. In 2019, the Family Farm Alliance submitted extensive formal comments to the EPA and U.S. Army Corps of Engineers in support of the Trump Administration’s approach to base a new WOTUS rule on former Justice Scalia’s plurality decision in the 2006 case *Rapanos v. United States*. With *cert* granted in the Sackett case, the Supreme Court could take action in October that removes the need for the Biden Administration to write a brand-new rule for what constitutes WOTUS under the CWA. We will continue to cover this important new development closely, while also continuing to advocate for irrigated agriculture with the Biden Administration as they proceed with current rulemaking. We are also considering working with other interests to develop a Western water amicus brief for the Supreme Court on this matter.

13. Other WOTUS Developments

Meanwhile, EPA is “committed to establishing a durable definition” of WOTUS, spokesman Timothy Carroll said. The Biden Administration last fall had proposed to unveil this month a new definition of what constitutes a WOTUS. That timeline has now been pushed back to later in the year. The Biden Administration has moved to formally rescind the Trump Administration’s NWPR and to put back in place pre-2015 CWA regulations informed by past court precedent. EPA recently held virtual outreach meetings with state and local government officials on its first phase rule proposal to return to the definition of WOTUS pre-2015, pending promulgation of a new WOTUS rule in a planned second phase. The proposed rulemaking is currently out for public comment until February 7.

a. Concerns of American Farmers and Ranchers

EPA’s Farm, Ranch and Rural Communities Advisory Committee last month submitted a list of recommendations to EPA Administrator Michael Regan on the intended revision of the definition of WOTUS. The agencies significantly expanded their interpretation of the jurisdictional authority

provided under the 2015 rule in a system that was neither beneficial for farmers or ranchers or the environment, the committee said. The evolution of the definition of WOTUS has been a source of confusion and concern for American agriculture for several decades. Leaders of the American Farm Bureau Federation at the organization's annual convention last month in Atlanta, Georgia urged growers to speak out against the Biden administration's proposed expansion of WOTUS.

b. Family Farm Alliance Efforts

Family Farm Alliance members believe the federal agencies should simply revert to the pre-2015 regulations and guidance that has been longstanding and is familiar to the regulated community. The proposed rule should not include additional interpretations of the Supreme Court's decisions in *SWANCC*, *Rapanos*, and other relevant CWA cases in administering the pre-2015 regulations and guidance. The current guidance memo on implementing the Clean Water 404(f) exemptions for construction and maintenance of ditches and maintenance of drains should remain in place. The Alliance worked with its members to prepare a formal comment letter to EPA that will be transmitted to the agency on February 7. The Alliance letter recommends the agencies conclude that man-made canals, drains, roadside ditches, wastewater and stormwater treatment, constructed wetlands, water reuse and recycling facilities, groundwater recharge facilities, and other similar infrastructure features not be categorized as WOTUS and regulated under the CWA.

c. Republicans Demand Halt to WOTUS Rulemaking

Senate Republicans have joined their colleagues in the House in calling on the Biden Administration to hold off on crafting its new WOTUS rule. They want the Administration to wait until the Supreme Court has reviewed the *Sackett v. EPA* case. A [letter](#) led by Sens. John Kennedy (R-LA) and John Thune (R-SD) was signed by all 50 Republican senators (including Minority Leader Mitch McConnell (R-KY)) that called on EPA Administrator Michael Regan and Assistant Secretary of the Army for Civil Works Michael Connor to delay crafting a new regulatory definition of WOTUS. House Republicans earlier this month made the same request. EPA has remained quiet on its plans going forward, saying only that the agency is dedicated to hammering out a "durable" regulatory definition to determine which waters are federally protected.

d. Florida and EPA Clash Over Use of Trump WOTUS Rule

EPA and Florida are at odds over the state's continued use of Trump-era NWPR for CWA permitting. Federal judges in Arizona and New Mexico vacated the rule and sent it back to EPA last summer, saying the Trump definition of WOTUS had "fundamental, substantive flaws." But Florida, one of only three states with delegated authority from EPA to oversee wetland permitting under the CWA, is continuing to apply the NWPR in its permitting decisions regulating development in waters of the U.S.

ALLIANCE INITIATIVES

14. 2022 Annual Meeting and Conference

The 2022 Family Farm Alliance Annual Conference is set for February 24-25, 2022 at the Silver Legacy Resort in Reno (NEVADA). Registration information is available on our website: www.familyfarmalliance.org. We're planning on an in-person event, although the COVID-19 Omicron variant has folks nervous, especially on the East Coast. We'll definitely have engagement from Congress and the Biden Administration, although some of the speakers may participate via ZOOM, including Reclamation Commissioner Camille Touton, who is expecting her third child that week. There's still time to register if you haven't already. Conference highlights include:

- **Luncheon Keynote Speaker** – Robert Bonnie, USDA Under Secretary for Farm and Production (*via ZOOM*).
- **Reclamation Roundtable** - Featuring keynote remarks by Interior Department Assistant Secretary for Water and Science Tanya Trujillo, and Reclamation Commissioner Camille Touton (*via ZOOM*), as well as interactive discussion with all five regional directors.
- **The Biden Water Leadership Team** – A panel of appointed senior officials from EPA and the Departments of Agriculture, Army and Interior will discuss Western water challenges and issues.
- **A Look at D.C. From the Hill** - Mark Limbaugh moderates this panel of Democrat and Republican staff from key congressional water committees.
- **Report from Glasgow** - Hear from Alliance President Pat O'Toole and other leaders of Solutions from the Land who served as delegates at COP26 in Scotland.
- **The Western Water Infrastructure Coalition** - Learn more about the "behind the scenes" effort that succeeded in achieving \$8.3 billion for Western water infrastructure.
- **Colorado River** - Learn how agricultural water interests from the Continental Divide to the Mexican border are helping decision-makers facing shortages due to drought and over-allocation.
- **Western Innovators** - Case studies of voluntary efforts to conserve water and improve water quality.
- **Gearing up for the Biden Administration's 30 x 30 Program** - Perspectives of Western landowners, ranchers, conservationists and resource managers.
- **The Western Ag and Conservation Coalition** - Diverse stakeholders prepare to engage on the 2023 Farm Bill and other endeavors.

The [full agenda](#) is also available on our website.

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.

Introduced by Senators Nielsen and Borgeas

January 31, 2022

An act to add and repeal Section 140.5 of the Water Code, relating to water, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 890, as introduced, Nielsen. Department of Water Resources: Water Storage and Conveyance Fund: water storage and conveyance.

Under existing law, the United States Bureau of Reclamation operates the federal Central Valley Project and the Department of Water Resources operates the State Water Project to supply water to persons and entities in the state. Existing law requires the Friant-Kern Canal to be of such capacity as the department determines necessary to furnish an adequate supply of water for beneficial purposes in the area to be served by the canal.

This bill would establish the Water Storage and Conveyance Fund in the State Treasury to be administered by the department. The bill would require all moneys deposited in the fund to be expended, upon appropriation by the Legislature, in support of subsidence repair and reservoir storage costs, including environmental planning, permitting, design, and construction and all necessary road and bridge upgrades required to accommodate capacity improvements. The bill would require the department to expend from the fund, upon appropriation by the Legislature, specified monetary amounts to complete funding for the construction of the Sites Reservoir, and to restore the capacity of 4 specified water conveyance systems, as prescribed, with 2 of those 4 expenditures being in the form of a grant to the Friant Water Authority and to the San Luis and Delta-Mendota Water Authority. This bill would

make these provisions inoperative on July 1, 2030, and would repeal it as of January 1, 2031.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) The Friant-Kern Canal, the Delta-Mendota Canal, the San
4 Luis Canal, and the California Aqueduct are the state's main state
5 and regional water conveyance infrastructure that delivers water
6 for agricultural, municipal, and industrial use, refuge water
7 supplies, and groundwater recharge in the San Joaquin Valley and
8 in southern California.

9 (b) This water is delivered through a series of regional canals
10 and aqueducts that traverse through the San Joaquin Valley and
11 continue to southern California for delivery.

12 (c) At least 5,000,000 people in the state, including
13 approximately 1,250,000 people living in disadvantaged
14 communities, receive water from the Friant-Kern Canal, the
15 Delta-Mendota Canal, and the San Luis Canal.

16 (d) The State Water Project provides approximately three-fourths
17 of California's disadvantaged communities with some or all of
18 their water supplies.

19 (e) Over 750,000 acres of farmland receive water from the State
20 Water Project and nearly 2,500,000 acres of productive cropland
21 are served water through the Friant-Kern Canal, the Delta-Mendota
22 Canal, and the San Luis Canal.

23 (f) An increase in groundwater pumping caused by a failure of
24 the state and federal governments to provide a reliable supply of
25 surface water has caused significant land subsidence that has
26 affected the ability of regional water conveyance infrastructure to
27 convey water. In some areas, the water conveyance has
28 infrastructure dropped in elevation an average of one inch per
29 month since 2014.

30 (g) It is of paramount importance that the primary state and
31 regional water conveyance infrastructure in the state be protected

1 from subsidence, and that conveyance be restored whenever
2 economically, environmentally, and technically feasible.

3 (h) The total cost to repair the Friant-Kern Canal, the
4 Delta-Mendota Canal, and the San Luis Canal regional water
5 conveyance structures is approximately \$2,300,000,000 over 10
6 years.

7 (i) In addition, with the potential for a changing climate that
8 could significantly reduce snowpack and produce flashier storms
9 that feature more atmospheric rivers of precipitation in the form
10 of rainfall, California must prioritize storing water in the wet years
11 for use in the drier years.

12 (j) In 2014, the voters approved Proposition 1, a state bond act
13 that provided the sum of \$2,700,000,000 for water storage. The
14 California Water Commission has allocated the entire sum of
15 \$2,700,000,000. To date, not one of the projects specified in this
16 bill are complete.

17 (k) Sites Reservoir is an off-stream storage facility envisioned
18 for nearly 40 years. It can store over 1,000,000 acre-feet of water
19 north of the Bay Delta. As a result, Sites Reservoir is the only
20 proposed storage facility in California that would help with the
21 statewide operational effectiveness of the State Water Project and
22 the Central Valley Project. If fully funded and constructed, it will
23 play a significant role in the amount of water available statewide
24 for farms, cities, and the environment throughout the state.

25 (l) Restoring water conveyance and increasing storage capacity
26 is a necessary step to improving water resilience and to protect
27 critical regional water infrastructure from the impacts of drought
28 and climate change, which will improve the accessibility of safe
29 and reliable drinking water and other beneficial uses of water.

30 SEC. 2. Section 140.5 is added to the Water Code, to read:

31 140.5. (a) The Water Storage and Conveyance Fund is hereby
32 established in the State Treasury to help expand and restore water
33 conveyance and storage capacity throughout California. The
34 department shall administer the fund.

35 (b) Until July 1, 2030, all moneys deposited in the fund shall
36 be expended, upon appropriation by the Legislature, for projects
37 that support subsidence repair and reservoir storage costs, including
38 environmental planning, permitting, design, and construction and
39 necessary road and bridge upgrades required to accommodate
40 capacity improvements.

1 (c) Moneys expended from the fund for each individual project
2 specified in subdivision (d) shall not exceed one-third of the total
3 cost of each individual project. The total amount expended from
4 the fund for all of the projects specified in subdivision (d) shall
5 not exceed three billion one hundred eighty-five million dollars
6 (\$3,185,000,000).

7 (d) The department shall expend from the fund, upon
8 appropriation by the Legislature, all of the following, consistent
9 with subdivision (b):

10 (1) Up to the sum of two hundred thirty million dollars
11 (\$230,000,000) for a grant to the Friant Water Authority to restore
12 the capacity of the Friant-Kern Canal.

13 (2) Up to the sum of one hundred forty million dollars
14 (\$140,000,000) for a grant to the San Luis and Delta-Mendota
15 Water Authority to restore the capacity of the Delta-Mendota
16 Canal.

17 (3) Up to the sum of one hundred forty-five million dollars
18 (\$145,000,000) to restore the capacity of the San Luis Field
19 Division of the California Aqueduct.

20 (4) Up to the sum of seventy million dollars (\$70,000,000) to
21 restore the capacity of the San Joaquin Division of the California
22 Aqueduct.

23 (5) Up to the sum of two billion six hundred million dollars
24 (\$2,600,000,000) to complete funding for the construction of the
25 Sites Reservoir.

26 (e) This section shall become inoperative on July 1, 2030, and,
27 as of January 1, 2031, is repealed.

28 SEC. 3. This act is an urgency statute necessary for the
29 immediate preservation of the public peace, health, or safety within
30 the meaning of Article IV of the California Constitution and shall
31 go into immediate effect. The facts constituting the necessity are:

32 Due to the impacts of increased groundwater pumping, drought,
33 and climate change on the ability of primary state and regional
34 water infrastructure to provide and convey water to the people of
35 this state, it is necessary for this act to take effect immediately.

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Introduced by Senator GroveFebruary 16, 2022

An act to amend Section 100 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 1146, as introduced, Grove. Water rights: reasonable and beneficial use of water.

Existing law declares that the right to water is limited to that water that is reasonably required for the beneficial use to be served, and does not extend to the waste or unreasonable use, unreasonable method of use, or unreasonable method of diversion of water.

This bill would make nonsubstantive changes to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 100 of the Water Code is amended to
2 read:
3 100. (a) It is hereby declared that because of the conditions
4 prevailing in this ~~State~~ *state*, the general welfare requires that the
5 water resources of the ~~State~~ *state* be put to beneficial use to the
6 fullest extent of which they are capable, and that the ~~waste or~~
7 ~~waste~~, unreasonable ~~use~~ *use*, or unreasonable method of use of
8 water be prevented, and that the conservation of ~~such~~ water is to
9 be exercised with a view to the reasonable and beneficial use
10 ~~thereof of that water~~ in the interest of the people and for the public
11 welfare. ~~The~~

Introduced by Senator Grove

February 17, 2022

An act to amend Section 10500 of the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 1166, as introduced, Grove. Department of Water Resources: appropriations of water.

