

## **BOARD OF DIRECTORS MEETING | Agenda**

**THURSDAY, OCTOBER 28, 2021**

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

**VISALIA CONVENTION CENTER, 303 E. ACEQUIA AVE, VISALIA, CA 93291  
SEQUOIA ROOM, 2<sup>ND</sup> 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.

**CALL TO ORDER/ROLL CALL – (LOEFFLER)**

**APPROVAL OF THE AGENDA – (LOEFFLER)**

**PUBLIC COMMENT ON CLOSED SESSION ITEMS – (DAVIS)**

**ADJOURN TO CLOSED SESSION**

### **1. CLOSED SESSION**

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

1. *California Natural Resources Agency v. Raimondo*, United States District Court for the Eastern District of California, Case No. 1:20-CV-00426-DAD-EPG
2. *Tehama Colusa Canal Authority v. California Dept. of Water Resources*, Sacramento County Superior Court, Case No. 34-2021-80003665-CU-WM-GDS
3. *Friant Water Authority v. Malley Investment Properties, LP*, Tulare County Superior Court, Case No. VCU288285
4. *Friant Water Authority v. FLS Enterprises, LLC et al.*, Tulare County Superior Court, Case No. VCU287713

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

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

#### **D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS (Government Code section 54956.8)**

Property: Friant-Kern Canal facilities and right-of-way  
Agency negotiator: CEO, 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 EMPLOYEE PERFORMANCE EVALUATION  
(Government Code section 54957)  
Title: Chief Executive 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 July 29, 2021. (Loeffler)
- B. Approval of the Minutes – Board of Directors Special Meeting of September 13, 2021. (Loeffler)
- C. Approval of the Minutes – Board of Directors Meeting of September 23, 2021. (Loeffler)
- D. Accept Cash Activity Reports for September 2021 and pay the bills for October 2021. (Loeffler)

**3. ACTION ITEMS (15 MINUTES)**

- A. Additional Scope of Work and Related Costs for GSI Environmental for Friant-Kern Canal Subsidence Monitoring and Engagement with Groundwater Sustainability Agencies. (DeFlitch)
- B. Allocation of the settlement payment received from San Luis & Delta Mendota Water Authority regarding the Panoche Water District. (Orvis)

**4. GENERAL UPDATES & REPORTS (65 MINUTES)**

- A. FKC Middle Reach Capacity Correction Project Activities and Schedule Update. (DeFlitch/Davis/Phillips) (10 minutes)
- B. Water Operations Update. (Buck-Macleod) (10 minutes)
- C. External Affairs Activities. (Biering/Amaral) (10 minutes)

- D. San Joaquin Valley Blueprint Update. (Ewell) (10 minutes)
- E. O&M Report. (DeFlitch) (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](http://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, JULY 29, 2021**

**CLOSED SESSION - 8:30 A.M. /OPEN SESSION – 10:00 A.M. VISALIA  
CONVENTION CENTER, 303 E. ACEQUIA AVE, VISALIA, CA 93291  
CHARTER OAK BALLROOM/WEBEX**

### CALL TO ORDER/ROLL CALL – (LOEFFLER)

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:*

John Moore	Arvin-Edison W.S.D. (AEWSD)
Brock Buche	City of Fresno (CofF)
George Porter	Fresno I.D. (FID)
Chris Tantau	Kaweah Delta W.C.D. (KDWCD)
Kent Stephens	Kern-Tulare W.D. (KTWD)
Michael Brownfield	Lindmore I.D. (LID)
Cliff Loeffler	Lindsay-Strathmore I.D. (LSID)
Tom Barcellos	Lower-Tule River I.D. (LTRID)
Jim Erickson	Madera I.D. (MID)
David A. Brown	Orange Cove I.D. (OCID)
Eric Borba	Porterville I.D. (PID)
Lucille Demetriff	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:*

Kole Upton	Chowchilla W.D. (CWD)
Loren Booth	Hills Valley I.D. (HVID)

### APPROVAL OF THE AGENDA

The Board approved the agenda as presented.

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



## PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was not public comment on any closed session items.

## ADJOURN TO CLOSED SESSION

### 1. CLOSED SSESSION

- 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: Three potential matters.
- C. CONFERENCE WITH LEGAL COUNSEL-INITIATION OF LITIGATION  
(Government Code section 54956.9(d)(4))  
Initiation of Litigation: Three potential cases.
- D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
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 Repayment Contract (price and terms of payment)
- E. CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Property: Tulare County APN: 319-150-009  
Agency negotiator: CEO, CFO, General Counsel  
Negotiating parties: Kyte & County Line Farms LLC  
Under negotiation: price and terms of payment
- F. CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Property: Tulare County APNs: 390-160-010, -014, -015  
Agency negotiator: CEO, CFO, General Counsel  
Negotiating parties: Malley Investment Properties, LP  
Under negotiation: price and terms of payment
- G. CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Property: Tulare County APN: 393-090-005  
Agency negotiator: CEO, CFO, General Counsel

Negotiating parties: Merritt Family Members  
Under negotiation: price and terms of payment

## RECONVENE INTO OPEN SESSION

Director Loeffler announced that there was no reportable action taken during closed session, and that Director Kisling had recused himself from the Merritt family property discussion due to a potential conflict of interest.

## 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 June 24, 2021 – Director Kisling noted that he was not present to represent Saucelito I.D. at the June 24<sup>th</sup> meeting. (The Recording Secretary has confirmed that is correct. Lucille Demetriff represented Saucelito I.D. at the June 24, 2021, meeting; therefore, the originally submitted minutes stand.)
- B. Accept Cash Activity Reports for June 2021 and pay the bills for July 2021.

**M/S/C** – Motion by Director Borges, seconded by Director Brown, to approve the consent calendar as corrected. (Lucille Demetriff represented Saucelito I.D. at the June 24, 2021 meeting therefore the minutes stand.) The motion carried. (Roll Call Vote: Ayes – AESWD, CofF, FID, KDWCD, KTWD, LID, LSID, LTRID, MID, OCID, PID, SID, TPWD, TBID, TID; Nays – 0; Absent – CWD)

### 3. HEARINGS (30 MINUTES)

- A. Friant-Kern Canal Middle Reach Capacity Correction Project – Adoption of a Resolution Finding and Determining That the Public Interest, Convenience and Necessity Require the Acquisition of Certain Property for Public Purposes (Property: Tulare County APN: 393-090-005 – Merritt Family)

Chairman Loeffler opened the public hearing at 10:48 a.m.

Director Kisling recused himself from the hearing on this item due to a potential conflict of interest.

General Counsel Davis gave an overview of the common background on the three proposed Resolutions of Necessity to acquire certain property. He described the need to procure right-of-way for the approximately 10-mile-long segment of realigned canal. This requires the acquisition of approximately 28 parcels of land owned by private parties as well as public agencies. Offers to purchase made by FWA to the owners of the subject properties have not been accepted, and while negotiations are continuing, the need to potentially commence construction towards the end of this year necessitates that FWA initiate eminent domain proceedings in order to timely secure possession of the properties for the Project. The

proposed adoption of a Resolution of Necessity would authorize the initiation of such proceedings.

There were no more comments made during the public hearing and Chairman Loeffler closed the public hearing at 10:50 a.m.

**M/S/C** – Motion by Director Wheaton, seconded by Director Leider, to adopt Resolution 2021-09, A Resolution of the Board of Directors of the Friant Water Authority Finding and Determining that the Public Interest, Convenience and Necessity Require the Acquisition of Certain Property for Public Purposes – Merritt Family. The motion carried. (Roll Call Vote: Ayes – AESWD, Coff, FID, KDWCD, KTWD, LID, LSID, LTRID, OCID, PID, TPWD, TBID, TID; Nays – 0; Abstain – SID; Absent – 0)

- B. Friant-Kern Canal Middle Reach Capacity Correction Project – Adoption of a Resolution Finding and Determining That the Public Interest, Convenience and Necessity Require the Acquisition of Certain Property for Public Purposes (Property: Tulare County APN: 319-150-009 - Kyte & County Line Farms, LLC)

Chairman Loeffler opened the public hearing at 10:51 a.m.

General Counsel Davis reiterated the background on need to procure right-of-way for the approximately 10-mile-long segment of realigned canal. An offer to purchase was made by FWA to the owners of the subject property has not been accepted, and while negotiations are continuing, the need to potentially commence construction towards the end of this year necessities that FWA initiate eminent domain proceedings in order to timely secure possession of the properties for the Project. The proposed adoption of a Resolution of Necessity would authorize the initiation of such proceedings.

There were no comments made during the public hearing and Chairman Loeffler closed the public hearing at 10:52 a.m.

**M/S/C** – Motion by Director Tantau, seconded by Director Brown, to adopt Resolution 2021-10, A Resolution of the Board of Directors of the Friant Water Authority Finding and Determining that the Public Interest, Convenience and Necessity Require the Acquisition of Certain Property for Public Purposes – Kyte. The motion carried. (Roll Call Vote: Ayes – AESWD, Coff, FID, KDWCD, KTWD, LID, LSID, LTRID, OCID, PID, SID, TPWD, TBID, TID; Nays – 0; Abstain – 0; Absent – 0)

- C. Friant-Kern Canal Middle Reach Capacity Correction Project – Adoption of a Resolution Finding and Determining That the Public Interest, Convenience and Necessity Require the Acquisition of Certain Property for Public Purposes (Property: Tulare County APNs: 390-160-010, -014, -015 - Malley Investment Properties, LP)

Chairman Loeffler opened the public hearing at 10:53 a.m.