Under existing law, the Department of Water Resources is required to make and file with the State Water Resources Control Board applications for the appropriation of any water that, in the department's judgment, is or may be required in the development and completion of all or part of a general or coordinated plan for the development, utilization, or conservation of the water resources of the state. Existing law gives those applications priority, as of the date of filing the application, over any subsequent application and generally exempts the applications from certain water rights diligence provisions.

This bill would make nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 10500 of the Water Code is amended to
- 2 read:
- 3 10500. (a) The department shall make and file applications
- 4 for any water ~~which~~ *that* in its judgment is or may be required in
- 5 the development and completion of the whole or any part of a
- 6 general or coordinated plan looking toward the development,
- 7 utilization, or conservation of the water resources of the state.

1 ~~Any~~

2 ~~(b) Any~~ application filed pursuant to this part shall be made and
3 ~~filed pursuant to Part 2 (commencing with Section 1200) of~~
4 ~~Division 2 of this code and the rules and regulations of the State~~
5 ~~Water Resources Control Board~~ *board* relating to the appropriation
6 of water insofar as ~~applicable thereto.~~ *applicable.*

7 ~~Applications~~

8 ~~(c) Applications~~ filed pursuant to this part shall have priority,
9 as of the date of filing, over any application made and filed
10 subsequent ~~thereto.~~ *to that date.*

11 ~~(d) The~~ statutory requirements of Part 2 (commencing ~~at~~ *with*
12 Section 1200) of Division 2 relating to diligence shall not apply
13 to applications filed under this part, except as otherwise provided
14 in Section 10504.

O

1 (b) *The* right to water or to the use or flow of water in or from
2 any natural stream or watercourse in this ~~State~~ *state* is and shall
3 be limited to ~~such that~~ *that* water as shall be *that* is reasonably required
4 for the beneficial use to be served, and ~~such that~~ *that* right does not
5 and shall not extend to the waste or unreasonable ~~use or~~ *use*,
6 unreasonable method of ~~use~~ *use*, or unreasonable method of
7 diversion of water.

O

Introduced by Senators Hurtado and CorteseFebruary 17, 2022

An act to add Section 85215 to the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 1218, as introduced, Hurtado. Delta Stewardship Council: annual water supply reliability estimation.

Existing law, the Sacramento-San Joaquin Delta Reform Act of 2009, establishes the Delta Stewardship Council, which is required to develop, adopt, and commence implementation of a comprehensive management plan, known as the Delta Plan, for the Sacramento-San Joaquin Delta.

This bill would require the council, at least once annually, to publish on its internet website, in consultation with relevant state and federal agencies and the public, a water supply reliability estimation for the water flows into the Delta and out of the Straits of Carquinez and into the San Francisco Bay.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 85215 is added to the Water Code, to
- 2 read:
- 3 85215. At least once annually, the council, in consultation with
- 4 relevant state and federal agencies and the public, shall publish on
- 5 its internet website a water supply reliability estimation for the

- 1 water flows into the Delta and out of the Straits of Carquinez and
- 2 into the San Francisco Bay.

O

Introduced by Senators Hurtado and Cortese

February 17, 2022

An act to add Section 12805.4 to the Government Code, and to amend and repeal Section 175 of, and to add Section 175.1 to, the Water Code, relating to water.

LEGISLATIVE COUNSEL'S DIGEST

SB 1219, as introduced, Hurtado. Water: State Water Resources Control Board dissolution: Blue Ribbon Commission.

Existing law establishes the State Water Resources Control Board within the California Environmental Protection Agency with specified duties relating to, among other things, administering water rights, the Porter-Cologne Water Quality Control Act, and the California Safe Drinking Water Act. Existing law establishes the Department of Water Resources within the Natural Resources Agency and prescribes the jurisdiction and various general administrative authorities and duties of the department regarding, among other things, matters pertaining to water resources and dams in the state.

This bill would dissolve the board as of January 1, 2025. The bill would designate the department as the successor to the board and would vest the department with all of the powers, duties, purposes, responsibilities, and jurisdiction vested in the board under existing law, including, but not limited to, those laws under which permits or licenses to appropriate water are issued, denied, or revoked, under which the functions of water pollution and quality control are exercised, and under which drinking water is regulated.

The bill would require the Secretary of the Natural Resources Agency and the Secretary for Environmental Protection to convene a Blue Ribbon Commission to develop and submit, on or before December 31,

2024, to the Governor and to the Legislature a strategic vision, proposed statutes, and recommendations for a modern 21st century set of water agencies for the state, as provided. The commission would consist of specified heads of state agencies, 2 members appointed by the Senate Committee on Rules, and 2 appointed by the Speaker of the Assembly. The bill would authorize the Governor or the commission to appoint a citizen commission, advisory committee, task force, or any other group that the Governor or the commission deems necessary or desirable to assist in carrying out these provisions. The bill would require all relevant state agencies, at the request of the commission, to make available staff and resources to assist in the preparation of the strategic vision and proposed statutes. The bill would authorize the commission, its members, and state agencies represented on the commission to contract for consultants to assist in the preparation of the strategic vision and proposed statutes, as specified, and would exempt those contracts from certain public contracting requirements.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 12805.4 is added to the Government
- 2 Code, to read:
- 3 12805.4. (a) (1) The Secretary of the Natural Resources
- 4 Agency and the Secretary for Environmental Protection shall
- 5 convene a Blue Ribbon Commission to develop and submit, on or
- 6 before December 31, 2024, to the Governor and to the Legislature
- 7 in compliance with Section 9795 a strategic vision, proposed
- 8 statutes, and recommendations for a modern 21st century set of
- 9 water agencies for the state.
- 10 (2) The requirement for submitting a report to the Legislature
- 11 imposed under paragraph (1) is inoperative on December 31, 2028,
- 12 pursuant to Section 10231.5.
- 13 (b) The commission shall include all of the following:
- 14 (1) The Secretary of the Natural Resources Agency.
- 15 (2) The Secretary of Business, Consumer Services, and Housing.
- 16 (3) The Secretary of Transportation.
- 17 (4) The Secretary for Environmental Protection.
- 18 (5) The Secretary of Food and Agriculture.
- 19 (6) The President of the Public Utilities Commission.

1 (7) Two members appointed by the Senate Committee on Rules.

2 (8) Two members appointed by the Speaker of the Assembly.

3 (c) The strategic vision and draft statutes shall address all of the
4 following:

5 (1) Sustainable ecosystem functions, including aquatic and
6 terrestrial flora and fauna.

7 (2) Sustainable land use and land use patterns.

8 (3) Sustainable transportation uses, including streets, roads and
9 highways, and transportation by water.

10 (4) Sustainable utility uses, including aqueducts, pipelines, and
11 power transmission corridors.

12 (5) Sustainable agriculture water supply uses.

13 (6) Sustainable recreation uses, including current and future
14 recreational and tourism uses.

15 (7) Sustainable flood management strategies.

16 (d) The commission shall seek input from elected officials,
17 governmental agencies, interested parties, educational institutions,
18 and local communities. The Governor or the commission may
19 appoint a citizen commission, advisory committee, task force, or
20 any other group or groups that the Governor or the commission
21 deems necessary or desirable to assist in carrying out this section.

22 (e) For purposes of carrying out this section, the commission
23 may also seek input from other policy and resource leaders.

24 (f) All relevant state agencies, at the request of the commission,
25 shall make available staff and resources to assist in the preparation
26 of the strategic vision and proposed statutes.

27 (g) (1) The commission, its members, and state agencies
28 represented on the commission may contract for consultants to
29 assist in the preparation of the strategic vision and proposed statutes
30 in accordance with Article VII of the California Constitution.

31 (2) Contracts entered into pursuant to paragraph (1) shall
32 terminate no later than December 31, 2024.

33 (3) Contracts entered into pursuant to paragraph (1) are exempt
34 from Part 2 (commencing with Section 10100) of Division 2 of
35 the Public Contract Code.

36 SEC. 2. Section 175 of the Water Code is amended to read:

37 175. (a) There is in the California Environmental Protection
38 Agency the State Water Resources Control Board consisting of
39 five members appointed by the Governor. One of the members
40 appointed shall be an attorney admitted to practice law in this state

1 who is qualified in the fields of water supply and water rights, one
2 shall be a registered civil engineer under the laws of this state who
3 is qualified in the fields of water supply and water rights, one shall
4 be a registered professional engineer under the laws of this state
5 who is experienced in sanitary engineering and who is qualified
6 in the field of water quality, and one shall be qualified in the field
7 of water quality. One of the above-appointed persons, in addition
8 to having the specified qualifications, shall be qualified in the field
9 of water supply and water quality relating to irrigated agriculture.
10 One member shall not be required to have specialized experience.

11 (b) Each member shall represent the state at large and not any
12 particular portion thereof and shall serve full time. The board shall,
13 to the extent possible, be composed of members from different
14 regions of the state. The appointments made by the Governor shall
15 be subject to confirmation by the Senate in accordance with Article
16 2 (commencing with Section 1770) of Chapter 4 of Division 4 of
17 Title 1 of the Government Code.

18 (c) *This section shall remain in effect only until January 1, 2025,*
19 *and as of that date is repealed.*

20 SEC. 3. Section 175.1 is added to the Water Code, to read:

21 175.1. The State Water Resources Control Board is hereby
22 dissolved as of January 1, 2025. On that date, the Department of
23 Water Resources succeeds to and is vested with all of the powers,
24 duties, purposes, responsibilities, and jurisdiction vested in the
25 State Water Resources Control Board, or any officer or employee
26 thereof, under existing law, including, but not limited to, those
27 laws under which permits or licenses to appropriate water are
28 issued, denied, or revoked, under which the functions of water
29 pollution and quality control are exercised, and under which
30 drinking water is regulated. Commencing January 1, 2025, any
31 reference to the State Water Resources Control Board in law shall
32 be deemed to be a reference to the Department of Water Resources.

O

February 7, 2022

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.

Loren Booth
Hills Valley I.D.

Chris Tantau
Kaweah Delta W.C.D.

Michael Brownfield
Lindmore I.D.

Josh Pitigliano
Lower Tule River I.D.

Kent H. Stephens
Kern-Tulare W.D.

David Brown
Orange Cove I.D.

Eric Borba
Porterville I.D.

Steven G. Kisling
Saucelito I.D.

Matt Leider
Tea Pot Dome W.D.

Edwin L. Wheaton
Terra Bella I.D.

Rick Borges
Tulare I.D.

Jason R. Phillips
Chief Executive Officer

Douglas A. DeFlitch
Chief Operating Officer

854 N. Harvard Ave.
Lindsay, CA 93247

1121 L St., Ste. 610
Sacramento, CA 95814

(559) 562-6305

Ms. Damaris Christensen
Oceans, Wetlands and Communities Division
Office of Water (4504-T)
Environmental Protection Agency
1200 Pennsylvania Avenue NW
Washington, DC 20460

Ms. Stacey Jensen
Office of the Assistant Secretary of the Army for Civil Works
Department of the Army
108 Army Pentagon
Washington, DC 20310-0104

**Re: Docket ID No. EPA-HQ-OW-2021-0602 Regarding the Revised Definition of
“Waters of the United States”**

**Submitted via Email to <https://www.regulations.gov/> ; CWAwotus@epa.gov ;
and usarmy.pentagon.hqda-asa-cw.mbx.asa-cw-reporting@mail.mil.**

Dear Ms. Christensen and Ms. Jensen:

On behalf of the Friant Water Authority (FWA), we very much appreciate the opportunity to provide our comments on the proposed rule regarding a revised definition of “waters of the United States” (WOTUS) under the Clean Water Act (CWA) as proposed by the Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers (Corps) - collectively, “the agencies”.

FWA is a public agency formed under California law to operate, maintain, and replace the Friant-Kern Canal (FKC), a component of the Central Valley Project (CVP) owned by the Bureau of Reclamation, and to represent our members in the federal and state policy arena and in any operational decision making that could affect the Friant Division’s water supply. Our goal is to provide dependable, sustainable water from Millerton Reservoir to Friant Contractors. Water conveyed by the FKC supports an economically vital and diverse agricultural industry that includes many small, economically stressed communities in four counties. The Friant Division includes 15,000 family farms that produce nationally and internationally significant crops such as almonds, pistachios, and wine grapes. The production of these crops supports on-farm jobs, agricultural service sector jobs, as well as downstream sector jobs like transportation and food processing.

Proposed Federal Actions

On December 7, 2021, the agencies announced a proposed rulemaking process to interpret “waters of the United States” to mean the waters defined by the longstanding 1986 regulations, with amendments to certain parts of those rules to reflect the agencies’ interpretation of the statutory limits on the scope of the “waters of the United States” and informed by Supreme Court case law. The agencies also anticipate developing a second rulemaking informed by states, tribes, and stakeholder feedback that further refines and builds upon that regulatory foundation. Yet another stakeholder consultation process has been initiated as the agencies move closer to working on that second rulemaking. The agencies most recently revised these regulations in 2020 with the *Navigable Waters Protection Rule: Definition of “Waters of the United States,”* 85 Fed. Reg. 22,250 (April 21, 2020), which amended the regulations found at 33 CFR Part 328 and 40 CFR Part 120.