General Counsel Davis restated the need to procure this property for the right-of- of realigned canal segment, and noted that while an offers to purchase the property had been made by FWA to the owners of the subject property, the offer has not been accepted, and while negotiations are continuing, the need to potentially commence construction towards the end of this year necessities that FWA initiate eminent domain proceedings in order to

timely secure possession of the properties for the Project. The proposed adoption of a Resolution of Necessity would authorize the initiation of such proceedings.

Robert G. Kuhs, Esq., counsel for Malley Investment Properties, addressed the Board. He hand-delivered a letter to the Board dated July 29, 2021 and requested that it be made part of the record. He noted that his client supports the project but had objections to the Resolution of Necessity and proceeded to summarize the contents of the letter outlining the grounds of objection. He also requested that the agenda package on the Kyte property hearing (Board Package pp. 63-107) be included as part of the record on the Malley hearing, and expressed an objection to the proposed conveyance of an access easement to the Kyte property over what will become a canal maintenance area on a portion of Malley property being acquired.

Following comments made, Chairman Loeffler closed the public hearing at 11:06 a.m.

**M/S/C** – Motion by Director Wheaton, seconded by Director Tantau, to adopt Resolution 2021-11, A Resolution of the Board of Directors of the Friant Water Authority Finding and Determining that the Public Interest, Convenience and Necessity Require the Acquisition of Certain Property for Public Purposes – Malley. The motion carried. (Roll Call Vote: Ayes – AESWD, Coff, FID, KDWCD, KTWD, LID, LSID, LTRID, OCID, PID, SID, TPWD, TBID, TID; Nays – 0; Abstain – 0; Absent – 0)

#### 4. ACTION ITEMS

- A. FKC Middle Reach Capacity Correction Project – Adoption of a Resolution Approving an Updated OM&R Budget for the Project.

CFO Orvis gave a report as outlined in the agenda report for final adoption of the Project OM&R Budget. The proposed updated Project OM&R Budget was sent to all FKC Contractors for comment on April 6, 2021 in accordance with the terms of the Authority's "Transfer Agreement" with the Bureau of Reclamation (Reclamation), Article 12(a).

One comment letter was received from the City of Fresno. The City's letter disputed the proposed updated Project OM&R Budget on essentially two grounds: (1) the Project should be considered a capital improvement or replacement and not an OM&R activity, and (2) the proposed budget allocation to the City was allegedly not consistent with various provisions of California law. FWA staff reviewed and responded to the points raised by the City of Fresno in a response letter on May 28, 2021 (a copy of which was provided to the Board). There was one request to make a minor amendment in the Resolution under Section 2, Paragraph A, last sentence: If applicable, depending on final project cost-share contributions from all sources, each FKC Contractor will have **input on the disposition** of their portion of any funds available upon substantial completion of Phase 1. The request was to replace each FKC Contractor will have "input on the disposition" to each FKC Contractor will have the **"right to determine the disposition."**

**M/S/C** – Motion by Director Borba, seconded by Director Pitigliano, to adopt Resolution 2021-12, approving the updated Project OM&R Budget with the change to Section 2.A noted above. The motion carried. (Roll Call Vote: Ayes – AESWD, FID, KDWCD, KTWD, LID, LSID, LTRID, OCID, PID, SID, TPWD, TBID, TID; Nays – Coff; Abstain – 0; Absent – 0)

- B. FKC Middle Reach Capacity Correction Project – City of Lindsay and Garfield Water District Payment Deferral Agreements (Orvis). Consider entering into agreements with the City of Lindsay and the Garfield Water District to defer a portion of the scheduled OM&R payments (with interest) of their allocated share of the project costs.

CFO Orvis went through the agenda report as outlined and said that it was the recommendation of the Executive Committee that Board of Directors authorize staff to execute payment deferral agreements with the City of Lindsay and Garfield Water District for the Middle Reach Capacity Correction Project, subject to review and approval as to form by the General Counsel and Chief Financial Officer.

**M/S/C** – Motion by Director Brownfield, seconded by Director Tantau, to authorize staff to execute payment deferral agreements with the City of Lindsay and Garfield Water District for the Middle Reach Capacity Correction Project, subject to review and approval as to form by the General Counsel and Chief Financial Officer. The motion carried. (Roll Call Vote: Ayes – AESWD, CofF, FID, KDWCD, KTWD, LID, LSID, LTRID, OCID, PID, SID, TPWD, TBID, TID; Nays – 0; Abstain – 0; Absent – 0)

- C. FKC Middle Reach Capacity Correction Project – Approval of a Repayment Contract with the United States. The proposed contract would establish the terms and conditions for the repayment of reimbursable federal funding for the project.

CEO Phillips and CFO Orvis went through the Repayment Contract and associated Resolution as outlined in the agenda report. The Board of Directors took action to adopt Resolution 2021-13 Authorizing the Execution of the proposed Repayment Contract.

**M/S/C** – Motion by Director Borba, seconded by Director Moore, to adopt Resolution 2021-13, authorizing the execution of the proposed Repayment Contract. The motion carried. (Roll Call Vote: Ayes – AESWD, KDWCD, KTWD, LID, LSID, LTRID, OCID, PID, SID, TPWD, TBID, TID; Nays – 0; Abstain – CofF, FID; Absent – 0)

- D. General Member Fourth Quarter Call-for-Funds (Orvis) – Consider a recommendation to not make the Fiscal Year 2021 fourth quarter General Membership Call-for-Funds.

CFO Orvis announced that a General Member call-for-funds will be deferred until the following month so staff can analyze the projected expenditures for the remainder of the fiscal year as outlined in the agenda report. The Board of Directors concurred with the deferral of this item.

## 5. GENERAL UPDATES & REPORTS

- A. FKC Middle Reach Capacity Correction Project (FKC MRCCP) Activities and Schedule Update.

CEO Phillips gave an update on the MRCCP as outlined in the agenda report. This also included that the bidding process for award of construction continues to move forward on the current schedule; the MOU with Tulare County was approved by Reclamation. Tulare County will act on the MOU at the August County of Supervisors meeting.

- B. Water Operations Update. (Buck-Macleod) (10 minutes)

- 1. SWRCB Actions

CEO Phillips and WRM Buck-Macleod gave an update on water operations as well as recent SWRCB actions as outlined in the agenda report.

- C. External Affairs Activities – CEA Amaral provided the External Affairs report as outlined in the agenda report. He also reported that Governor Newsom signed Senate Bill (SB) 129, a budget trailer bill that contained spending details for more than \$100 billion during the 2021/2022 fiscal year of which \$100 million would go to the DWR for water conveyance investments; on the Federal side, a deal has been reached on the infrastructure bill though it has not been passed yet.
- D. San Joaquin Valley Blueprint (SJV) Update – Austin Ewell gave an update on the SJV as outlined in the agenda report. He also said that the Blueprint is in the process of hiring a new project management team to replace Vista Consulting, with the goal of bringing on a new manager in August.
- E. O&M Report – Superintendent Hickernell provided the O&M report as outlined in the agenda report. He also said that staff have gone 1,842 days with no lost time accident; 24 thousand pounds of copper sulfate was applied to the canal; no sign of milfoil activity; and an emergency repair of a fallen panel also took place.
- F. San Luis Delta-Mendota Water Authority (SLDMWA) Update – CFO Orvis gave an update as outlined in the agenda report. He also said that rates on Exchange Contractor deliveries will rise from \$24.71 AF to \$31.02 AF of Exchange Contractor deliveries, retroactive to March 1, 2021; and SLDMWA's Geotechnical data collection is complete as well as the borrow source analysis. SLDMWA is currently working with Reclamation on a Cooperative Agreement. There was also a rate recalculation with a net result of an additional \$3 million dollars to Friant which will be due mid-August. Contractors have been invoiced in order to meet that obligation.
- G. Board Strategic Planning Session Review – CEO Phillips thanked everyone that attended the Board Strategic Planning Session Review and is currently being summarized. Once completed, it is hoped that the Executive Committee will draft up its comments for final review and possible approval of any revisions made.
- H. CEO Report – CEO Phillips reported that he accompanied Senators Padilla, Acosta and Hurtado to Friant Dam for a presentation on the canal fix.

**RESUME CLOSED SESSION** – The Board of Directors went back into closed session at 12:48 p.m. following a lunch break and returned to open session and announced that there was no reportable action taken during closed session.

## ADJOURNMENT

The meeting adjourned at 2:00 p.m.

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Jason R. Phillips, Chief Executive Officer  
Friant Water Authority

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Toni Marie, Recording Secretary  
Friant Water Authority

### Others in Attendance:

Jeevan Muhar	Arvin-Edison W.S.D.
Brandon Tomlinson	Chowchilla W.D.
Mark Larsen	Kaweah-Delta W.C.D.
Steve Dalke	Kern-Tulare W.D.
Mike Hagman	Lindmore I.D.
Craig Wallace	Lindsay-Strathmore I.D.
Tom Barcellos	Lower Tule River I.D.
Eric Limas	Lower Tule River I.D., Tea Pot Dome W.D.
Tommy Greci	Madera I.D.
Fergus Morrissey	Orange Cove I.D.
Nick Keller	Porterville I.D., Saucelito I.D., Terra Bella I.D.
Eric Limas	Tea Pot Dome W.D.
Aaron Fukuda	Tulare I.D.
William D. West	Stone Corral I.D.
Eric Quinley	Delano-Earlimart I.D.
Roland Gross	San Joaquin M.U.D.
Don Davis	FWA General Counsel
Chris Hickernell	FWA
Jason Phillips	FWA
John Bezdek	FWA
Savie Herrera	FWA
Johnny Amaral	FWA
Wilson Orvis	FWA
Ian Buck-Macleod	FWA
Vivian Garcia	FWA
Doug Brown	Bond Counsel
Austin Ewell	SJV Blueprint
Don Wright	Waterwrights.com
Shelley Abajian	Senator Feinstein
Matthew Vickery	
Kuyler Crocker	
John Gailey	
Robert Kuhs	Malley Investment Properties

**SPECIAL BOARD OF DIRECTORS MEETING | Minutes**  
**September 13, 2021**  
**Friant Water Authority 854 N. Harvard Ave, Lindsay, CA 93247**  
**Directors, Staff & Managers In-Person**

**CLOSED SESSION – 9:00 A.M. /OPEN SESSION – 10:00 A.M.**

**CALL TO ORDER/ROLL CALL**

Chairman Cliff Loeffler called to order the noticed Special Meeting of the Board of Directors of the Friant Water Authority at 9:00 a.m. Chief Executive Officer, Jason R. Phillips noted that a quorum of the Board of Directors was present.