On January 20, 2021, President Biden signed Executive Order 13990; Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis, 86 Fed. Reg. 7037 (published January 25, 2021, signed January 20, 2021). Executive Order 13990 directed federal agencies to review rules including the *Navigable Waters Protection Rule (NWPR)*, issued during the prior four years that are, or may be, inconsistent with the policy stated in the order. Consistent with this Executive Order, the agencies have completed their review of the *NWPR* and have proposed this rulemaking to repeal the *NWPR* and provide for the return to pre-2015 regulations and guidance on the definition of “waters of the United States,” as referenced above.

Overview of Friant Water Authority Concerns

FWA over the past two decades has engaged in administrative efforts aimed at “clarifying” the application and interpretation of the CWA. These efforts included guidance developed by the George W. Bush Administration following the U.S. Supreme Court’s *SWANCC* and *Rapanos-Carabell* decisions, and the development of the Obama Administration’s *Clean Water Rule* (2015 Rule) and the *NWPR*. During this time, our organization consistently advocated for clearly written regulations that state what types of waters meet the definition of WOTUS subject to CWA Section 404 jurisdiction and, just as importantly, what waters do not.

FWA has significant concerns with the proposed rule and how the agencies seek to codify their interpretation of the Supreme Court’s decision in *Rapanos*. For example, the proposed regulations incorporate both the “significant nexus” and “relatively permanent” tests from *Rapanos* to define CWA jurisdiction for “other waters” and tributaries, thereby vastly expanding regulatory jurisdiction over wetlands and other water bodies beyond the pre-2015 regulations and guidance. The EPA and Corps are also currently seeking comments on numerous contentious topics within the proposed regulations, such as whether the final rule should define the terms “intermittently,” “ephemerally,” or “periodically” as used in the “relatively permanent” test, as well as the phrase “significantly affect” as used in the “significant nexus” test.

FWA recommends that the agencies limit the scope of the proposed rulemaking to only restoring pre-2015 regulations and guidance and not modify these longstanding, familiar regulations and guidance to reflect the agencies' further interpretation of the Supreme Court decisions in this rulemaking. Expanding the scope of pre-2015 definition of WOTUS will only lead to additional uncertainty and litigation in the interim. FWA understands that the agencies plan yet another rulemaking soon to promulgate a more "durable definition" of WOTUS. That rulemaking is where the agencies would most appropriately interpret the Supreme Court's relevant decisions. FWA believes the agencies should at that time, informed by a broadly inclusive process to collect stakeholder input and recommendations, use the entire docket of case law from Supreme Court cases such as *Rapanos*, *SWANCC*, and *Riverside Bayview* in developing their "durable definition" of WOTUS under the CWA. We further note that the Supreme Court's recent decision to review the *Sackett* case – and any opinion stemming from that review – may also affect the future rulemaking effort.

Regardless of when the agencies apply their interpretation of the relevant Supreme Court decisions in a rulemaking on defining WOTUS, FWA continues to be concerned about any possible expansion of the CWA that could bring isolated wetlands, ephemeral and intermittent streams, or other waters under federal jurisdiction. We reaffirm our belief that the states should continue to be in the lead in protecting these state waters. The agencies' proposal to consider "other waters" and tributaries, particularly ephemeral tributaries, alone or in combination with similarly situated waters in the region effectively transforms the CWA into a federal land use regulation¹. FWA believes that expanded federal CWA jurisdiction would negatively impact irrigated agriculture and our Western communities in many ways, such as adding additional regulatory burdens to water resiliency projects. This creates uncertainty that brings with it the risk of time-consuming and potentially expensive regulatory processes, expanded opportunities for litigation and a shift from local and state water management toward increased federal agency regulation and oversight.

We appreciate that the proposed rule's preamble recognizes that most ditches are not jurisdictional WOTUS. However, we recommend the proposed rule state, beyond the exemptions provided by the CWA, that the construction, operation, maintenance, repair, and rehabilitation of man-made ditches and canals, roadside ditches, and other similar features is not subject to CWA as jurisdictional "waters of the United States". FWA recommends that wastewater and stormwater treatment infrastructure, such as man-made ponds, constructed wetlands, water reuse and recycling facilities, and groundwater recharge infrastructure should all be excluded from a WOTUS definition. If not excluded, overregulation of these types of projects under the CWA would discourage their use.

FWA acknowledges that the agencies' recent guidance memo, *Joint Memorandum to the Field Between the U.S. Environmental Protection Agency Concerning Exempt Construction or Maintenance of Irrigation Ditches and Exempt Maintenance of Drainage Ditches Under Section*

¹ See [86 Fed. Reg. 69418](#) (other waters) and [69439](#) (under similarly situated waters)

404 of the Clean Water Act (July 24, 2020)², is frequently used to perform work on implementing CWA Section 404(f) exemptions for construction and maintenance of ditches and maintenance of drains. FWA recommends and supports keeping this memo in place regardless of any future rule defining WOTUS. The exemptions under Section 404(f) in the CWA provide significant assurances that irrigated agriculture, an important economic and food-producing component of our Nation, can continue to function without the need for CWA permits to work on agricultural ditches and drains critically important to their operations. Section 404(f) specifically exempts from CWA permitting requirements discharges of dredged or fill material into “waters of the U.S.” associated with the construction and maintenance of irrigation ditches and maintenance of drainage ditches. As such, the July 2020 guidance memo is critical to ensuring these activities remain exempt under the CWA.

In light of the recent U.S. District Court for the District of Arizona’s order vacating the *NWPR*, EPA states that some of the *NWPR* implementation memos, including the ditch exemption memo, may not be currently applicable.³ If the Agencies rescind the ditch exemption memo, FWA requests the agencies reinstate and use the U.S. Army Corps of Engineers, *Regulatory Guidance Letter (RGL) No. 07-02: exemptions for Construction or Maintenance of Irrigation Ditches and Maintenance of Drainage Ditches Under Section 404 of the Clean Water Act* (July 4, 2007).⁴

Conclusion

In conclusion, Friant Water Authority and its members believe the agencies should simply revert to the pre-2015 regulations and guidance that has been longstanding and is familiar to the regulated community. FWA believes the proposed rule should not include additional interpretations of the Supreme Court’s decisions in *SWANCC*, *Rapanos*, and other relevant CWA cases in administering the pre-2015 regulations and guidance. FWA also recommends that the current guidance memo on implementing the CWA 404(f) exemptions should remain in place. Finally, FWA recommends the agencies conclude - in this, and any future rulemaking providing the more “durable definition” of WOTUS - that man-made canals, drains, roadside ditches, wastewater and stormwater treatment, constructed wetlands, water reuse and recycling facilities, groundwater recharge facilities, and other similar infrastructure features not be categorized as WOTUS under the CWA.

FWA believes improving and maintaining water quality in this Nation can and should be achieved through partnerships carried out at the local, regional, state, and federal levels. We stand ready to work with the EPA, the Corps, and other agencies as appropriate as they once again move forward with the process to revise the definition of WOTUS. Most importantly, these partnerships must continue to be nurtured and maintained as we navigate the implementation of a new rule in the years ahead.

² EPA, *Ditch Exemptions Memo* (July 24, 2020), click [here](#).

³ EPA, *Navigable Waters Protection Rule – Implementation Memos* (last updated Dec. 5, 2021), click [here](#).

⁴ U.S. Army Corps, *Regulatory Guidance Letter* (July 4, 2007), click [here](#).

Thank you for this opportunity to comment.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jason Phillips', with a large loop at the start and a horizontal flourish at the end.

Jason Phillips, CEO
Friant Water Authority

JP/ms



117th Legislative Tracker

Last Updated: February 22, 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 (67)

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>84.0%85.6%</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. Introduction Date: 2021-03-23		
Primary Sponsors Tammy Duckworth			
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>9.2%73.8%</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. Introduction Date: 2021-03-18		
Primary Sponsors Angie Craig			

Bill Number

HR 1917

Last Action

Received In The Senate And Read Twice And
Referred To The Committee On Homeland
Security And Governmental Affairs 2021 11 15

Status

In Senate

FN Outlook

5.7% 77.2%

Title

Hazard Eligibility and Local Projects Act

Primary Sponsors

Lizzie Fletcher

Bill Summary: Last edited by TFG Reports at Feb 16, 2022, 10:20 PM

This bill makes an entity seeking assistance under a hazard mitigation assistance program eligible to receive such assistance for certain projects already in progress.

Introduction Date: 2021-03-16

Bill Number

HR 1833

Last Action

Received In The Senate And Read Twice And
Referred To The Committee On Homeland
Security And Governmental Affairs 2021 07 21

Status

In Senate

FN Outlook

4.8% 78.6%

Title

DHS Industrial Control Systems Capabilities Enhancement Act of 2021

Primary Sponsors

John Katko

Bill Summary: Last edited by TFG Reports at Mar 30, 2021, 1:58 AM

The DHS Industrial Control Systems Enhancement Act of 2021 amends the Homeland Security Act of 2002 to provide for the responsibility of the Cybersecurity and Infrastructure Security Agency to maintain capabilities to identify threats to industrial control systems, and for other purposes. It gives CISA's director the lead role in federal government efforts to "identify and mitigate" risks and threats to computer systems that control critical industrial systems and processes, such as electricity generation and distribution, water treatment and delivery, oil and gas production and more. The bill also tasks the CISA director with providing technical assistance to system users and manufacturers and with sharing vulnerability information with stakeholders. The bill also specifies that the CISA director's responsibility extends across "supervisory control and data acquisition systems."

Introduction Date: 2021-03-11

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

Primary Sponsors

Mario Diaz-Balart

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: 2021-11-01

Bill Number

HR 5716

Last Action

Referred To The House Committee On Natural Resources 2021 10 25

Status

In House

FN Outlook

11.0%

72.7%

Title

Securing Access for the central Valley and Enhancing (SAVE) Water Resources Act

Primary Sponsors

Josh Harder

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.

Introduction Date: 2021-10-25

Bill Number

HR 5438

Last Action

Referred To The Committee On Ways And Means And In Addition To The Committees On Energy And Commerce And Oversight And Reform For A Period To Be Subsequently Determined By The Speaker In Each Case For Consideration Of Such Provisions As Fall Within The Jurisdiction Of The Committee Concerned 2021 09 30

Status

In House

FN Outlook

9.2%

75.3%

Title

Water Advanced Technologies for Efficient Resource Use Act of 2021

Primary Sponsors

Matt Cartwright

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.

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

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

Read Twice And Referred To The Committee
On Energy And Natural Resources 2021 07 13

Status

In Senate

FN Outlook

2.1%

76.0%

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%

69.7%

Title

Clean Drinking Water Equity Act

Primary Sponsors

Raul Ruiz

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.

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

Primary Sponsors

Jon Tester

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.

Introduction Date: 2021-06-24

<div>Bill Number</div> <div>HR 4099</div>	<div>Last Action</div> <div>Subcommittee Hearings Held 2021 06 29</div>	<div>Status</div> <div>In House</div>	<div>FN Outlook</div> <div>9.2%72.5%</div>
<div>Title</div> <div>Large-Scale Water Recycling Project Investment Act</div> <div>Primary Sponsors</div> <div>Grace Napolitano</div>	<div> <div>Bill Summary:</div> <div>Last edited by TFG Reports at Jun 24, 2021, 3:52 PM</div> <div>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.</div> <div>Introduction Date: 2021-06-23</div> </div>		

<div>Bill Number</div> <div>S 2185</div>	<div>Last Action</div> <div>Read Twice And Referred To The Committee On Energy And Natural Resources 2021 06 23</div>	<div>Status</div> <div>In Senate</div>	<div>FN Outlook</div> <div>3.2%60.4%</div>
<div>Title</div> <div>Western Water Infrastructure Act of 2021</div> <div>Primary Sponsors</div> <div>John Barrasso</div>	<div> <div>Bill Summary:</div> <div>Last edited by TFG Reports at Aug 6, 2021, 6:10 PM</div> <div>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.</div> <div>Introduction Date: 2021-06-23</div> </div>		

<div>Bill Number</div> <div>HR 4018</div>	<div>Last Action</div> <div>Sponsor Introductory Remarks On Measure Cr H 3093 2021 06 24</div>	<div>Status</div> <div>In House</div>	<div>FN Outlook</div> <div>13.0%50.4%</div>
<div>Title</div> <div>NEED Water Act</div> <div>Primary Sponsors</div> <div>David Valadao</div>	<div> <div>Bill Summary:</div> <div>Last edited by TFG Reports at Sep 14, 2021, 5:06 PM</div> <div>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.</div> <div>Introduction Date: 2021-06-17</div> </div>		

<div>Bill Number</div> <div>HR 3751</div>	<div>Last Action</div> <div>Referred To The Subcommittee On Water Resources And Environment 2021 06 09</div>	<div>Status</div> <div>In House</div>	<div>FN Outlook</div> <div>6.4%62.9%</div>
<div>Title</div> <div>Clean Water Infrastructure Resilience and Sustainability Act of 2021</div> <div>Primary Sponsors</div> <div>Salud Carbajal</div>	<div> <div>Bill Summary:</div> <div>Last edited by TFG Reports at Oct 1, 2021, 8:16 PM</div> <div>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.</div> <div>Introduction Date: 2021-06-08</div> </div>		

Bill Number

HR 3691

Last Action

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

Status

In House

FN Outlook

9.2%

71.1%

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

15.3%

75.5%

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%

79.0%

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

5.4%

60.4%

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 House Committee On Natural
Resources 2021 05 11

Status

In House

FN Outlook

15.3%

76.2%

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

5.4%

65.7%

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

Bill Number
HR 2660

Last Action
Referred To The Subcommittee On Water
Resources And Environment 2021 04 20

Status
In House

FN Outlook
7.8% 78.9%

Title

WATER Act

Primary Sponsors
Bob Latta

Bill Summary: 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.

Introduction Date: 2021-04-19

Bill Number
HR 2632

Last Action
Referred To The House Committee On
Financial Services 2021 04 16

Status
In House

FN Outlook
6.5% 63.0%

Title

Build for Future Disasters Act of 2021

Primary Sponsors
Scott Peters

Bill Summary: Last edited by TFG Reports at Nov 4, 2021, 6:44 PM
This bill eliminates certain National Flood Insurance Program (NFIP) rate subsidies for newly constructed property. Specifically, the chargeable rate for NFIP coverage of newly constructed property and any substantial improvements of property started on or after January 1, 2025, must not be not less than the estimated risk premium rate. The Government Accountability Office must report on the feasibility and effects of (1) eliminating by January 1, 2027, all subsidies that reduce premiums for NFIP coverage to amounts below those necessary to operate to program without a deficit, and (2) prohibiting these subsidies unless flood mitigation activities have been completed on a property.

Introduction Date: 2021-04-16

Bill Number

HR 2612

Last Action

Referred To The Subcommittee On Courts
Intellectual Property And The Internet 2021 10
19

Status

In House

FN Outlook

17.9%

61.0%

Title

RESTORE Act of 2021

Primary Sponsors

Doug LaMalfa

Bill Summary: 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.

Introduction Date: 2021-04-16

Bill Number

HR 2583

Last Action

Referred To The House Committee On Small
Business 2021 04 15

Status

In House

FN Outlook

9.2%

74.3%

Title

PPP Equity Act of 2021

Primary Sponsors

Ashley Hinson

Bill Summary: Last edited by TFG Reports at May 7, 2021, 2:17 PM

This bill modifies the calculation of the maximum loan amount under the paycheck protection program (PPP) for farmers, ranchers, and sole proprietors.

Introduction Date: 2021-04-15

Bill Number

HR 2585

Last Action

Referred To The Subcommittee On
Conservation And Forestry 2021 06 15

Status

In House

FN Outlook

7.8%

82.5%

Title

FIRE Act of 2021

Primary Sponsors

Dusty Johnson

Bill Summary: Last edited by TFG Reports at May 7, 2021, 2:15 PM

This bill provides new management tools to expedite forest restoration activities, restore forest health, grow rural economies, and produce climate resilient communities and landscapes. Specifically, the bill requires the Forest Service to complete a survey of National Forest System land that has been impacted by a wildfire within 60 days after the fire has been contained.

Introduction Date: 2021-04-15

Bill Number

HR 2606

Last Action

Referred To The House Committee On
Agriculture 2021 04 15

Status

In House

FN Outlook

7.7%

65.1%

Title

SUSTAINS Act

Primary Sponsors

G.T. Thompson

Bill Summary: 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.

Introduction Date: 2021-04-15

Bill Number
HR 2552

Last Action
Referred To The House Committee On Natural
Resources 2021 04 15

Status
In House

FN Outlook
7.7% 81.5%

Title
Canal Conveyance Capacity Restoration Act

Primary Sponsors
Jim Costa

Bill Summary: 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.

Introduction Date: 2021-04-15

Bill Number
HR 2508

Last Action
Referred To The House Committee On
Agriculture 2021 04 14

Status
In House

FN Outlook
6.5% 72.9%

Title
Naturally Offsetting Emissions by Managing and Implementing
Tillage Strategies Act of 2021

Primary Sponsors
Rodney Davis

Bill Summary: Last edited by TFG Reports at May 7, 2021, 2:12 PM
This bill provides incentives for producers to adopt soil health cropping systems in order to increase farm productivity and optimize agriculture's ability to sequester carbon and reduce net emissions. Specifically, the bill establishes a Soil Health Transition Incentive Program that provides payments and technical assistance to producers who are transitioning their farms to soil health cropping systems.

Introduction Date: 2021-04-14

Bill Number
HR 2518

Last Action
Referred To The Subcommittee On
Commodity Exchanges Energy And Credit 2021
06 14

Status
In House

FN Outlook
5.4% 69.1%

Title
Producing Responsible Energy and Conservation Incentives and
Solutions for the Environment Act

Primary Sponsors
Ashley Hinson

Bill Summary: Last edited by TFG Reports at May 7, 2021, 2:19 PM
This bill increases the cost share and practice payments under existing federal programs to incentivize the purchase of precision agriculture equipment, systems, and technology.

Introduction Date: 2021-04-14

Bill Number
HR 2424

Last Action
Placed On The Union Calendar Calendar No 93
2021 09 27

Status
In House

FN Outlook
9.2% 74.2%

Title
Agricultural Fairs Rescue Act

Primary Sponsors
Jimmy Panetta

Bill Summary: Last edited by TFG Reports at May 7, 2021, 8:44 PM
This bill directs the Secretary of Agriculture to establish a program under which the Secretary awards grants to States or State departments of agriculture for the purposes of providing support to agricultural fairs for losses sustained due to COVID-19.

Introduction Date: 2021-04-08

Bill Number

HR 2241

Last Action

Referred To The Subcommittee On
Conservation And Forestry 2021 06 15

Status

In House

FN Outlook

7.7%

84.0%

Title

Civilian Climate Corps Act of 2021

Primary Sponsors

Joe Neguse

Bill Summary: Last edited by TFG Reports at Aug 10, 2021, 2:33 PM

This bill directs the Secretary of the Interior and the Secretary of Agriculture to establish a Civilian Climate Corps, and for other purposes. The legislation provides a multi-billion dollar fund to establish the 21st century civilian climate corps, in addition to funding wildfire mitigation and adaptation efforts and investing in the outdoor recreation economy.

Introduction Date: 2021-03-26

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 1057

Last Action

Read Twice And Referred To The Committee
On Health Education Labor And Pensions 2021
03 25

Status

In Senate

FN Outlook

2.3%

79.8%

Title

Civilian Climate Corps Act of 2021

Primary Sponsors

Chris Coons

Bill Summary: Last edited by TFG Reports at Aug 10, 2021, 2:33 PM

This bill directs the Secretary of the Interior and the Secretary of Agriculture to establish a Civilian Climate Corps, and for other purposes. This bill directs the Secretary of the Interior and the Secretary of Agriculture to establish a Civilian Climate Corps, and for other purposes. The legislation provides a multi-billion dollar fund to establish the 21st century civilian climate corps, in addition to funding wildfire mitigation and adaptation efforts and investing in the outdoor recreation economy.

Introduction Date: 2021-03-25

Bill Number

S 953

Last Action

Read Twice And Referred To The Committee
On Energy And Natural Resources 2021 03 24

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

HR 2173

Last Action

Referred To The Subcommittee On Water
Resources And Environment 2021 03 24

Status

In House

FN Outlook

7.7%

60.7%

Title

Wastewater Workforce Investment Act

Primary Sponsors

Greg Stanton

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.

Introduction Date: 2021-03-23

Bill Number

S 916

Last Action

Read Twice And Referred To The Committee
On Environment And Public Works 2021 03 23

Status

In Senate

FN Outlook

4.4%

55.1%

Title

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

Primary Sponsors

Bernie Sanders

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.

Introduction Date: 2021-03-23

Bill Number

HR 1915

Last Action

Placed On The Union Calendar Calendar No 48
2021 06 22

Status

In House

FN Outlook

24.4%

81.5%

Title

Water Quality Protection and Job Creation Act of 2021

Primary Sponsors

Peter DeFazio

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.

Introduction Date: 2021-03-16

Bill Number

HR 1881

Last Action

Referred To The Subcommittee On Water
Resources And Environment 2021 03 15

Status

In House

FN Outlook

4.5%

74.5%

Title

To amend the Federal Water Pollution Control Act with respect to permitting terms, and for other purposes.

Primary Sponsors

John Garamendi

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.

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

<div>Bill Number</div> <div>HR 1660</div>	<div>Last Action</div> <div>Referred To The Subcommittee On Water Resources And Environment 2021 03 09</div>	<div>Status</div> <div>In House</div>	<div>FN Outlook</div> <div>6.4%53.1%</div>
<div>Title</div> <div>Stop Sewage Overflow Act</div>	<div> <div>Bill Summary:</div> <div>Last edited by TFG Reports at Mar 15, 2021, 3:05 PM</div> <div>This bill makes certain municipalities eligible for grants under the Federal Water Pollution Control Act, and for other purposes.</div> </div>		
<div>Primary Sponsors</div> <div>Lori Trahan</div>	<div>Introduction Date: 2021-03-08</div>		

<div>Bill Number</div> <div>HR 1563</div>	<div>Last Action</div> <div>Referred To The Subcommittee On Water Oceans And Wildlife 2021 04 21</div>	<div>Status</div> <div>In House</div>	<div>FN Outlook</div> <div>11.1%67.3%</div>
<div>Title</div> <div>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.</div>	<div> <div>Bill Summary:</div> <div>Last edited by TFG Reports at Mar 5, 2021, 4:41 PM</div> <div>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.</div> </div>		
<div>Primary Sponsors</div> <div>Mike Garcia</div>	<div>Introduction Date: 2021-03-03</div>		

<div>Bill Number</div> <div>HR 1352</div>	<div>Last Action</div> <div>Referred To The Subcommittee On Conservation And Forestry 2021 04 05</div>	<div>Status</div> <div>In House</div>	<div>FN Outlook</div> <div>15.3%74.9%</div>
<div>Title</div> <div>Water Affordability, Transparency, Equity, and Reliability Act of 2021</div>	<div> <div>Bill Summary:</div> <div>Last edited by TFG Reports at Jun 4, 2021, 5:48 PM</div> <div>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.</div> </div>		
<div>Primary Sponsors</div> <div>Brenda Lawrence</div>	<div>Introduction Date: 2021-02-25</div>		

<div>Bill Number</div> <div>S 487</div>	<div>Last Action</div> <div>Read Twice And Referred To The Committee On Energy And Natural Resources 2021 02 25</div>	<div>Status</div> <div>In Senate</div>	<div>FN Outlook</div> <div>3.3%55.6%</div>
<div>Title</div> <div>21st Century Conservation Corps Act</div>	<div> <div>Bill Summary:</div> <div>Last edited by TFG Reports at Apr 15, 2021, 1:35 PM</div> <div>This bill would pair the creation of a conservation corps with multimillion-dollar investments in various existing federal outdoors projects allowing corps members to be hired to complete those specific projects. The bill also makes major investments in wildfire mitigation and provides economic stimulus for the outdoor recreation industry.</div> </div>		
<div>Primary Sponsors</div> <div>Ron Wyden</div>	<div>Introduction Date: 2021-02-25</div>		

Bill Number

HR 1162

Last Action

Referred To The Committee On Appropriations And In Addition To The Committee On The Budget For A Period To Be Subsequently Determined By The Speaker In Each Case For Consideration Of Such Provisions As Fall Within The Jurisdiction Of The Committee Concerned 2021 02 18

Status

In House

FN Outlook

7.8%

52.1%

Title

21st Century Conservation Corps Act

Primary Sponsors

Joe Neguse

Bill Summary: Last edited by TFG Reports at Apr 15, 2021, 1:35 PM

This bill would pair the creation of a conservation corps with multimillion-dollar investments in various existing federal outdoors projects allowing corps members to be hired to complete those specific projects. The bill also makes major investments in wildfire mitigation and provides economic stimulus for the outdoor recreation industry.

Introduction Date: 2021-02-18

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

4.6% 54.9%

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

7.7% 56.0%

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

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

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

Jim Erickson
Madera I.D.
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Kaweah Delta W.C.D.

Michael Brownfield
Lindmore I.D.

Josh Pitigliano
Lower Tule River I.D.

Kent H. Stephens
Kern-Tulare W.D.

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Orange Cove I.D.

Eric Borba
Porterville I.D.

Steven G. Kisling
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Matt Leider
Tea Pot Dome W.D.

Edwin L. Wheaton
Terra Bella I.D.

Rick Borges
Tulare I.D.

Jason R. Phillips
Chief Executive Officer

Douglas A. DeFlitch
Chief Operating Officer

854 N. Harvard Ave.
Lindsay, CA 93247

1121 L St., Ste. 610
Sacramento, CA 95814

(559) 562-6305

April 12, 2021

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, DC 20510

VIA ELECTRONIC MAIL

Re: Flexibility for Use of Restoration Flows through District Rescheduling

Dear Senator Feinstein:

On behalf of the Friant Water Authority, I thank you for your decades of leadership on the many issues facing our State of California, but especially on the complex water issues so critical to our region, our state, and our nation! I am writing in support of the Canal Conveyance Capacity Restoration Act, your bill that would provide much needed federal partnership funding support to the restoration of the capacity of three major water conveyance facilities in the San Joaquin Valley of California.

The Friant Water Authority (FWA) is a public agency formed under California law to perform all operation, maintenance, and replacement actions on the Friant-Kern Canal, a component of the Central Valley Project (CVP) owned by the Bureau of Reclamation (Reclamation) and to represent our members in federal or state policy, political, and operational decisions that could affect the Friant Division's water supply. Our goal is to provide dependable, sustainable water from Millerton Reservoir to Friant Contractors.

The FWA is facing a critical challenge right now -- one that has reduced our ability to deliver water to many Friant Division Contractor's by nearly 60%. It is a challenge that must be met today if we are to ensure our long-term commitment to delivering high-quality, dependable water, in the amounts needed by farmers and cities in the San Joaquin Valley.

The bill would authorize a federal partnership with the canal authorities in California that operate three major conveyance facilities that are currently impacted by a loss in conveyance capacity due to subsidence of the areas surrounding sections of these canals. Restoring this lost capacity will be hugely important to not only our local communities, many of which are considered disadvantaged communities, but also to the billions of dollars of important state and national economic activity provided by these water conveyances. The bill limits such federal financial participation to not more than one-third of the total cost of the restoration projects. The balance of the

funding will be split between the State of California and the local authorities operating these impaired facilities.