***Directors Present:***

Edwin Camp	Arvin-Edison W.S.D. (AEWSD)
Brock Buche	City of Fresno (CofF)
George Porter	Fresno I.D. (FID)
Chris Tantau	Kaweah Delta W.C.D. (KDWCD)
Kent Stephens	Kern-Tulare W.D. (KTWD)
Michael Brownfield	Lindmore I.D. (LID)
Cliff Loeffler	Lindsay-Strathmore I.D. (LSID)
Josh Pitigliano	Lower-Tule River I.D. (LTRID)
Jim Erickson	Madera I.D. (MID)
David A. Brown	Orange Cove I.D. (OCID)
Eric Borba	Porterville I.D. (PID)
Steven G. Kisling	Saucelito I.D. (SID)
Matthew Leider	Teapot Dome W.D. (TPWD)
Edwin Wheaton	Terra Bella I.D. (TBID)
Rick Borges	Tulare I.D. (TID)

***Non-FWA Directors Present:***

None

***Directors Absent:***

Kole Upton, Chowchilla W.D. (CWD); Loren Booth, Hills Valley I.D. (HVID)

**APPROVAL OF THE AGENDA**

The Board approved the agenda as presented.

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



## **PUBLIC COMMENT ON CLOSED SESSION ITEMS**

There was no public comment.

### **1. CLOSED SESSION**

#### **A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS**

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 Repayment Contract (price and terms of payment)

#### **B. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**

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

Significant Exposure to Litigation: Three potential matters.

## **RECONVENE INTO OPEN SESSION**

**The Board reported the following action taken in Closed Session. M/S/C** – Motion by Director Borba, seconded by Director Camp, to approve the Middle Reach Capacity Correction Project Repayment Contract. The motion carried. (Roll Call Vote: Ayes – AESWD, FID, KDWCD, KTWD, LID, LSID, LTRID, MID, OCID, PID, SID, TPWD, TBID, TID; Nays – CofF; Absent – CWD, HVID)

## **PUBLIC COMMENT/PUBLIC PRESENTATIONS**

There was no public comment.

### **2. DISCUSSION/DIRECTION**

- A. FKC Middle Reach Capacity Correction Project Update – CFO Wilson informed the Board that FWA has been notified by Reclamation that the award of the construction contract for the Middle Reach Capacity Correction Project (Phase 1), which is anticipated for September, will result in a project budget of approximately \$292 million. This amount is inclusive of all anticipated costs including expenditures to date, right of way, the projected construction contract award, associated activities, and costs during construction. The Phase 1 construction cash flow and likely repayment obligations to Reclamation based upon the anticipated increase in costs and expected revenue sources have been updated. The Board provided direction and consented to the proposed increase in the Project Phase 1 budget costs so that Reclamation may proceed with the award of the construction contract.

## ADJOURNMENT

The meeting adjourned at 11:23 p.m.

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Jason R. Phillips, Chief Executive Officer  
Friant Water Authority

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Mia Swenson, 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.
Mark Larsen	Kaweah-Delta W.C.D.
Mike Hagman	Lindmore 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.
Eric Limas	Tea Pot Dome W.D.
Aaron Fukuda	Tulare I.D.
Don Davis	FWA General Counsel
Jason Phillips	FWA
Doug DeFlitch	FWA
John Bezdek	Consultant
Jocelyn Bean	FWA
Johnny Amaral	FWA
Ian Buck-Macleod	FWA
Alex Biering	FWA
Mia Swenson	FWA
Vivian Garcia	FWA
Steve Ottemoeller	Contractor

## BOARD OF DIRECTORS MEETING | Minutes

SEPTEMBER 23, 2021

## Visalia Convention Center – Sequoia Room

303 E. Acequia Ave, Visalia, CA 93291

CLOSED SESSION – 9:00 A.M. /OPEN SESSION – 10:30 A.M.

## 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 9:00 a.m. 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)
Brock Buche	City of Fresno (CofF)
Kole Upton	Chowchilla W.D. (CWD)
George Porter	Fresno I.D. (FID)
Chris Tantau	Kaweah Delta W.C.D. (KDWCD)
Kent Stephens	Kern-Tulare W.D. (KTWD)
Michael Brownfield	Lindmore I.D. (LID)
Cliff Loeffler	Lindsay-Strathmore I.D. (LSID)
Josh Pitigliano	Lower-Tule River I.D. (LTRID)
Jim Erickson	Madera I.D. (MID)
David Brown	Orange Cove I.D. (OCID)
Eric Borba	Porterville I.D. (PID)
Steven G. Kisling	Saucelito I.D. (SID)
Matthew Leider	Teapot Dome W.D. (TPWD)
Edwin Wheaton	Terra Bella I.D. (TBID)
Rick Borges	Tulare I.D. (TID)

*Non-FWA Directors Present:*

None

*Directors Absent:*

Loren Booth Hills Valley I.D. (HVID)

## APPROVAL OF THE AGENDA

Vice-Chair Camp ran the meeting as Chairman Loeffler was attending remotely. The Board approved the agenda as presented.

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

## PUBLIC COMMENT ON CLOSED SESSION ITEMS

There was no public comment.

## 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: Four potential matters.

#### C. CONFERENCE WITH LEGAL COUNSEL-INITIATION OF LITIGATION

(Government Code section 54956.9(d)(4))

Initiation of Litigation: Three potential cases.

#### D. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

(Government Code section 54956.8)

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

Agency negotiator: CEO, 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. LIABILITY CLAIMS

(Government Code section 54956.95)

Claimants: Martin Chavez et al.

## RECONVENE INTO OPEN SESSION

The following action was taken in closed session: **M/S/C** – Motion by Director Borba, seconded by Director Stephens, to reject the liability claim of Chavez et al. The motion carried. (Roll Call Vote: Ayes – AESWD, Coff, CWD, FID, KDWCD, KTWCD, LID, LSID, MID, PID, SID, TPWD, TBID, TID; Nays – 0; Absent – HVID)

## PUBLIC COMMENT / PUBLIC PRESENTATIONS

Don Wright invited the members to an upcoming event he was sponsoring on October 2, 2021.

### 2. CONSENT CALENDAR

- A. Approval of the Minutes – Board of Directors Meeting of August 26, 2021. (Loeffler)
- B. Accept Cash Activity Reports for August 2021 and pay the bills for September 2021. (Loeffler)

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

### 3. ACTION ITEMS

- A. FY 2022 OM&R Budget - Final approval of the proposed FY 2022 OM&R Budget. CFO Orvis summarized the highlights of the agenda report including the multiple reviews of this item and the incorporation of changes in response to comments.

**M/S/C** – Motion by Director Borges, seconded by Director Tantau, to approve the proposed FY 2022 OM&R Budget. (Roll Call Vote: Ayes – AESWD, FID, KDWCD, KTWD, LID, LSID, LTRID, OCID, PID, SID, TPWD, TBID, TID; Nays – CofF; Abstain – 0; Absent – HVID)

- B. Review and acceptance of the Financial Statements and Independent Audit Report for Fiscal Year ending September 30, 2019. CFO Orvis summarized the agenda report, including the significant items noted by the auditor, Hudson, Henderson & Co., and the corrective action plan being developed by staff.

**M/S/C** – Motion by Director Brownfield, seconded by Chairman Loeffler, to approve the acceptance of the Financial Statements and Independent Audit Report for Fiscal year ending September 30, 2019. (Roll Call Vote: Ayes – AESWD, CWD, FID, KDWCD, KTWD, LID, LSID, LTRID, MID, OCID, PID, SID, TPWD, TBID, TID; Nays – CofF; Abstain – 0; Absent – HVID)

- C. Proposed Employee Cost-of-Living Adjustment for Fiscal Year 2022. COO DeFlitch and HR representative Garcia reviewed the recommendation to provide employees with a 5.6% COLA adjustment starting in the next fiscal year.

**M/S/C** – Motion by Director Pitigliano, seconded by Director Wheaton, to approve the Employee Cost-of-Living Adjustment for Fiscal Year 2022. (Roll Call Vote: Ayes – AESWD, CWD, FID, KDWCD, KTWD, LID, LSID, LTRID, MID, OCID, PID, SID, TPWD, TBID, TID; Nays – None; Abstain – CofF0; Absent – HVID)

- D. Facilities Relocation Agreement between Southern California Edison Company, Friant Water Authority and the Bureau of Reclamation for the Middle Reach Capacity Correction Project. General Counsel Davis summarized the proposed terms of the Agreement. He stated that both FWA and Reclamation had ongoing concerns regarding SCE adhering to the project schedule that they were hoping to resolve in the coming weeks and therefore was recommending Board approval subject to final approval by his office.