In summary, this legislation would provide much needed federal funding to accelerate work on critically needed water infrastructure projects in California in partnership with the state and the local operating entities. Again, thank you for your continued leadership on California water issues.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason Phillips", with a stylized, cursive script.

Jason Phillips
Chief Executive Officer
Friant Water Authority

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

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

Jim Erickson
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Michael Brownfield
Lindmore I.D.

Josh Pitigliano
Lower Tule River I.D.

Kent H. Stephens
Kern-Tulare W.D.

David Brown
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Eric Borba
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Terra Bella I.D.

Rick Borges
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Jason R. Phillips
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Douglas A. DeFlitch
Chief Operating Officer

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Sacramento, CA 95814

(559) 562-6305

Jason Phillips
Chief Executive Officer
Friant Water Authority

Testimony Before the United States House of Representatives
Committee on Natural Resources
Subcommittee on Water, Oceans and Wildlife

Oversight Hearing
"The Status of Drought Conditions Throughout the Western United States"
Testimony for the Hearing Record

May 25, 2021

Chairman Huffman, Ranking Member Bentz, and Members of the Subcommittee:

My name is Jason Phillips, and I am the Chief Executive Officer of the Friant Water Authority in California's San Joaquin Valley. The Friant Water Authority (Authority or Friant) is a public agency formed under California law in part to operate and maintain the Friant-Kern Canal, a component of the Central Valley Project (CVP) owned by the Bureau of Reclamation (Reclamation). In addition to that responsibility, the Authority also advocates on behalf of the entire Friant Division and eastside communities for sound public policy on water management and operations.

For more than 30 years, most decisions made, and actions taken in Washington, DC and Sacramento, CA have made the impacts of drought even worse, and have turned a water storage and delivery system, which was once the envy of the world, into a confusion of regulations, laws, and contradictions. Our forefathers had the wisdom and vision to design and construct a water delivery system that could withstand FIVE consecutive years of drought. Now, after ONE or TWO years, the system is in a tailspin and unable to live up to its needs. At some point, if common sense doesn't take over, the past will become the permanent future and implementing sensible solutions will be too late for too many people, cities, and farms in the Valley.

Friant is particularly well positioned to comment on the topic of this hearing, given: (1) our role as the local operator and responsible agency for the Friant-Kern Canal, and (2) the significant water-related challenges Friant and others face in the San Joaquin Valley (Valley) and elsewhere in California, especially during a severe drought year like 2021 is shaping up to be.

Background on the Friant Division

The 152-mile-long Friant-Kern Canal and the 36-mile-long Madera Canal, together with Friant Dam and Millerton Lake on the San Joaquin River, form the Friant Division of the Central Valley Project. On average, the canals deliver 1.2 million acre-feet of irrigation water annually to more than 15,000 farms on over one million acres of the most productive farmland in the world. Friant Division deliveries also are vital to meeting the domestic water needs of many small communities in the San Joaquin Valley, as well as larger metropolitan areas, including the City of Fresno – California’s fifth-largest city.

The Friant Division was designed and is operated as a conjunctive use project to convey surface water for direct beneficial uses, such as irrigation and municipal supplies, and to recharge groundwater basins in the southern San Joaquin Valley. The ability to move significant water through the Friant Division’s canals in wetter years to store in groundwater recharge basins is critically important for the project to work as intended, and these operations sustain the primary source of drinking water for nearly all cities, towns, and rural communities on the Valley’s East side.

Canal Capacity Crisis

Over the past 30 years, increasingly stringent environmental regulations have redirected water away from the Valley in an attempt to aid struggling fish populations dependent on the Sacramento-San Joaquin River Delta (Delta). As water exports through the Delta declined, many San Joaquin Valley water users to relied heavily on groundwater supplies to maintain economic viability for their communities. The resulting groundwater overdraft damaged the Friant-Kern Canal, Delta-Mendota Canal, and California Aqueduct and compromised their ability to deliver water in the San Joaquin Valley and Southern California. The southern third of the Friant-Kern Canal has lost 60% of its capacity, which translates to 100,000 – 300,000 acre-feet of water per year that doesn’t flow to farms and communities. Additionally, by reducing the canal’s ability to deliver water to aquifers in the south Valley, the conveyance constriction will also worsen existing water supply and water quality problems in dozens of rural and disadvantaged communities who rely entirely on groundwater. While these losses are recoverable if the canal is repaired, time is of the essence, and current drought conditions do not bode well for such challenges. **Impacts are Exacerbated During Drought Years**

During extreme drought years, such as we’re experiencing in 2021, subsidence and the effects of groundwater overdraft are likely to intensify water supply, water quality, and subsidence problems in the San Joaquin Valley. One reason for that stems from the historic water rights that the Federal government obtained in order to supply the Friant Division with water, combined with how we operate the dams in Northern California and the pumps that export water south through the Delta. Part of those agreements allow for the historical water rights holders on the San Joaquin River to call on their reserved rights to some of the river’s flow when Delta exports don’t meet their demand. Such has happened twice – in 2014 and 2015 – and may occur again this year if the State Water Resources Control Board orders the Bureau of Reclamation to operate Shasta Dam for the benefit of salmon in the Sacramento River. The consequences of this could be disastrous for the Valley.

Not only would this situation – a “call” on Friant water supplies – reduce the irrigation and municipal supplies for our members, all of whom are contractors in the Friant Division, but it would also increase the rate of land elevation subsidence, reduce water supplies, and worsen water quality conditions for the Valley’s most vulnerable communities, and squander the investments Friant water users have made in restoring fisheries and habitat along the river.

Of particular concern is the impact of reduced surface water supplies to more than 55 disadvantaged or severely disadvantaged communities within the Friant Division service area, all of which are almost entirely reliant on groundwater wells for their supplies. More than 1 million Californians live in these communities, and many of them already have unsafe drinking water or experienced their wells going dry during 2014 and 2015; both problems will inevitably be exacerbated with fewer surface flows infiltrating the valley’s groundwater aquifers.

CVP and State Water Project (SWP) operations for the remainder of 2021 should be governed by decisions that take into account the “whole field” of impacts possible if the projects are operated to rob Peter in order to pay Paul. In a painful year, we must share the pain equally.

Thank you again for the opportunity to provide our perspective and thoughts on this critical topic.

A handwritten signature in blue ink, appearing to read 'Jason Phillips', with a stylized, cursive script.

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July 1, 2021

The Honorable Joe Manchin, Chairman
The Honorable John Barrasso, Ranking Member
Senate Committee on Energy and Natural Resources
304 Dirksen Senate Building
Washington, D.C. 20510

RE: CONFIRMATION OF THE APPOINTMENT OF CAMILLE CALIMLIM TOUTON AS
COMMISSIONER OF THE U.S. BUREAU OF RECLAMATION

Dear Chairman Manchin:

On behalf of the Friant Water Authority (FWA), I am writing to encourage the Senate to confirm the appointment of Camille Calimlim Touton as Commissioner of the Bureau of Reclamation (Reclamation). If confirmed, Ms. Touton will continue to be a tremendous asset to the nation as Reclamation takes on new challenges throughout the West, including the need to repair critical water delivery systems, efforts to invest in new storage facilities, and addressing the impacts of drought in a way that ensures water is always available for the communities and farms that rely on the Central Valley Project for drinking water and irrigation needs.

FWA is a public agency formed under California law to operate, maintain, and replace the Friant-Kern Canal, a component of the Central Valley Project (CVP) owned by Reclamation and to represent our members in federal or state policy, political, and operational decisions that could affect the Friant Division's water supply. Our goal is to provide dependable, sustainable water from Millerton Reservoir to Friant Contractors.

As you may know, Ms. Touton served in the Interior Department under President Obama as a counselor to the assistant secretary for water and science and as deputy assistant secretary for water and science. More recently, we have had the opportunity to work with Ms. Touton in her roles on the House Resources Committee and the House Transportation & Infrastructure Committee on issues relating to water storage and conservation in the West. Ms. Touton is very well-qualified to represent this Administration in the upcoming discussions on Western water issues.

We respectfully request the Committee's "AYE" vote to recommend the confirmation of Camille Calimlim Touton as the next Commissioner of Reclamation. Thank you for your consideration of our request. Please do not hesitate to contact me if you have any questions about our support for Ms. Touton.

Sincerely,



Jason Phillips, Chief Executive Officer
Friant Water Authority

Agenda Report

Agenda No. 4.D

DATE: February 24, 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 with a broad and evolving 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. The Blueprint has engaged with stakeholders to try and ensure that everyone has safe, reliable, and affordable access to water for drinking, supporting their farms and communities and a thriving ecology.

The SJV faces significant impacts to its long-term economic, social, and environmental health if nothing is done to address water scarcity, as highlighted in Phase I of Dr. David Sunding's Economic Impact Assessment (EIA) <https://www.waterblueprintca.com>.

The board, large group and committees continue to meet and pursue the mission of Blueprint, including outreach, technical support and working in collaboration with other stakeholders.

Governance: The Blueprint's new board of 20 directors met for the second time and elected Ian Lemay (Ag Caucus – CA Fresh Fruit Assoc.) as Chairman and Eddie Ocampo (At-large Caucus – Self Help Ent.) as Vice Chairman, they will serve a one-year term. Austin Ewell will remain as the volunteer executive director. The Blueprint Board is made up of the following caucus who will each look to select a caucus chair to represent their participants. The caucuses are: Local Government, Water Agency, At-Large, White Area & Agriculture. The Board has 3 seats vacant for additional broad representation. Board meetings are open to all Blueprint participants.

Outreach & Engagement: Blueprint board has scheduled a Strategic Planning session for March 21st to review its mission, identify the goals and objectives as well as prioritize outreach to Blueprint participants, valley communities then to policy makers and elected and lastly to the greater public. The Citizens Advisory Committee will look to gather additional community participants, schedule ongoing meetings/briefings and look for opportunities to express the water issues facing the SJV communities.

Technical Committee: Committee is drafting criteria for naming and implementing high priority projects. This effort is being discussed to dovetail with the CAP process underway. The Board agreed

to engage MBK for additional evaluation of the Delta flood flows and evaluate the priority allocation of such flows.

Blueprint continues to engage with Central Valley stakeholders regarding opportunities to construct infrastructure, balanced approach to water resources, low interest loans for farmers unable to farm and focus on inter-regional conveyance and habitat restoration.

SJV Water Collaborative Action Program (SJVWCAP):

CAP produced a Phase I Framework with solution set elements recommended, the five CAP Work Groups and working to finalize the necessary language and understanding for evaluating Delta water supplies and land fallowing. Once agreed upon the CAP will look to implement phase II.

By September 2022 Complete the following: • An initial list of projects that are consistent with the criteria listed above that can improve water supplies. These projects will be supported by the CAP participants. • Review and analysis of updated Delta study by the PPIC. • Workplan for activities necessary to finish the 2023 comprehensive plan to reach sustainability by 2040. By September 2023: • The in-Valley and Delta opportunities assessments. • Regional action plan for strategic land repurposing • List of actions and projects that will achieve a water balance by 2040.

DAC Drinking Water Feasibility Study – FKC: Participants include FWA, FSU, Self Help, Sustainable Conservation and Leadership Council are looking to now study Tulare and Fresno County related to surface water supply, recharge and drinking water supplies. Fresno State in coordination with the other participants will be creating a more specific scope tailored to Tulare to provide to DWR to review and fund.

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.



Operations & Maintenance Report

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

January 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 employees discussed SOP and equipment manual on Utility tractor safety hazards such as; reading and understanding the owner's manual, checking all fluids prior to starting, knowing the types of fluids, using a seat belt, load materials on flat level ground, run bucket close to the ground, use your PPE and do not use the equipment for any application or purpose than those described in the owner's manual.

ACCIDENTS & INJURIES

- Friant staff has worked 53 days without a lost-time injury 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.
- Attended FKC MRCCP monthly project meetings.

PERSONNEL ITEMS

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

CONSTRUCTION & MAINTENANCE

FOREMEN REPORTS: DELANO, LINDSAY, & ORANGE COVE MAINTENANCE

WEED & PEST CONTROL

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

PRODUCTS	UNITS	MAINTENANCE YARD USAGE			TOTAL USAGE	END OF MONTH ON-HAND
		Delano	Lindsay	Orange Cove		
Clearcast	Gal	0	0	0	0	2.50
Copper Sulfate - Old Bridge	Lbs.	0	0	0	0	50,300.00
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	0	0	99.00
Diuron 4L - Loveland	Gal	210	0	415.00	625.00	625.00
Diuron 4L - Drexel	Gal	0	0	0	0	1,938.00
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	70	0	592
Roundup - Custom	Gal	4.00	36	16	56	1,571.00
Roundup - Pro Conc	Gal	4.00	32.5	48	84.50	1403.50
Forfeit 280	Oz	0	0	0	0	0
Sonar Genesis	Gal	0	0	0	0	2.00
Cheetah	OZ	0	0	0	0	6647.05

- Delano and Lindsay 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.
- Lindsay maintenance staff completed the application of the "Diuron 4L Drexel" for pre-emergent weed control.
- Delano Staff completed the use of copper sulfate for the year 2021. Copper Sulfate is used as part of an Algae control program in the Delano Maintenance Section.
- Delano applicators complete the use of Diuron, a pre-emergent herbicide, to the inside banks and ROWS of the Delano Maintenance Section as part of the annual pre-emergent weed control program.
- 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.

- Orange Cove maintenance staff continued the application of Diphacinone to the canal right-of-way for the control of California ground squirrels.
- Lindsay maintenance staff continued using Diuron 4L Drexel for pre-emergent weed control.
- 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.

CANAL & DIVERSION STRUCTURES

- Delano and Orange Cove maintenance staff continued hauling debris collected from the canal.
- Lindsay maintenance staff cleaned out debris in inlet drains on the East side of Friant Canal.
- Orange Cove maintenance staff cleared debris from inlets.
- Delano staff continues their structure gate maintenance for the year, Repairs on 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.



Delano staff work on embankment Maintenance MP. 142.86



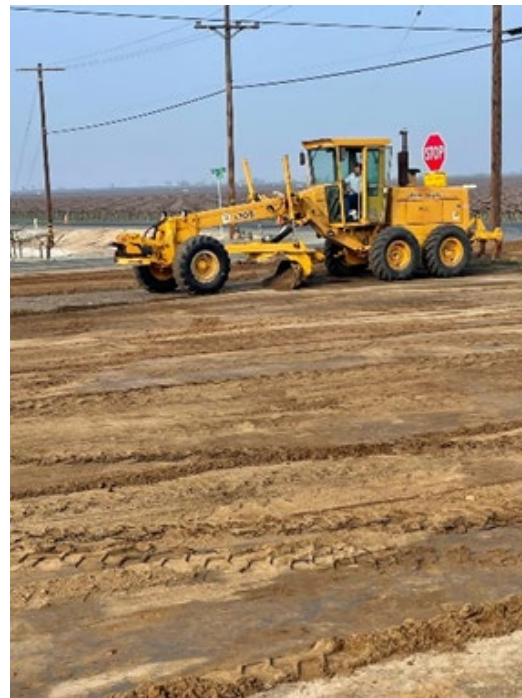
OC staff was requested to excavate a well that was getting flooded by runoff

- Orange Cove maintenance staff continued hauling debris collected from the canal.

- Orange Cove maintenance staff cleaned silt and debris out of several cross-drainages.
- 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 in materials. Embankment maintenance will prevent erosion to the inside/outside banks, roads, gate structures, and concrete liners.
- Lindsay maintenance staff removed weeds and silt from Cottonwood Creek turnout.
- Lindsay maintenance staff removed failed liners and placed riprap to protect against erosion.
- Orange Cove maintenance staff removed trees for the subsidence project.



Staff added a new down drain



Staff leveled and graded fresh DG in preparation of groundbreaking

O&M ROADS

- Lindsay maintenance staff removed prior years of build-up of weeds along the Friant - Kern Canal.
- 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.



Lindsay staff repurposed old cabinets to be utilized for the Systems Administrator



Lindsay maintenance staff assist bureau & contractors with submerged trees

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 maintenance staff continued sign maintenance. Traffic signs, bar gates markers, and identification signs are to be repaired or replaced on structures such as blockhouses, bridges, embankments, and liners.
- 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 maintenance staff continued repair and maintenance of bar gates.
- 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.

VEHICLE & HEAVY EQUIPMENT

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	5
	E - Equipment	0
	BIT - 90-Day Heavy Equipment	6
Outside Inspections	B – Semi-Annual	0
	C - Annual	0
	Smog Test	0
	Smoke Test	0
DELANO, LINDSAY, & ORANGE COVE	TYPE	QUANTITY
In-House Repairs	Light Vehicles	12
	Trucks	6
	Heavy Equipment	3
	Utility Equipment	0
Outside Repairs	Light Vehicles	0
	Trucks	0
	Heavy Equipment	0

ENGINEERING ACTIVITIES

ENGINEER AND ENGINEER TECHNICIAN REPORT

RIGHT OF WAY

- Staff provided survey data and documents to Hughes Surveying for the Wahtoke Creek area.
- Staff continues to communicate with USBR to access and obtain Friant Kern Canal Acquired Land Sheets for Tulare County.
- Staff completed Kern County Acquired Land Sheet records and filing.

MIDDLE REACH CAPACITY CORRECTION

- Staff worked as a liaison between the Central Valley Regional Water Quality Control Board, Reclamation, FWA, and Contractors to ensure that the Storm Water Pollution Prevention Plan was approved and finalized by the State Water Resources Control Board. FWA staff was able to ensure all appropriate permits were issued in a timely manner.
- Staff was present during the tree removal activities located within the Old Deer Creek water bank recharge ponds. O&M staff worked efficiently and safely for duration of removal activities. O&M staff was able to remove all trees prior to bird nesting seasoning (February 1st).

DWR SGMA – GROUNDWATER SUSTAINABILITY PLANS

- Staff reviewed DWR correspondence for GSPs within the Tule, Delta Mendota, and Westside Subbasins. Staff has concerns associated with future and current subsidence of the FKC and DMC.

GROUNDWATER SUSTAINABILITY AGENCYS

- Staff continues to attend GSA meetings, public workshops, and committee meetings.

WATER BANK PROJECTS

- Staff will review and provide comments to with GSI the Initial Study and Mitigated Negative Declaration for the Jones Corner/Los Robles/Burns Water Bank Projects on January 19th.

WATER QUALITY

- Staff continues to file analytical reports and transcribe data to summary tables in coordination with water operations.
- Staff continues to run and evaluate non-project water data to determine whether constituent concentrations exceed maximum contaminant levels and whether mitigation measures are needed.
- Staff continues to review and develop the FWA Water Quality Guidelines with the Water Resources Manager.

REPORTS

- Non-Project Water Analysis Report for the Lindsay Strathmore Irrigation District was finalized and submitted on January 21st.

OPERATIONS ACTIVITIES

OPERATIONS SUPERVISOR REPORTS

Operations Staff during the month of January delivered 88,469 acre-feet. Total water diverted year-to-date to FKC Contractors is 311,855 acre-feet.

Reported sump pump deliveries of 3 acre-feet and year to date total of 115 acre-feet.

- Staff completed and sent out the ROWD's for the month of January.
- Staff replaced SCADA system backup batteries at Gould and T.I.D.
- Staff checked 9 transmitters and calibrated 9 transmitters on the canal system.
- Staff performed 5 differential head tests on the East side transmitters in the Delano and Lindsay sections.
- Staff replaced a new transmitter at OC #11.

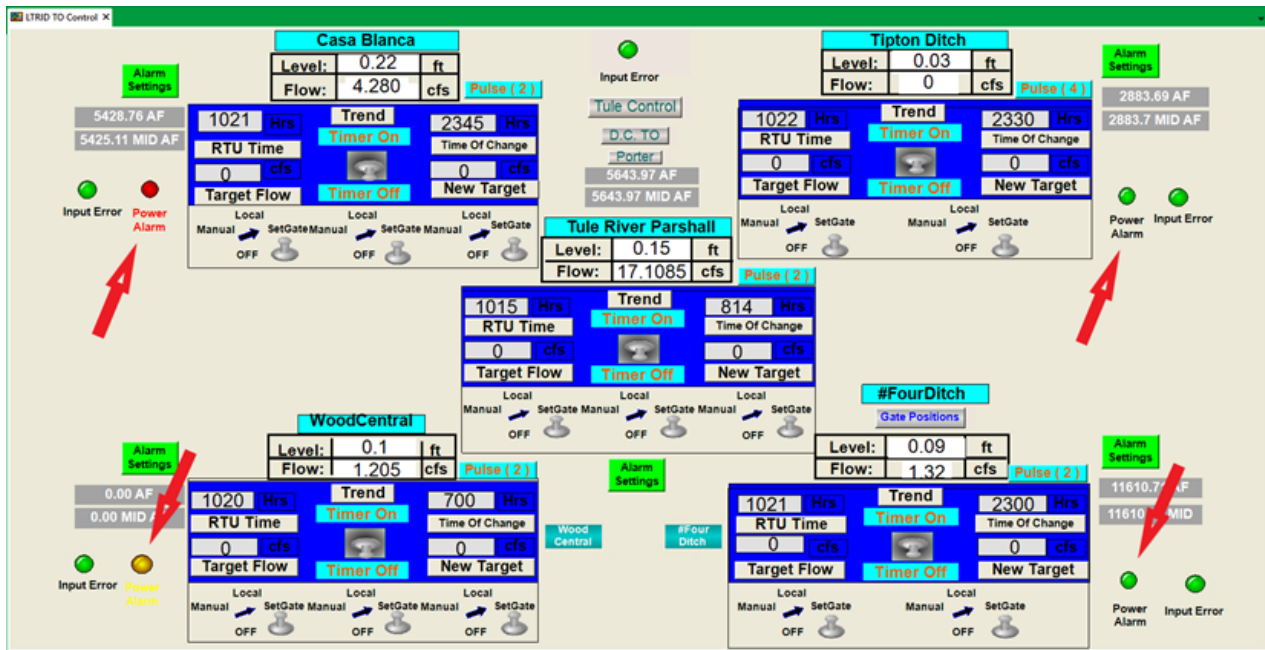
ELECTRICAL

- Staff installed and wired a new actuator for gate #1 at the Arvin Edison turnout.
- Staff rewired the downstream blockhouse for upgraded power at Poso Creek.
- Staff installed a cabinet and radio equipment inside the Poso Creek downstream blockhouse.
- Staff repaired the actuator electrical controls at Shafter #1.
- Staff replaced wiring to the well pump at Saucelito #1.
- Staff replaced receptacles and switches in the Lindsay yard bull room.
- Staff checked all wells from Rocky Hill Check to 5th Avenue Check.
- Staff installed 2 new 120-volt receptacles at the North Kern turnout for powering drills.
- Staff worked with SCE to gain power to the canal pump and set the rotation of the pump.

SCADA

- Staff worked with Schneider Electric support on procedures to updating SCADA system to the latest version.
- Staff updated SCADA server licenses to run the newest version of the ClearSCADA HMI.
- Staff added power alarm indicators to ClearSCADA mimics that were missing and added the ability to reset the power alarms. (See figure 1)
- Staff replaced the old actuators with new actuators at Arvin Edison turnout Gates 1 and 2 for greater reliability.
- Staff worked with MRC global (the manufacturer of our actuators) to diagnose the problem with North Kern gates 2 and 3.
- Staff reset the Sand Creek and Reservoir EC sensor to restore communications to the IntelliSite contractor portal.
- Staff used the ADCP boat to measure the flow at the head of the canal, to check that we were getting the correct amount of water from the Dam.
- Staff replaced backup batteries at Gould and TID for the SCADA system

- Staff tested the new electrical panel install operation at the Reservoir Check for the pump back operation. The pump rotation was checked, and the pump was started to test the operation of the pump.



Turnout Mimic with Power alarms indicators

SENSORS

- Staff collected copper samples, farmer pump-in samples, and water samples.
- Staff worked on getting EC Sensor communications back up at the following locations: Kern, Check and Sand Creek.
- Staff calibrated levels at turnouts and wasteways for alarm system for the following areas: Wood Central and Deer Creek.
- Staff performed a modem reset for communication issues at Kaweah Check.
- Staff Performed communication backup at Wood Central due to restored power.
- Staff met with MRC Global at Arvin Edison for turn on new actuators for gate 1 and 2.
- Staff tested and calibrated EC Sensors with Geotech conductivity solution.
- Staff performed a router reset and pulled an insufficient UPS power supply at Rocky Hill.
- Staff flushed out transmitter lines and recalibrated transmitters at the following locations: OC#6, Ivanhoe #5, Ivanhoe #6, and Ivanhoe #7.
- Staff made a connection with Phoenix contact radio for Paso Check.
- Staff calibrated and located ultrasound probe sensor in Kern Check blockhouse.

ADMINISTRATIVE SUPPORT

- Staff completed the transition of accounts from the IT Director's departure.
- Staff, with the assistance of Redesign, successfully brought all servers back online following a power outage in Lindsay. Staff then implemented new configurations in our core switch to prevent the issue encountered on boot, which had resulted in the incorrect passing of traffic on the core servers. Staff forced a power reset once new configurations were in place to bring the servers and switches back online. Phone and Internet to the Lindsay office were also restored when all systems returned online.

- Staff successfully negotiated within our current contract with Redesign to be billed on a Time & Materials basis at an hourly rate of \$150.00 for assistance with the Clear SCADA upgrades.
- Staff and Redesign started the discovery phase of implementing the Clear SCADA 2017R2 and 2020R2 upgrades to our servers, including virtually backing up our serves, allowing Friant to roll back to a previous version during the upgrades. Redesign estimates no more than 10 hours for the Clear SCADA upgrades.
- Staff anticipates completing both Clear SCADA upgrades within the first week of March to coincide with the start of the water year.
- Staff coordinated communication with Water Operations, Redesign, and Schneider Electric in preparation and planning for the Clear SCADA upgrades.

AGENDA REPORT

NO. 4.F.

DATE: February 24, 2022

TO: Board of Directors

FROM: Wilson Orvis, Chief Financial Officer

SUBJECT: San Luis & Delta Mendota Water Authority Update

SUMMARY:

Friant Water Authority staff have engaged with San Luis & Delta-Mendota Water Authority (SLDMWA) via the Finance and Administration Committee (FAC) on February 7, 2022 and the the Board of Directors' (BOD) Meeting on February 10, 2022 as well as additional staff-to-staff meetings throughout the last month.

There were two major items under consideration at SLDMWA over the last month that pertain to FWA operations: (1) the Water Year 2022 Operations, Maintenance, & Replacement (OM&R) Budget and (2) the project agreements for the San Luis Transmission Project.

For the WY 2022 OM&R budget, At the February 10, 2022 Board of Directors meeting, SLDMWA approved the rates for Water Year 2022 (March 1, 2022 through February 28, 2023). In summary:

- Based upon an assumed critical year hydrology, rates for Exchange and Settlement Contractor deliveries through the Upper and Lower DMC are estimated to decrease by approximately 6%. These rates should be considered *worst-case* and would be subject to change and reconciliation if the water year does result in a South of Delta allocation.
- While the overall routine OM&R budget for SLDMWA increased from WY 2021 to WY 2022, the rates decreased largely due to decreased XM costs as well as a projected decrease in Project Use Energy costs.