**M/S/C** – Motion by Motion by Director Leider, seconded by Director Stephens, to approve the Facilities Relocation Agreement between Southern California Edison Company, Friant Water Authority and the Bureau of Reclamation for the Middle Reach Capacity Correction Project and to authorize the COO to execute subject to final approval as to form by General Counsel. The motion carried. (Roll Call Vote: Ayes – AESWD, FID, KDWCD, KTWD, LID, LSID, LTRID, OCID, PID, SID, TPWD, TBID, TID; Nays – 0; Abstain – CofF; Absent – HVID)

- E. Board Strategic Planning Session Review. CEA Amaral and CEO Phillips reviewed the proposed updates to the Strategic Plan.

**M/S/C** – Motion by Director Borges, seconded by Director Brownfield, to approve the updates to the FWA Strategic Plan. The motion carried. (Roll Call Vote: Ayes – AESWD, CofF, CWD, FID, KDWCD, KTWD, LID, LSID, LTRID, MID, OCID, PID, SID, TPWD, TBID, TID; Nays – 0; Abstain – 0; Absent – HVID)

#### **4. GENERAL UPDATES & REPORTS**

- A. FKC Middle Reach Capacity Correction Project Activities and Schedule Update – COO DeFlitch provided an update on the FKC Middle Reach Capacity Correction Project. He noted that the Notice to Proceed will be issued sooner than expected and anticipates a groundbreaking ceremony hopefully in March 2022.
- B. Water Operations Update – WRM Buck-Macleod provided an overview of current water operations as included in the packet. He noted that the current water resources index indicates the worst ever carryover in Central Valley Project history. Both state and federal governments are working on “worst case” scenario reviews.
- C. External Affairs Activities – CEA Amaral reviewed both state and federal affairs reports. Senator Hurtado decided to move SB 559 to the inactive file, as revisions appear to be unworkable and changes to the bill are unsponsorable. He also noted that Friant has been working with the Department of Water Resources to disburse the state budget funds in a timely manner and is thus far pleased with the progress.
- D. San Joaquin Valley Blueprint Update – Austin Ewell provided an overview of Blueprint activities as included in the packet. He noted that the CAP initiative includes the environmental groups that was intended to be included in Blueprint. CEO Phillips is co-chairing a CAP workgroup with Rodd Kelsey of The Nature Conservancy which also includes several other NGOs (Sustainable Conservation, Leadership Council, Self Help, River Partners, and TNC) and numerous water agencies. CAP also sponsored and organized a San Joaquin Valley Tour on September 22, which was very well attended.

- E. O&M Report – COO DeFlicht provided an overview of O&M activities as included in the packet.
- F. San Luis Delta-Mendota Water Authority Update – CFO Orvis provided an overview of SLDMWA activities as included in the packet.
- G. CEO Report – CEO Phillips advised that an email communication will soon be sent, regarding the Board Retreat scheduled for November 15-17, 2021 in Paso Robles. For planning purposes, RSVPs will be due by Friday, October 8.

## ADJOURNMENT

The meeting adjourned at 1:08 p.m.

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Jason R. Phillips, Chief Executive Officer  
Friant Water Authority

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Mia Swenson, Recording Secretary  
Friant Water Authority

## OTHERS IN ATTENDANCE:

Christopher Hunter	FWA
Jocelyn Bean	FWA
Vivian Garcia	FWA
Mia Swenson	FWA
Jason Phillips	FWA
Doug DeFlitch	FWA
Wilson Orvis	FWA
Ian Buck-Macleod	FWA
Chris Hickernell	FWA
Alex Biering	FWA
Don Davis	FWA General Counsel
John Bezdek	FWA General Counsel
Bill Stretch	Fresno I.D.
Aaron Fukuda	Tulare I.D.
Eric Limas	Lower Tule River I.D., Tea Pot Dome W.D.
Brandon Tomlinson	Chowchilla W.D.
Craig Wallace	Lindsay-Strathmore I.D.
Jeevan Muhar	Arvin-Edison W.S.D.
Tommy Greci	Madera I.D.
Mike Hagman	Lindmore I.D.
Steve Dalke	Kern-Tulare W.D.
Eric Quinley	Delano Earlimart I.D.
Austin Ewell	SJV Blueprint
Don Wright	Waterwrights.com
Mark Larsen	Kaweah-Delta W.C.D.
Dale Brogan	Shafter-Wasco I.D.
Geoff Vanden Heuvel	Milk Producers Council
Aubrey Mauritsen	Visalia Law
Fergus Morrissey	Orange Cove I.D.
Arlen Miller	Orange Cove I.D.



## Agenda Report

No. 2.D

**DATE:** October 28, 2021

**TO:** Board of Directors

**FROM:** Wilson Orvis, CFO

**SUBJECT:** Approve Bills for month of October 2021 and Accept Budget-to-Actuals and Cash Activity Reports for month ending September 2021

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### SUMMARY:

The Finance Committee met on October 25, 2021 and reviewed the bills for October 2021 and the Cash Activity Reports for September 2021. There was a quorum at the meeting.

### FINANCE COMMITTEE ACTION:

At the October 25, 2021 meeting the Finance Committee acted to recommend that Board of Directors approve payment of the October 2021 bills in the amount of \$4,356,589.25 and accept the Cash Activity Reports for September 2021.

### SUGGESTED MOTION:

The Board of Directors approve payment of the October 2021 bills in the amount of \$4,356,589.25 and accept the September 2021 Cash Activity Reports.

### BUDGET IMPACT:

\$2,172,286.20 is chargeable to the FY 2021 Operations, Maintenance, and Replacement (OM&R) Budget [(including the Middle Reach Capacity Correction Project (MRCCP)]; \$49,168.69 is chargeable to the FY 2021 GM Budget and \$552,470.10 is chargeable to grant agreements. In addition, there were \$1,582,664.26 in payments to San Luis & Delta Mendota Water Authority, \$880,745.58 for forecasted Exchange Contractor deliveries for the month of November 2021 and \$701,918.68 for the 3<sup>rd</sup> installment payment for the Jones Pumping Plant rewinds.

### ATTACHMENTS:

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

**FRIANT WATER AUTHORITY EXPENDITURES TO BE RATIFIED, OCTOBER 2021**

<b>PAYEE</b>	<b>O&amp;M FUND</b>	<b>GM FUND</b>	<b>TOTAL</b>	<b>DESCRIPTION</b>
<b>BILLS PAID OCTOBER 11, 2021</b>				
AAA TRUCK SERVICE, INC.	\$ 333.76	\$ -	\$ 333.76	Replacement floor mats #2026
ACWA	23,705.00	580.00	24,285.00	Annual agency dues 2022
AMAZON CAPITOL SERVICES, INC.	54.34	-	54.34	Office supplies
ANGEL GARDEN FLOWER SHOP	108.75	-	108.75	Tables for retirement lunch
APPL LABS	1,260.00	-	1,260.00	Water analysis
ARVIN EDISON WSD	126,942.42	-	126,942.42	FY 2019 O&M Refund
ASPHALT COATING & SUPPLIES	433.32	-	433.32	Asphalt for road maintenance
AT&T	424.87	-	424.87	Utilities
AUTO ZONE, INC.	40.01	-	40.01	Repair parts for pickups
BATTERY SYSTEMS INC.	335.85	-	335.85	Batteries-2
BIG GREEN IT, LLC	62.00	-	62.00	IT security
BOOT BARN INC.	560.00	-	560.00	Safety boots-4 employees
C & H FENCE & PATIO, INC.	1,610.76	-	1,610.76	Materials for fence repairs
CALIFORNIA COMPUFORMS	887.32	-	887.32	Office supplies
CALIFORNIA STATE UNIVERSITY, FRESNO	-	500.00	500.00	CAP Tour Sponsor
CITY OF DELANO	233.01	-	233.01	Utilities
CITY OF FRESNO WATER DIVISION	63,738.79	-	63,738.79	FY 2019 O&M Refund
CITY OF LINDSAY	413.63	-	413.63	Utilities
CITY OF LINDSAY	2,655.78	-	2,655.78	FY 2019 O&M Refund
CITY OF ORANGE COVE	1,487.24	-	1,487.24	FY 2019 O&M Refund
CLF WAREHOUSE, INC.	371.80	-	371.80	Supplies for OC Mechanic
COMMUTER INDUSTRIES	-	1,275.00	1,275.00	Friant E-Waterline - May & July
CREATIVE FINANCIAL STAFFING, LLC	516.80	-	516.80	Temporary office administration
CULLIGAN	102.00	-	102.00	Water service-OC yard
DELANO EARLIMART IRR. DISTRICT	135,765.81	-	135,765.81	FY 2019 O&M Refund
DELANO EQUIPMENT	189.13	-	189.13	Equipment rental
DIGI-KEY	3,224.90	-	3,224.90	Replacement power supplies for SCADA controllers
E M THARP INC	25.78	-	25.78	Mechanic shop supplies
EVOLUTION AUTO GLASS & WINDOW TINT	560.00	-	560.00	Windshield relacements-2
EXECUTIVE SUITES AT RIVER BLUFF, LP	-	2,005.00	2,005.00	Rent-Fresno office
EXETER IRRIGATION DISTRICT	16,939.82	-	16,939.82	FY 2019 O&M Refund
FASTENAL COMPANY	881.24	-	881.24	Hardware for OC & Delano yards
FOOTHILL AUTO TRUCK & AG PARTS, INC.	622.25	-	622.25	Supplies for OC yard
FRESNO IRRIGATION DIST.	20,321.62	-	20,321.62	FY 2019 O&M Refund
FRONTIER	992.42	-	992.42	Telephone services-Lindsay
FRUIT GROWERS SUPPLY CO	489.18	-	489.18	Materials for OC yard
FUSION CLOUD SERVICES, LLC	516.80	-	516.80	Telephone service
GARFIELD WATER DISTRICT	3,718.10	-	3,718.10	FY 2019 O&M Refund
GRAINGER	993.24	-	993.24	Repair parts for tiger mower