For the San Luis Transmission Project:

- SLDMWA staff are continuing to negotiate the various project agreements – there is no significant updates from the January report. Staff were projecting the agreements would be drafted and ready for review by the end of January 2022, but they need more time to finalize. In accordance with the recently negotiated Memorandum of Agreement (MOA), FWA will have an opportunity to review and comment on them prior to finalization.
- SLDMWA was anticipating having the final financing package and associated project agreements finalized for Board action in early March 2022, it now appears to be delayed until later in March or early April, at the earliest.

ATTACHMENTS

Attachment 1 – Water Year 2022 Rates



SLDMWA **WY 2022** SELF-FUNDING O&M WATER RATES (FY 3/1/22 - 2/28/23)

Rates based on the following
WY22 supply assumptions:

AG **0%**
M & I **50%**
Refuge **75%**
Exchange / Water Rights **75%**

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

TOTAL RATE PER ACRE FOOT - BY DELIVERY AREA			
Upper DMC	\$26.66	A+Aa+B+F+G+H+I+J	
Upper DMC - Exchange/Water Rights Only	\$23.33	A+B+F+G+H+I	
Lower DMC/Pool	\$30.57	A+Aa+B+D+F+G+H+I+J	
Lower DMC/Pool - Exchange/Water Rights Only	\$27.24	A+B+D+F+G+H+I	
San Felipe	\$39.19	A+Aa+B+E+G+H+I+J	
San Luis Canal Above Dos Amigos	\$75.66	A+Aa+B+E+G+H+I+J+K	
San Luis Canal Below Dos Amigos	\$100.48	A+Aa+B+E+G+H+I+J+K+L+M	
Volta Wells	\$31.69	C	
San Luis Drain	\$0.91		

COST POOLS	SLDMWA ANNUAL O&M and POWER							SLDMWA				SLJU			TOTAL
	UPPER Upper DMC/ JPP	UPPER Intertie (Temporary Cost Pool)	JPP PWR	VOLTA WELLS	LOWER Lower DMC/ Mendota Pool	O'NEILL P/G O'Neill O&M & PWR		RESERVES	RESERVES Unit 6 Rewind BOR Repayment	RESERVES Two Rewind Units BOR Repayment	RESERVES Two Rewind Units 2021A Bonds	DWR COSTS		POWER	
	All Users	All Users Excludes Exchange Contractors & Water Rights	All Users (Actual Pumping Only)	DPWD SLWD	Lower DMC & MP Users	Direct	Storage	All Users	All Users	All Users	All Users Excludes Exchange Contractors & Water Rights	All SLJU Users	Dos Amigos O&M	Dos Amigos Power	
COSTS TO BE ALLOCATED	\$9,078,008	\$1,642,388	\$12,528,362	\$76,050	\$3,254,435	\$5,004,849	\$618,577	\$6,750,000	\$380,000	\$250,000	\$450,000	\$10,111,631	\$2,878,692	\$3,911,106	\$56,934,098
ACRE FEET	1,274,757	611,692	1,254,877	2,400	831,457	379,678	944,828	% of 10 Yr. Historical Use	% of 10 Yr. Historical Use	% of 10 Yr. Historical Use	% of 10 Yr. Historical Use	277,230	273,530	273,530	
RATE PER AF	\$7.12	\$2.68	\$9.98	\$31.69	\$3.91	\$13.18	\$0.65	\$5.10	\$0.29	\$0.19	\$0.65	\$36.47	\$10.52	\$14.30	
	A	Aa	B	C	D	E	F	G	H	I	J	K	L	M	

Approved By Board Action
February 10, 2022

Agenda Report

No. 4.B

DATE: February 24, 2022

TO: Board of Directors

FROM: Ian Buck-Macleod, Water Resources Manager

SUBJECT: Water Operations Update

SUMMARY:

Reclamation released initial CVP allocations on February 23rd with an initial Class 1 allocation of 15%. Irrigation water service and repayment contractors north and south of the Delta received a 0% allocation, and M&I 25% of historical use. The most recent CVO forecasts were made available at the end of January, which included an outlook for the coming water year at a 90% and 50% exceedance probability hydrology, which along with recent internal 90% projections did not show a potential call on Friant. A preview of CVO's 99% projection showed a potential for a call in August or September if conditions remain exceptionally dry. After an active storm track in the second half of December, January and February have been exceptionally dry throughout most of the State. Current forecasts suggest a switch to a somewhat more active storm track over the next several weeks. It remains to be seen how long this may last and what storms might materialize.

DISCUSSION:

Inflow Forecasts

After an exceptionally wet second half of December, January and February have been exceptionally dry in most areas of the State, with some areas experiencing their longest midwinter precipitation streak. Precipitation across the State as a percent of normal currently ranges from 73% to 93%. Near normal temperatures for most of January kept snowpack conditions steady, however February has generally seen above average temperatures and the snowpack has begun to see a noticeable melt. Current SWE ranges from 62% to 70% of normal for the date. Several small storms over the last week have had a minimal effect on snowpack conditions. Current long-range forecasts suggest the switch to a more active storm track may continue to occur over the coming weeks.

Table 1 shows the unimpaired inflow forecasts for Shasta and Millerton 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). As a result of the defined shortage criteria, unimpaired inflow to Shasta in WY 2022 needs to be at least 4.0 MAF this year to avoid a Shasta Critical year. DWR's forecast for Shasta remains wetter at all exceedance levels, as compared to the CNRFC forecast. Both the CNRFC and DWR 50% forecasts for Millerton would result in annual water year inflow that is below the long-term average.

Table 1. Unimpaired Inflow Forecasts for WY 2022

Item	Exceedance		
	90%	50%	10%
CNRFC Shasta Unimpaired Inflow (TAF) ¹	2880	3460	4610
DWR Shasta Unimpaired Inflow (TAF) ²	3065	3825	6115
CNRFC Millerton Unimpaired Inflow (TAF) ¹	1070	1470	2220
DWR Millerton Unimpaired Inflow (TAF) ²	925	1370	2085
SCCAO Millerton Unimpaired Inflow (TAF) ³	1054	1457	2192

Notes:

¹ As of February 22.

² As of February 15.

³ As of February 18. Blended smoothing of 40% DWR / 60% CNRFC with offset for recent ASO flight.

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 54%, 58%, and 113% of average, respectively. All upstream reservoirs except Oroville are at or near the minimum flow requirement for this time of year. Oroville releases increased in February to help meet Delta outflow requirements. Folsom releases are still above minimums, but releases are essentially equal to outflow. As hydrologic conditions continue to dry out with the lack of precipitation, storage gains at all reservoirs have slowed considerably.

CVO provided a January projection at both the 90% and 50% exceedance levels. These projections used the January 1 DWR flow forecasts, which at this point in time are overly optimistic at even the 90% level. As such, all reservoir and operations projections included in this document include CVO's January 90% projection and an internal projection which uses inflows based off the most recent CNRFC 90% projection, which is much drier. The CVO projection can be viewed as a very optimistic projection, while the internal projection provides a much more realistic outlook. CVO is expected to provide their February projection on February 23rd.

Figures 1 and 2 show the projected Shasta Lake and Millerton Lake storage through April based off the most recent CVO and internal projections, respectively, as compared to actuals to date. The Shasta projection also includes the internal projection. Shasta storage had trended above the 90% exceedance projection from CVO and the internal projection since the end of December, however storage increases have slowed dramatically as hydrologic conditions have dried out. End of April storage levels differ by approximately 800 TAF between CVO's 90% projection and the internal projection. Storage levels under the internal projection would result in an extremely difficult temperature management operation and essentially no water would be available from Shasta for Delta water quality and export needs this summer. The preview of CVO's 99% projection showed Shasta storage levels below 600 TAF in September. The Millerton projections include an internal 90% and 50% projection. Millerton Lake storage has trended near

or slightly below the forecast for most of the past month. Storage is currently trending downwards as more water is being stored upstream than was forecasted.

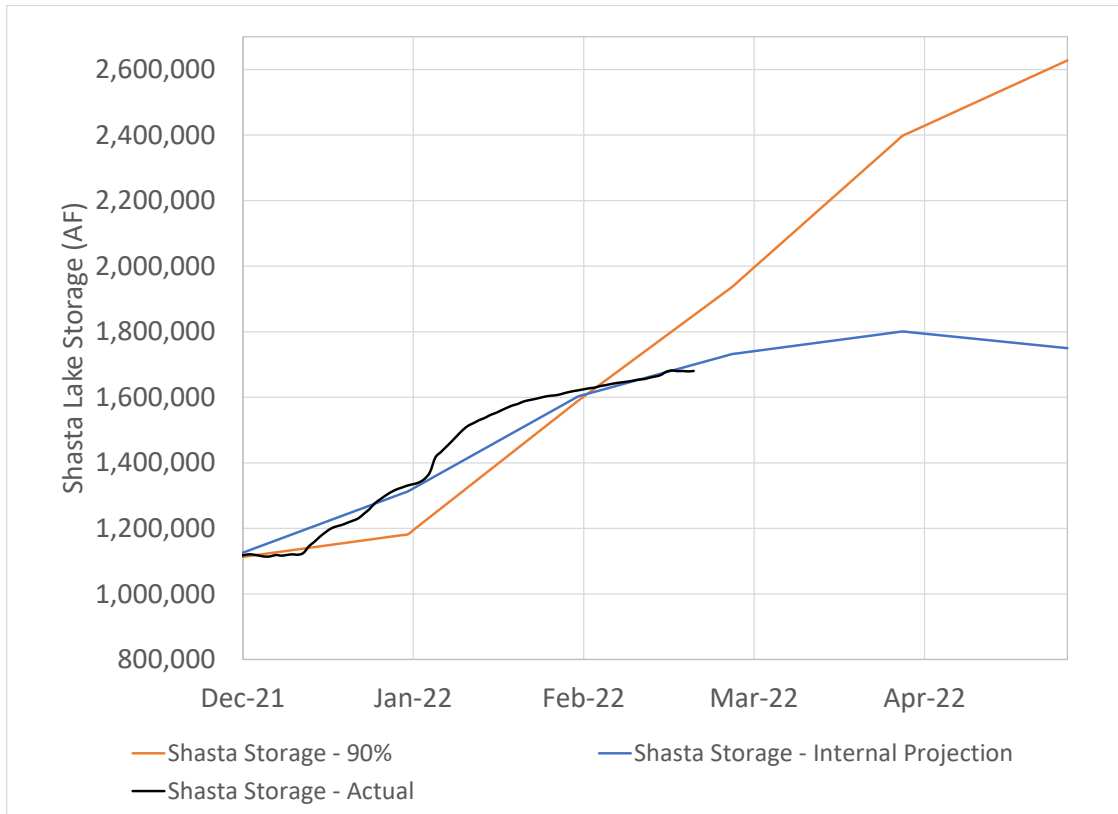


Figure 1. Shasta Lake Storage – January CVO and Internal Projection Compared to Actuals

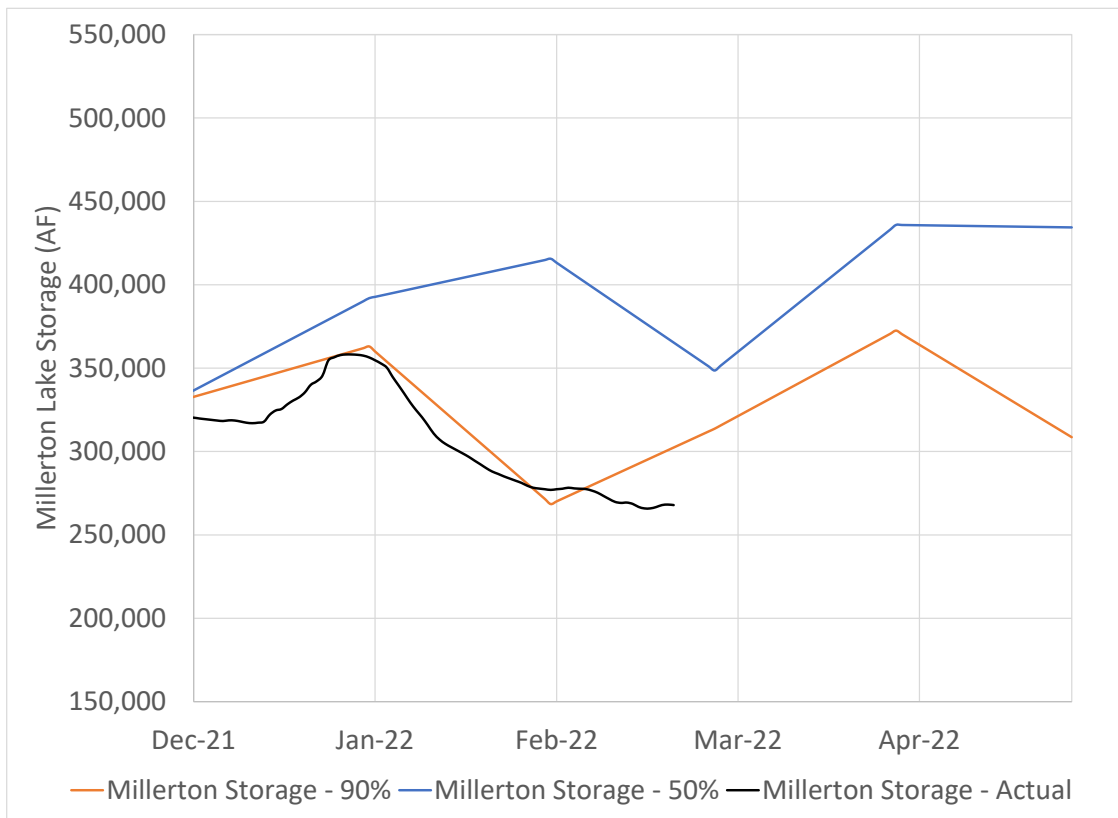


Figure 2. Millerton Lake Storage – Internal Exceedance Projections Compared to Actuals

CVP SOD Operations

Delta Operations

Jones exports were at a full five-unit operation for most of January, and until recently had been at a two-unit operation for most of February. Jones exports were cut to a one-unit operation on February 20th to help meet outflow requirement in response to declining Delta inflow. These export levels are likely to remain until additional inflow becomes available or outflow requirements are reduced at some point in March. Actual exports in March will be highly dependent on future hydrologic conditions. Figure 3 shows the projected daily Jones pumping through April as compared to actuals to date.