**FRIANT WATER AUTHORITY EXPENDITURES TO BE RATIFIED, OCTOBER 2021**

<b><u>PAYEE</u></b>	<b><u>O&amp;M FUND</u></b>	<b><u>GM FUND</u></b>	<b><u>TOTAL</u></b>	<b><u>DESCRIPTION</u></b>
GRAYBAR	20,433.66	-	20,433.66	Power panel installment - reverse flow pump (reimbursable)
GREG'S PETROLEUM SERVICE	1,282.11	-	1,282.11	Mechanic shop supplies
GSI ENVIRONMENTAL INC.	6,130.00	-	6,130.00	Consulting services-August
HILLS VALLEY IRRIGATION DISTRICT	1,327.89	-	1,327.89	FY 2019 O&M Refund
HOME DEPOT CREDIT SERVICES	7,400.71	-	7,400.71	Supplies for all yards
HUDSON, HENDERSON & CO, INC.	9,620.00	-	9,620.00	FY 2019 Audit completion
INTERNATIONAL WATER DISTRICT	1,274.78	-	1,274.78	FY 2019 O&M Refund
INTRADO ENTERPRISE COLLABORATION, INC.	-	26.50	26.50	Conference calls
IVANHOE IRRIGATION DIST	7,040.51	-	7,040.51	FY 2019 O&M Refund
JACK GRIGGS INC.	54.39	-	54.39	Propane-14 gallons
JIM'S SUPPLY CO., INC.	999.10	-	999.10	Metal tubing
KASEYA US LLC	381.58	-	381.58	IT security
KAWEAH DELTA WATER CONSERVATION DISTRICT	3,279.84	-	3,279.84	FY 2019 O&M Refund
KERN - TULARE WATER DISTRICT	1,354.77	-	1,354.77	FY 2019 O&M Refund
LENOVO INC.	19,365.56	-	19,365.56	Replacement laptops-8
LEWIS CREEK WATER DISTRICT	1,274.78	-	1,274.78	FY 2019 O&M Refund
LINCOLN NATIONAL LIFE INSURANCE CO.	3,473.09	510.91	3,984.00	Life insurance premiums
LINDMORE IRRIGATION DIST	41,017.34	-	41,017.34	FY 2019 O&M Refund
LINDSAY STRATHMORE IRR DISTRICT	29,213.61	-	29,213.61	FY 2019 O&M Refund
LINDSAY TRUE VALUE	238.32	-	238.32	Routine supplies for Lindsay yard
LOWER TULE RIVER I D	129,500.84	-	129,500.84	FY 2019 O&M Refund
MARTIN TERMITE & PEST CONTROL	45.00	-	45.00	Pest control- Kaweah house
MBK ENGINEERS	7,305.00	-	7,305.00	Consulting services-August
MICROSOFT	1,796.52	-	1,796.52	Office 365
MID VALLEY DISPOSAL	155.11	-	155.11	Utilities
MOBILE AG & INDUSTRIAL SUPPLY	375.38	-	375.38	Gas alert sensors for water ops.
MONARCH FORD	271.50	-	271.50	Repair parts for pickups
MOONLIGHT MAINTENANCE SERVICES	1,885.00	-	1,885.00	Janitor service for all yards
ORANGE COVE IRR DISTRICT	41,642.68	-	41,642.68	FY 2019 O&M Refund
PACIFIC GAS & ELECTRIC	3,098.58	-	3,098.58	Utilities
PAPE MACHINERY	113.18	-	113.18	Repair parts for loader
PARCEL QUEST	1,799.00	-	1,799.00	Annual subscription renewal
PBM SUPPLY & MFG., INC.	87.66	-	87.66	Repair parts for spray rig
PBW DISTRIBUTOR INC	506.61	-	506.61	Air & engine oil filters
PETTY CASH CHECKING	48.82	-	48.82	Petty cash checking reimbursement
PFM FINANCIAL ADVISORS LLC	15,900.00	-	15,900.00	Consulting services-May thru August
PORTERVILLE IRR DISTRICT	24,063.35	-	24,063.35	FY 2019 O&M Refund
PORTERVILLE LOCK & SAFE	32.61	-	32.61	Duplicate keys for Lindsay yard
PORTERVILLE ROCK & RECYCLE, INC.	883.69	-	883.69	Crushed rock-road maintenance

**FRIANT WATER AUTHORITY EXPENDITURES TO BE RATIFIED, OCTOBER 2021**

<b>PAYEE</b>	<b>O&amp;M FUND</b>	<b>GM FUND</b>	<b>TOTAL</b>	<b>DESCRIPTION</b>
POWER BUSINESS TECHNOLOGY	41.90	-	41.90	Lease agreement
PRAXAIR DISTRIBUTION, INC	88.55	-	88.55	Welding shop supplies
PRUDENTIAL OVERALL SUPPLY	1,464.51	-	1,464.51	Uniform services for all yards
QUADIENT LEASING USA, INC.	661.43	-	661.43	Lease agreement-postage meter
QUILL CORPORATION	463.29	-	463.29	office supplies
QUINN COMPANY	4,700.29	-	4,700.29	Equipment rental & repair parts
RICHARDSON FLOORING	988.87	-	988.87	Install rug in remodel office
ROBERT V. JENSEN, INC.	2,992.98	-	2,992.98	Fuel-Lindsay yard
SAN JOAQUIN PAINT & GLASS	1,338.05	-	1,338.05	Paint supplies-Delano yard
SAN JOAQUIN PEST CONTROL	59.00	-	59.00	Pest control-OC yard
SAN JOAQUIN PEST CONTROL	33.00	-	33.00	Pest control-Kings River house
SAUCELITO IRRIGATION DIST	31,727.06	-	31,727.06	FY 2019 O&M Refund
SENATOR SEAGATE, L.P.	-	3,708.19	3,708.19	Rent-Sacramento office
SHAFTER WASCO IRRIGATION	63,845.47	-	63,845.47	FY 2019 O&M Refund
SHERWIN WILLIAMS CO.	117.86	-	117.86	Paint for Lindsay yard
SMART & FINAL CORP	140.68	-	140.68	Supplies for all yards
SO CAL GAS	210.36	-	210.36	Utilities
SOUTHERN CA. GAS COMPANY	586,686.91	-	586,686.91	FKC-MRCCP utility relocation costs
SOUTHERN CALIF EDISON	5,985.47	-	5,985.47	Utilities
SOUTHERN SAN JOAQUIN	115,237.35	-	115,237.35	FY 2019 O&M Refund
SP PLUS CORPORATION-HYATT	-	440.00	440.00	Parking-Sacramento (2)
SPARKLETTS	72.84	-	72.84	Water service-Lindsay office
SPARKLETTS	47.90	-	47.90	Water service-kings River house
SPRAYING DEVICES, INC.	506.45	-	506.45	Chemical pump for spray rig
STANDARD INSURANCE CO	6,425.34	1,707.65	8,132.99	Survivors life insurance
STOEL RIVES LLP	-	1,826.37	1,826.37	Professional services-August
STONE CORRAL IRR DISTRICT	10,623.13	-	10,623.13	FY 2019 O&M Refund
STOP ALARM, INC.	486.00	-	486.00	Quarterly alarm service-Lindsay
TEA POT DOME WATER DISTRICT	7,648.65	-	7,648.65	FY 2019 O&M Refund
TELCION COMMUNICATIONS GROUP	3,111.80	-	3,111.80	IT support-final bill
TERRA BELLA IRRIGATION DISTRICT	30,807.08	-	30,807.08	FY 2019 O&M Refund
TF TIRE & SERVICE	1,423.05	-	1,423.05	Heavy duty tires-2, service & repairs
THE REDESIGN GROUP	13,780.34	-	13,780.34	Network support
TOSHIBA FINANCIAL SERIVICES	1,086.72	-	1,086.72	Lease agreement
TRI-VALLEY WATER DISTRICT	424.93	-	424.93	FY 2019 O&M Refund
TULARE IRRIGATION DISTRICT	70,074.04	-	70,074.04	FY 2019 O&M Refund
UNITED STAFFING ASSOCIATES, LLC	960.00	-	960.00	Temporary executive assistant
UNWIRED BROADBAND, INC.	299.98	-	299.98	Internet- OC and Delano yards
VALLEY PACIFIC PETROLEUM SERVICES, INC.	17,410.91	-	17,410.91	Fuel-Lindsay and Delano yards

**FRIANT WATER AUTHORITY EXPENDITURES TO BE RATIFIED, OCTOBER 2021**

<b>PAYEE</b>	<b>O&amp;M FUND</b>	<b>GM FUND</b>	<b>TOTAL</b>	<b>DESCRIPTION</b>
VAST NETWORKS	800.00	-	800.00	Internet-Lindsay
VERIZON WIRELESS	1,938.92	-	1,938.92	SCADA mobile to mobile
VOLVO CONST. EQUIPMENT & SERVICES	32,154.96	-	32,154.96	Replacement portable compressor
VULCAN MATERIALS COMPANY	1,052.97	-	1,052.97	Asphalt for road maintenance
WALOS AUTO REPAIR	90.00	-	90.00	Tire rotation and alignment
WEISENBERGERS	261.75	-	261.75	Hardware for Lindsay yard & Water ops.
WESTAIR GASES & EQUIPMENT INC.	50.09	-	50.09	Welding shop supplies
WEX BANK	69.29	-	69.29	Miscellaneous fuel charges
WORLD OIL ENVIRONMENTAL SERVICES	95.00	-	95.00	Removal of hazardous waste
XEROX FINANCIAL SERVICES	1,676.06	-	1,676.06	Lease agreement
<b>BILLS PAID OCTOBER 11, 2021</b>	<b>1,816,351.54</b>	<b>12,579.62</b>	<b>1,828,931.16</b>	