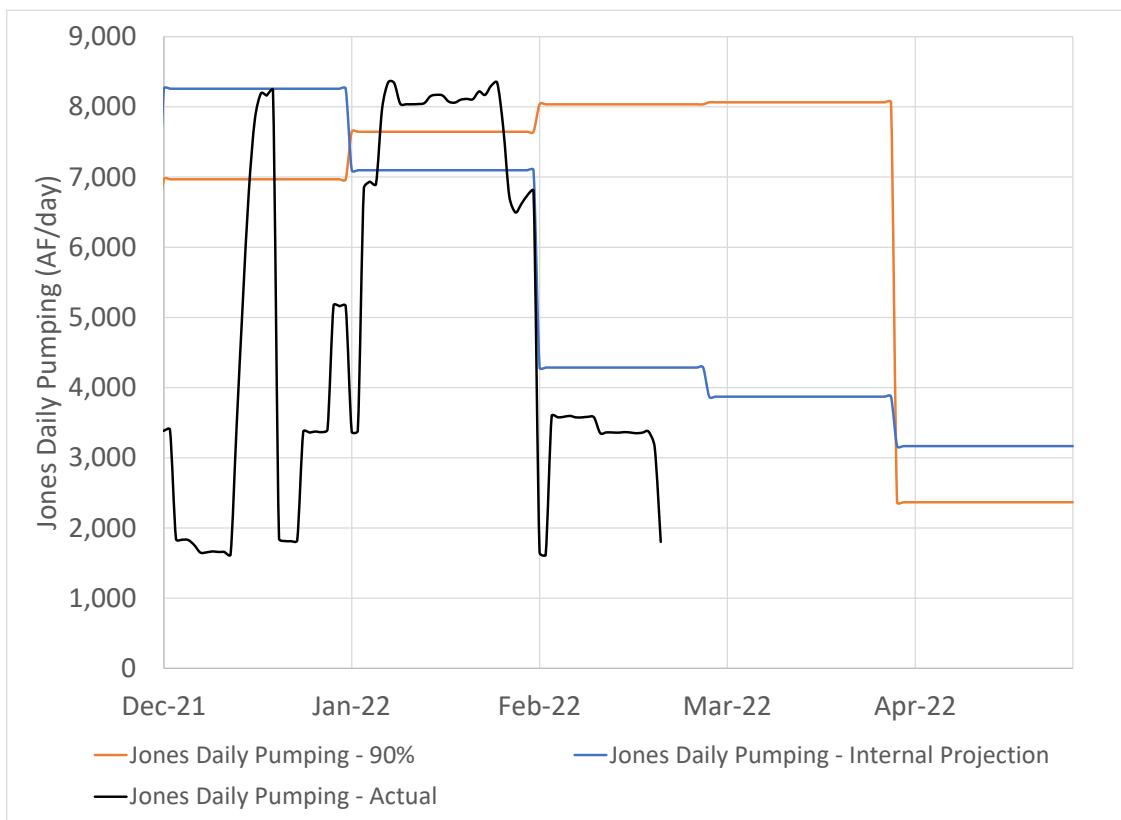


Figure 3. Daily Jones Pumping – January Exceedance Projections Compared to Actuals

As of February 15th, water right curtailments had been reimposed on Stony Creek, Cache Creek, Putah Creek, the Mokelumne River, the Calaveras River, and the Chowchilla River. Further curtailments may be likely depending on hydrologic conditions.

San Luis Operations

CVP San Luis Reservoir storage is at 333 TAF—53% of its 15-year average. Project water began being stored in early January as the approximately 200 TAF of borrowing from Federal contractors was paid back. Figure 4 shows the CVO 90% exceedance projection and the internal projection of San Luis Federal storage through April as compared to actuals. Please note the CVO and internal projections display actual storage, which currently includes at least 200 TAF of non-project water. The difference in end of March storage (annual maximum) between the two projections is essentially a result of the difference in forecasted March exports. A few notes/assumptions for the CVP San Luis internal projection:

- Uses CNRFC inflow forecasts, Sac Valley accretions/depletions based off 2014/2015, and assumes Shasta Critical year delivery volumes
- Assumes the SWP pays back the current COA debt by the end of August mostly through disproportionate pumping, and remaining COA sharing to meet in-basin use reflects a critical year 60/40 sharing (Reclamation/DWR)
- CVP SOD Ag allocation = 0%; CVP M&I allocation = 50%

Both projections suggest there will be sufficient supply available SOD to meet Exchange Contractor demands. The internal projection forecasts CVP San Luis low point to occur in July, with about 80 TAF in storage, while the CVO 90% projection forecasts CVP San Luis low point to occur in August, with about 50 TAF in storage. A preview of the February CVO 99% projection indicated a call on Friant would be necessary in August and September, with an approximate shortage of 100 TAF.

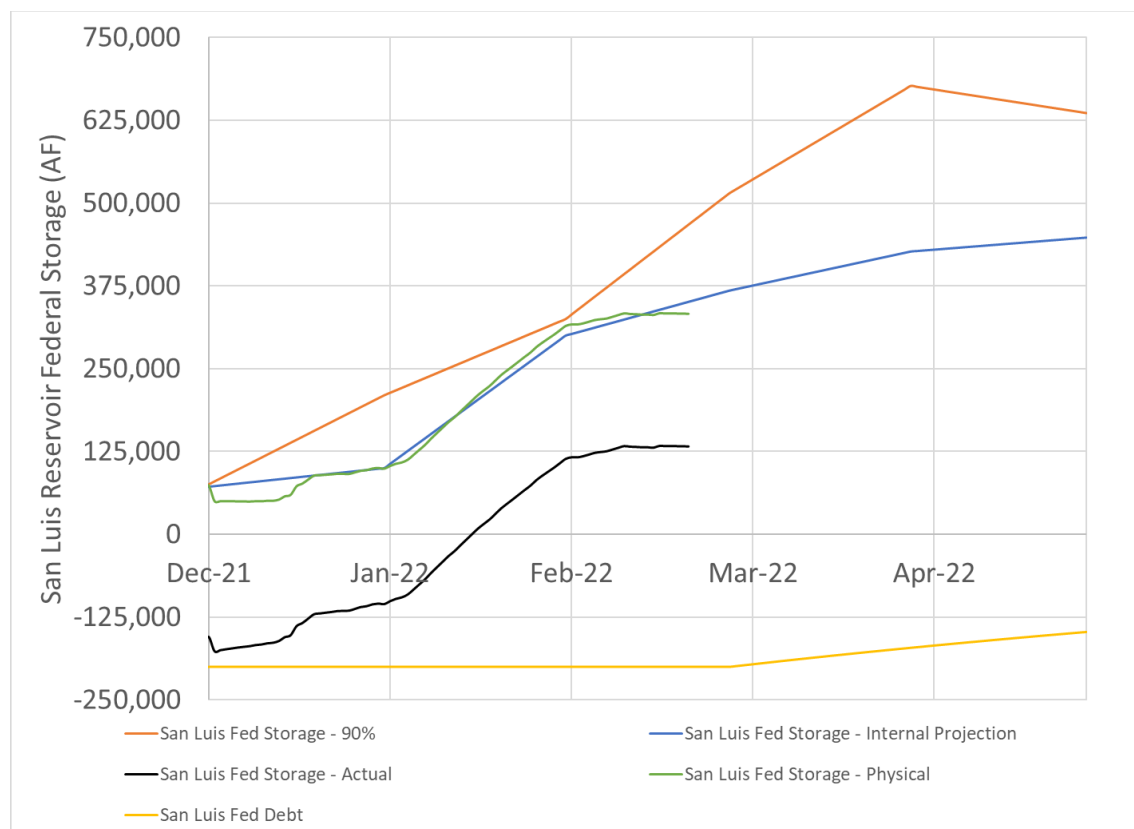


Figure 4. San Luis Federal Storage – January Exceedance Projections as Compared to Actuals

Exchange Contract

At this time, initial forecasts suggest there is approximately a 10% chance that water from Friant will be needed to meet Exchange Contractor demands during the 2022 irrigation season; however, this chance is beginning to increase as conditions remain dry. If conditions remain exceptionally dry, the call suggested by CVO's 99% projection could come to fruition. To further reduce the probability that Friant water will be needed to meet Exchange Contractor demands, Northern California reservoirs will need to see additional improvements in storage.

Friant Division Allocation

Airborne Snow Observatory

The first ASO flight was conducted on February 6 and 7. SWE was estimated at 667 TAF, which is significantly less than Reclamation's consensus estimate snowpack at that time. The results of this flight resulted in reducing runoff forecasts from 50 to 90 TAF. The next flight is anticipated to occur between March 15 to April 1, depending on hydrology. Typical peak snow accumulation occurs at the end of March.

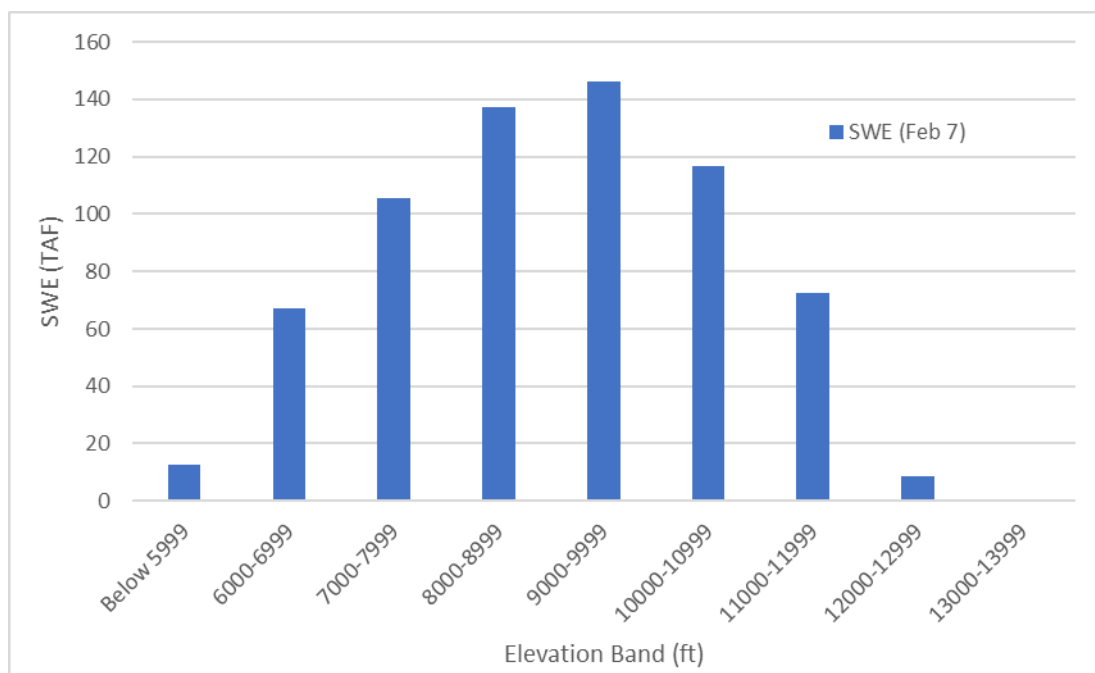


Figure 5. ASO Estimated Snow Water Equivalent by Elevation Band

Friant Division Contractors

The initial CVP Friant allocation for 2022 is 15% of Class 1 supplies (120 TAF). Reclamation stated that carryover into water year 2022 will be limited to the lesser of a) The Contractor's amount of unused Class 1 as of October 31st or, b) 10% of Maximum Class 1 contract quantity. As of January 14th, Reclamation is projecting approximately 22.4 TAF of carryover supplies into contract year 2022. FWA forecasts that the 90% exceedance for WY2022 forecast shows on the order of 45% Class 1 allocation, while the 50% exceedance forecast shows a 95% Class 1 allocation.

San Joaquin River Restoration Allocation

On February 18th, Reclamation notified the Restoration Administrator that this year's second Restoration Allocation is a Normal-Dry year type, set at 254,413 acre-feet at Gravelly Ford. The allocation is based on a blended DWR (40%)/NWS (60%) with offset for recent ASO flight at the 75% exceedance forecast for Millerton, with a total inflow of 1,235 TAF. The schedule submitted by the Restoration Administrator on February 1st was approved by Reclamation, with the note that uncontrolled season operations could affect the ability of the Restoration Administrator to move 9 TAF from spring to summer months, pending a water supply test. No Unreleased Restoration Flows (URF) were made available, but the schedule includes the potential for URF if there is no change in the allocation. Reclamation requested a new recommendation by March 1.

As of February 22nd, Restoration Flows at Gravelly Ford and Sack Dam were approximately 210 cfs and 90 cfs, respectively.

San Joaquin River Restoration Recapture

After the resumption of restoration flows this fall, a small amount of recapture had occurred at Mendota Pool. There is currently no recapture occurring at PID or BCID as both districts do not have any available diversion capacity. 670 AF was recaptured in January: 290 AF in the last four days on behalf of two districts

were able to direct-deliver recapture water and 380 AF in early January that is available for all participants. No water is expected to be recaptured in February.



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