<b>BILLS TO BE PAID OCTOBER 28, 2021</b>				
ABILITY	92.50	-	92.50	Water ops, canal alarm & answering service
ACCURATE MEASUREMENT SYS.	13,480.76	-	13,480.76	Replacement SMAR transmitters-4
ACWA	-	1,160.00	1,160.00	Fall conference & exhibition call (2 participants)
ACWA / JPIA	87,790.63	6,801.41	94,592.04	Medical, dental & vision insurance
ACWA / JPIA	109,855.22	-	109,855.22	Property & Liability insurance - annual premium
ADT COMMERCIAL	468.40	-	468.40	Quarterly alarm system-OC & Delano yard
AMARAL, JOHNNY	597.52	1,446.48	2,044.00	Expense claim reimbursement-mileage
AMAZON CAPITOL SERVICES, INC.	1,459.51	-	1,459.51	Office supplies
ANDERSON FENCE COMPANY	298.25	-	298.25	Fencing materials
APPL LABS	735.00	-	735.00	Water analysis
AUTO ZONE, INC.	346.80	-	346.80	Repair parts for pickups
AVILA, ALBERT	19.47	-	19.47	Expense claim reimbursement
AWARDS & SIGNS UNLIMITED	16.28	-	16.28	Name plate
BATTERY SYSTEMS INC.	169.11	-	169.11	Lindsay yard-battery charge & gloves
BILL LUCE CONSULTING	313.50	874.50	1,188.00	Consulting service-September
BLANKINSHIP & ASSOCIATES, INC.	3,016.65	-	3,016.65	Aquatic weed permit NPDES
BANK OF AMERICA	10,053.18	2,804.76	12,857.94	Various visa charges
BOOT BARN INC.	140.00	-	140.00	Safety boots-1
BSK ASSOCIATES	1,072.00	-	1,072.00	Water analysis
BURKE, WILLIAMS & SORENSEN, LLP	22,511.81	1,150.00	23,661.81	Professional services-August
C & H FENCE & PATIO, INC.	1,252.24	-	1,252.24	Materials for fence repairs
CALIF FARM BUREAU FEDERATION	175.00	-	175.00	Membership dues
CITY OF ORANGE COVE	435.19	-	435.19	Utilities
CRAIGS AUTO PARTS	132.36	-	132.36	Repair parts for yard
CULLIGAN WATER CONDITION	536.86	-	536.86	Water service-Lindsay & canal houses
DACO FARM SUPPLY	17.89	-	17.89	Repair parts for pickup

**FRIANT WATER AUTHORITY EXPENDITURES TO BE RATIFIED, OCTOBER 2021**

<b>PAYEE</b>	<b>O&amp;M FUND</b>	<b>GM FUND</b>	<b>TOTAL</b>	<b>DESCRIPTION</b>
DINUBA LUMBER COMPANY	37.44	-	37.44	Hardware for OC yard
FASTENAL COMPANY	207.93	-	207.93	Hardware for Delano yard
FOOTHILL AUTO TRUCK & AG PARTS, INC.	93.54	-	93.54	Shop supplies
FRONTIER	1,000.08	-	1,000.08	Telephone services-Lindsay
FUSION CLOUD SERVICES, LLC	244.66	-	244.66	Telephone services
GRAINGER	132.98	-	132.98	Supplies for OC yard
GRAYBAR	500.83	-	500.83	Electrical supplies for water ops. & OC yard
GSI ENVIRONMENTAL INC.	2,215.00	-	2,215.00	Preparation of subsidence monitoring plan
HOME DEPOT CREDIT SERVICES	3,661.97	-	3,661.97	Supplies for all three yards
INDUSTRIAL ELECTRICAL CO.	1,920.00	-	1,920.00	Vertical pump motor storage
JIM'S SUPPLY CO., INC.	21.98	-	21.98	Safety supplies
JMP OFFICE TECHNOLOGIES	240.41	-	240.41	Ink for postage meter
LEE'S SERVICE, INC.	26.50	-	26.50	Tire repairs and service
LENOVO INC.	744.42	-	744.42	Computer monitors-3
LINDSAY TRUE VALUE	16.58	-	16.58	Electrical supplies
MARRIOTT VISALIA	3,552.60	-	3,552.60	Board of Directors meeting
McCAMPBELL ANALYTICAL, INC	116.00	-	116.00	Water analysis
MERLE STONE CHEVROLET CADILLAC	252.55	-	252.55	Repair parts for pickup
MRC GLOBAL (US) INC.	33,641.95	-	33,641.95	Replacement actuators-2
NUTRIEN AG SOLUTIONS	808.13	-	808.13	Milestone-2.5 gallons
OFFICE DEPOT INC.	215.41	-	215.41	Office supplies
ORANGE COVE TIRE SERVICE	739.54	-	739.54	Light tires (4) and service
OTTEMOELLER CONSULTING SERVICES, LLC	1,746.75	1,678.25	3,425.00	Consulting service-September
PACIFIC GAS & ELECTRIC	133.58	-	133.58	Utilities
PAESANO FARMS	17,082.00	-	17,082.00	Targeted grazing 28.47 acres
PAPE KENWORTH	98.76	-	98.76	Cooling sensor #1111
PAPE MACHINERY	154.77	-	154.77	Seal kit #1306
PETES TREE SERVICE	7,325.00	-	7,325.00	Tree pruning at the Tule house
PETTY CASH - LINDSAY	313.75	-	313.75	Petty cash reimbursement
PORTERVILLE FORD	726.25	-	726.25	Repair parts for pickup
POWER BUSINESS TECHNOLOGY	202.91	-	202.91	Lease agreement
PRINCIPLE LIFE INSURANCE COMPANY	-	1,306.52	1,306.52	Retirement administrative fee - quarterly
PROCTOR COMPANY	2,521.32	-	2,521.32	Cable transmitter repairs
PRUDENTIAL OVERALL SUPPLY	1,065.92	-	1,065.92	Uniform services for all yards
PSW	874.60	-	874.60	Shredding service
QUILL CORPORATION	166.51	-	166.51	Office supplies
QUINN COMPANY	559.89	-	559.89	Mini excavator rental-1 day
SAN JOAQUIN PAINT & GLASS	1,222.16	-	1,222.16	Paint supplies Delano yard
SAN JOAQUIN PEST CONTROL	90.00	-	90.00	Pest control-Lindsay yard

**FRIANT WATER AUTHORITY EXPENDITURES TO BE RATIFIED, OCTOBER 2021**

<b>PAYEE</b>	<b>O&amp;M FUND</b>	<b>GM FUND</b>	<b>TOTAL</b>	<b>DESCRIPTION</b>
SAN JOAQUIN PEST CONTROL	59.00	-	59.00	Pest control-OC yard
SAN JOAQUIN PEST CONTROL	33.00	-	33.00	Pest control-Kings River house
SAN JOAQUIN PEST CONTROL	42.00	-	42.00	Pest control-Delano yard
SO CAL GAS	81.66	-	81.66	Utilities
SPARKLETTS	40.40	-	40.40	Water service-Kings River house
SPRAYING DEVICES, INC.	126.51	-	126.51	Repair parts for spray rig
TF TIRE & SERVICE	467.57	-	467.57	Light tires (2) and service
TOSHIBA FINANCIAL SERIVICES	1,114.01	-	1,114.01	Copier lease
VALLEY PACIFIC PETROLEUM SERVICES, INC.	2,691.76	-	2,691.76	Fuel-Delano yard
VERIZON WIRELESS	2,541.95	-	2,541.95	Cell phone charges
WATER AND POWER LAW GROUP PC	-	19,367.15	19,367.15	Consutling services-September
WEX BANK	75.00	-	75.00	Late charge
WORLD OIL ENVIRONMENTAL SERVICES	95.00	-	95.00	Removal of hazardous waste
ZENITH INSURANCE COMPANY	8,906.00	-	8,906.00	Workers compensation
BILLS TO BE PAID OCTOBER 28, 2021	355,934.66	36,589.07	392,523.73	
BILLS PAID OCTOBER 11, 2021	1,816,351.54	12,579.62	1,828,931.16	
SUB-TOTAL SPENDING FOR OCTOBER 2021	2,172,286.20	49,168.69	2,221,454.89	Note: Approximately \$20.4K of reverse flow pumping costs will be recovered from Kern-Tulare & Delano Earlimart and
CHECKS TO BE RECOVERED VIA GRANT(S)	552,470.10	-	552,470.10	
<b>TOTAL FOR FWA O&amp;M</b>	<b>2,724,756.30</b>	<b>49,168.69</b>	<b>2,773,924.99</b>	Estimate of \$314.42 of water supply & coordination costs will be recovered to Non-Friant Contractors.
<b>SAN LUIS DELTA-MENDOTA WATER AUTHORITY BILLS</b>				
SAN LUIS DELTA-MENDOTA - PAID VIA WIRE	880,745.58	-	880,745.58	SLDMWA OM&R November 2021 estimate
SAN LUIS & DELTA-MENDOTA	701,918.68	-	701,918.68	3rd Payment JPP Project
<b>SUB-TOTAL FOR SLDMWA</b>	<b>1,582,664.26</b>	<b>-</b>	<b>1,582,664.26</b>	
<b>GRAND TOTALS</b>	<b>\$ 4,307,420.56</b>	<b>\$ 49,168.69</b>	<b>\$ 4,356,589.25</b>	



**FRIANT WATER AUTHORITY EXPENDITURES TO BE RATIFIED, OCTOBER 2021**

**GRANTS**

PAYEE	Pump Back	Winn/SJRRP	TOTAL	DESCRIPTION
BENDER ROSENTHAL INCORPORATED		\$ 83,364.18	\$ 83,364.18	Consulting services-June, August, & September
CDM SMITH	\$ 878.61		\$ 878.61	Consulting services-August
STANTEC CONSULTING SERVICES INC.	\$ 17,428.75		\$ 17,428.75	Consulting services-August
<b>BILLS PAID OCTOBER 11, 2021</b>	<b>\$ 18,307.36</b>	<b>\$ 83,364.18</b>	<b>\$ 101,671.54</b>	
STANTEC CONSULTING SERVICES INC.	\$ 58,630.15	\$ 347,072.29	\$ 405,702.44	Consulting services-August & September
CDM SMITH	\$ 926.95		\$ 926.95	Professional services-September
BURKE, WILLIAMS & SORENSEN, LLP		\$ 44,169.17	\$ 44,169.17	Professional services-August
<b>BILLS TO BE PAID OCTOBER 28, 2021</b>	<b>\$ 59,557.10</b>	<b>\$ 391,241.46</b>	<b>\$ 450,798.56</b>	
<b>GRAND TOTALS</b>	<b>\$ 77,864.46</b>	<b>\$ 474,605.64</b>	<b>\$ 552,470.10</b>	



## **FRIANT WATER AUTHORITY**

### **CASH ACTIVITY BALANCE MONTH ENDING SEPTEMBER 30, 2021**

	Beginning Balance	Increases	Decreases	Ending Balance
FKC Operations & Maintenance	\$ 7,750,240	\$ 6,375,053	\$ (2,243,954)	\$ 11,881,339
SLDMWA	\$ 3,495,644	\$ 1,257,732	\$ (1,097,954)	\$ 3,655,422
<b>Total</b>	<b>\$ 11,245,883</b>	<b>\$ 7,632,785</b>	<b>\$ (3,341,909)</b>	<b>\$ 15,536,760</b>
General Member	\$ 1,072,824	\$ -	\$ (128,814)	\$ 944,011
			<b>Total</b>	<b>\$ 16,480,771</b>

### **BANK ACTIVITY BALANCE MONTH ENDING SEPTEMBER 30, 2021**

Local Agency Investment Fund	\$ 11,488,177	\$ 2,800,000	\$ -	\$ 14,288,177
Bank of the Sierra	\$ 830,531	\$ 4,832,785	\$ (3,470,722)	\$ 2,192,594
			<b>Total</b>	<b>\$ 16,480,771</b>

NOTE: Cash on deposit with LAIF represents the consolidation of available balances held by all FWA funds. Most Current Interest Rate: For month ended September 30, 2021 , effective yield, 0.221%  
Total LAIF fund as of September 30, 2021: \$35,906,713,888.39  
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 SEPTEMBER 30, 2021**

	Checking & <u>Investments</u>	Payroll <u>Checking</u>	Petty <u>Cash</u>	<u>Total</u>
CASH BALANCE AUGUST 31, 2021	\$ 11,245,089	\$ -	\$ 794	\$ 11,245,883
Increases:				
District O&M receipts	820,892			820,892
SLDMWA receipts	1,564,357			1,564,357
Revenue from MRCCP	5,221,118			5,221,118
Miscellaneous deposits	12,150			12,150
Other Funds:				
Administration Allocation	14,269			14,269
Payroll deposits		397,118		397,118
Total Increases	7,632,785	397,118	-	8,029,904
Decreases:				
O&M Expenditures	430,036			430,036
Pump Back Project Expenditures	-			-
Subsidence Project Expenditures	242,752			242,752
Wire to SLDMWA - Estimated water usage - Oct. Estimate	1,097,954			1,097,954
FKC-MRCCP Land purchases	1,125,199			1,125,199
Retirement Matching	48,800			48,800
Bank charges	50			50
Payroll Cash Outlays	397,118	397,118		794,237
Total Decreases	3,341,909	397,118	-	3,739,027
CASH BALANCE BEFORE INTERFUND ACTIVITY	15,535,966	-	794	15,536,760
Interfund transfer from O&M	-			-
CASH BALANCE SEPTEMBER 30, 2021	\$ 15,535,966	\$ -	\$ 794	\$ 15,536,760

**FRIANT WATER AUTHORITY  
GENERAL MEMBERS FUND  
CASH ACTIVITY REPORT  
MONTH ENDING SEPTEMBER 30, 2021**

CASH BALANCE AUGUST 31, 2021	<u>\$ 1,072,824</u>
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Increases:

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

Conference Calls - service	-
Consulting	9,000
Meetings	4,131
Professional Services	51,568
Rent & Facility Expense	6,113
Other Payroll Benefits	9,020
	79,832

**Reimburse O&M:**

Current Month Payroll & Benefits	99,389
Current Month Payroll & Benefits to O&M	(64,676)
Administration Allocation	14,269
	14,269

Less Total Cash Disbursements	<u>\$ 128,814</u>
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CASH BALANCE BEFORE INTERFUND ACTIVITY	<u><u>\$ 944,011</u></u>
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Interfund transfer from O&M	\$ -
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CASH BALANCE SEPTEMBER 30, 2021	<u><u>\$ 944,011</u></u>
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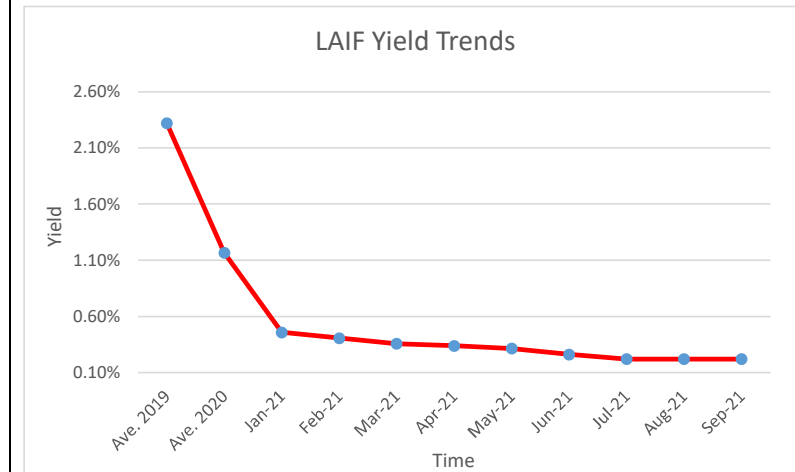
**FRIANT WATER AUTHORITY**  
**MONTH ENDING SEPTEMBER 30, 2021**

**CASH ACTIVITY REPORT**

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

CASH BALANCE AUGUST 31, 2021	<u>\$ 11,488,177</u>
Increases:	
Transfer from checking	<u>\$ 2,800,000</u>
Decreases:	
Transfer to checking	<u>\$ -</u>
CASH BALANCE SEPTEMBER 30, 2021	<u><u>\$ 14,288,177</u></u>
Balance ascribed to:	
O&M Fund	\$ 13,469,757
General Member Fund	<u>\$ 818,420</u>
	<u><u>\$ 14,288,177</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 September 30, 2021 , effective yield, 0.221%  
Total LAIF fund as of September 30, 2021: \$35,906,713,888.39  
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.



Ave. 2019	2.32%
Ave. 2020	1.17%
Jan-21	0.46%
Feb-21	0.41%
Mar-21	0.36%
Apr-21	0.34%
May-21	0.32%
Jun-21	0.26%
Jul-21	0.22%
Aug-21	0.22%
Sep-21	0.22%

**FY 2020 - 2021**

100.0%

<b>Special Projects</b>				
Cost Recovery	-	(3,969,111)	3,969,111	
Spending	5,661,600	5,527,868	133,731	97.6%
<b>Total Special Projects</b>	<b>5,661,600</b>	<b>1,558,757</b>	<b>4,102,842</b>	<b>27.5%</b>
<b>Total O&amp;MR</b>	<b>15,098,862</b>	<b>10,795,115</b>	<b>4,303,746</b>	<b>71.5%</b>

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# FWA Revenue Presentation

FY 2020 - 2021

Budget year:

100.0%

Completed

Operations & Maintenance	FY 2021 Budget	9/30/2021 Year to Date	Budget Remaining
<b>Revenue</b>			
Interest Income	106,000	27,511	78,489
Miscellaneous Income	-	55,864	(55,864)
Reverse Pumping Fee	-	252,148	(252,148)
Conveyance Fees		215,567	(215,567)
Federal Grant Revenue	-	3,969,111	(3,969,111)
O & M Revenue	15,098,862	15,098,862	(0)
Water Supply Cord./Monitoring Revenue		51,415	
<b>Total Revenue</b>	<b>15,204,862</b>	<b>19,670,478</b>	<b>(4,414,201)</b>
<b>Expenses</b>			
Total Operations	2,114,125	2,118,911	(4,786)
Total Maintenance	5,451,541	5,348,937	102,604
Administration Costs	1,871,596	1,768,509	103,087
Special Projects	5,661,600	5,527,868	133,731
<b>Total O&amp;MR Expenses</b>	<b>15,098,862</b>	<b>14,764,226</b>	<b>334,635</b>

General Member	FY 2021 Budget	9/30/2021 Year to Date	FY 2021 Remaining
<b>Revenue</b>			
Interest Income	-	4,415	(4,415)
GM Revenue	2,563,000	1,922,250	640,750
NASA Airborne Snow Observatory	-	87,887	(87,887)
Associate Dues	12,000	9,000	3,000
<b>Total Revenue</b>	<b>2,575,000</b>	<b>2,023,552</b>	<b>551,448</b>
<b>Total GM Expenses</b>	<b>2,575,000</b>	<b>1,725,093</b>	<b>849,907</b>

**Friant Water Authority**  
**Budget vs Actual Expenses**  
**YTD - 9/30/2021**

	Budget year: <b>100.0%</b> <b>Completed</b>											
	Total				Labor				Materials			
	Annual Budget	YTD Actual	% Of Bud	Projected Remaining	Budget	YTD Actual		Projected Remaining	Budget	YTD Actual		Projected Remaining
<b>MAINTENANCE</b>												
Vehicle & Equipment Service	\$ 598,203	\$ 590,230	98.7%	\$ 7,974	\$ 187,628	\$ 169,725	90.5%	\$ 17,903	\$ 410,575	\$ 420,505	102.4%	\$ (9,930)
Maintenance Supervision	297,690	332,504	111.7%	(34,813)	297,690	332,460	111.7%	(34,769)	-	44	0.0%	(44)
Right-of-Way Management	2,807	-	0.0%	2,807	2,807	-	0.0%	2,807	-	-	0.0%	-
Weed & Pest Control	643,989	734,577	114.1%	(90,588)	259,794	272,681	105.0%	(12,887)	384,194	461,895	120.2%	(77,701)
Implem Biol. Opinion	44,791	5,030	11.2%	39,761	-	-	0.0%	-	44,791	5,030	11.2%	39,761
Road Maintenance	158,684	14,821	9.3%	143,863	38,410	7,846	20.4%	30,564	120,274	6,975	5.8%	113,299
Yard & Building Maintenance	209,857	304,629	145.2%	(94,772)	67,870	148,702	219.1%	(80,831)	141,987	155,927	109.8%	(13,940)
Structure & Gate Maintenance	477,327	336,475	70.5%	140,852	179,709	220,938	122.9%	(41,229)	297,618	115,537	38.8%	182,080
Cleaning Right-of-Way	49,247	55,447	112.6%	(6,200)	49,247	55,204	112.1%	(5,957)	-	242	0.0%	(242)
Bargate & Guardrail Maint	42,336	41,828	98.8%	507	27,205	27,027	99.3%	178	15,130	14,802	97.8%	329
Embankment Maintenance	111,937	80,134	71.6%	31,802	89,232	70,796	79.3%	18,436	22,705	9,338	41.1%	13,367
Bridge Maintenance	61,764	41,736	67.6%	20,028	28,735	24,002	83.5%	4,733	33,029	17,734	53.7%	15,295
Miscellaneous Maintenance	18,857	19,202	101.8%	(344)	6,877	874	12.7%	6,002	11,981	18,327	153.0%	(6,347)
Reverse Flow Pumping	-	71,049	0.0%	(71,049)	-	10,562	0.0%	(10,562)	-	60,487	0.0%	(60,487)
Concrete Lining Maintenance	292,661	230,706	78.8%	61,955	180,940	132,854	73.4%	48,086	111,721	97,852	87.6%	13,870
Drainditch & Channel Maint.	31,704	71,635	226.0%	(39,931)	19,191	71,507	372.6%	(52,316)	12,512	128	1.0%	12,385
Fence Maintenance	46,597	43,583	93.5%	3,014	36,577	35,350	96.6%	1,228	10,020	8,234	82.2%	1,787
Mudjacking	20,260	448	2.2%	19,812	18,665	143	0.8%	18,522	1,595	305	19.1%	1,290
Painting	38,629	33,410	86.5%	5,219	24,917	21,538	86.4%	3,380	13,712	11,873	86.6%	1,839
Sump Pump Maintenance	1,988	2,752	138.5%	(764)	1,972	331	16.8%	1,641	16	2,421	14977.8%	(2,405)
Cross Drainage Structure Mtce	7,394	-	0.0%	7,394	7,394	-	0.0%	7,394	-	-	0.0%	-
Rip-Rapping	4,595	-	0.0%	4,595	4,595	-	0.0%	4,595	-	-	0.0%	-
Operations Supervision	54,972	46,176	84.0%	8,796	54,972	46,176	84.0%	8,796	-	-	0.0%	-
Water supply coordination & monitoring	299,686	274,187	91.5%	25,499	17,947	92,504	515.4%	(74,557)	281,739	181,683	64.5%	100,056
Legal Expense - Direct	5,125	9,610	187.5%	(4,485)	-	-	0.0%	-	5,125	9,610	187.5%	(4,485)
Safety & First Aid Training	48,545	27,183	56.0%	21,363	26,389	8,831	33.5%	17,558	22,156	18,352	82.8%	3,804
Office Admin (Typing etc.)	60,060	40,292	67.1%	19,768	60,060	33,639	56.0%	26,420	-	6,653	0.0%	(6,653)
Payroll Preparation	1,226	2,267	184.9%	(1,041)	1,226	2,267	184.9%	(1,041)	-	-	0.0%	-
Meetings (General)	28,079	80,571	286.9%	(52,492)	16,932	66,398	392.2%	(49,467)	11,147	14,172	127.1%	(3,025)
Meetings (Board of Directors)	165,720	186,351	112.4%	(20,631)	35,536	64,067	180.3%	(28,530)	130,183	122,284	93.9%	7,899
Meetings (Sub Committee)	12,384	57,515	464.4%	(45,131)	12,384	42,756	345.2%	(30,371)	-	14,759	0.0%	(14,759)
Meetings (Staff)	13,312	82,694	621.2%	(69,382)	12,197	81,779	670.5%	(69,581)	1,115	916	82.1%	199
Education & Training	39,695	9,207	23.2%	30,489	21,305	4,632	21.7%	16,674	18,390	4,575	24.9%	13,815
Procurement	3,874	324	8.4%	3,550	3,874	324	8.4%	3,550	-	-	0.0%	-
Inventory & Property Mgt.	4,125	7,709	186.9%	(3,584)	4,125	7,709	186.9%	(3,584)	-	-	0.0%	-
Employee Benefit (Holiday)	65,558	65,919	100.6%	(362)	65,558	65,919	100.6%	(362)	-	-	0.0%	-
Employee Benefit (Sick Pay)	86,031	119,877	139.3%	(33,846)	86,031	110,189	128.1%	(24,158)	-	9,688	0.0%	(9,688)
Employee Benefit (Vacation)	102,257	110,446	108.0%	(8,189)	102,257	95,798	93.7%	6,459	-	14,648	0.0%	(14,648)
Employee Benefit (Jury Duty)	-	1,025	0.0%	(1,025)	-	1,025	0.0%	(1,025)	-	-	0.0%	-
Travel	33,224	8,495	25.6%	24,729	-	-	0.0%	-	33,224	8,495	25.6%	24,729
Personnel Administration	3,951	442	11.2%	3,510	3,951	75	1.9%	3,876	-	367	0.0%	(367)
Retirement, Health Ins, PR Taxes	794,857	1,015,567	127.8%	(220,709)	-	-	0.0%	-	794,857	1,015,567	127.8%	(220,709)
Workers Comp. Insurance	90,938	-	0.0%	90,938	-	-	0.0%	-	90,938	-	0.0%	90,938
Legal Expense-Indirect	48,768	314	0.6%	48,454	-	-	0.0%	-	48,768	314	0.6%	48,454
Utilities	82,774	91,001	109.9%	(8,227)	-	-	0.0%	-	82,774	91,001	109.9%	(8,227)
Telephone Expense	-	4,532	0.0%	(4,532)	-	-	0.0%	-	-	4,532	0.0%	(4,532)
Office supplies	-	120	0.0%	(120)	-	-	0.0%	-	-	120	0.0%	(120)
Merit Awards	30,560	-	0.0%	30,560	-	-	0.0%	-	30,560	-	0.0%	30,560
Dues & Subscriptions	4,308	7,428	172.4%	(3,120)	-	-	0.0%	-	4,308	7,428	172.4%	(3,120)
Budget Preparation	2,619	5,345	204.1%	(2,726)	2,619	5,345	204.1%	(2,726)	-	-	0.0%	-
Archiving & Data Storage	-	9,766	0.0%	(9,766)	-	9,766	0.0%	(9,766)	-	-	0.0%	-
Vehicle & Equipment Acquisition	207,573	74,380	35.8%	133,193	-	-	0.0%	-	207,573	74,380	35.8%	133,193
Services for outside contracts	-	-	0.0%	-	-	-	0.0%	-	-	-	0.0%	-
<b>TOTAL EXPENSES: MAINTENANCE</b>	<b>5,451,541</b>	<b>5,348,937</b>	<b>98.1%</b>	<b>102,604</b>	<b>2,056,820</b>	<b>2,341,737</b>	<b>113.9%</b>	<b>(284,916)</b>	<b>3,394,721</b>	<b>3,007,201</b>	<b>88.6%</b>	<b>387,520</b>

**Friant Water Authority**  
**Budget vs Actual Expenses**  
**YTD - 9/30/2021**

Budget year: <b>100.0%</b> <b>Completed</b>												
	Total				Labor				Materials			
	Annual Budget	YTD Actual	% Of Bud	Projected Remaining	Budget	YTD Actual	Projected Remaining	Budget	YTD Actual	Projected Remaining	Budget	YTD Actual
<b>WATER OPERATIONS</b>												
Vehicle & Equipment Service	\$ 1,057	\$ 3,723	352.19%	\$ (2,666)	\$ -	\$ -	0.00%	\$ -	\$ 1,057	\$ 3,723	352.19%	\$ (2,666)
Weed & Pest Control	243,819	322,091	132.10%	(78,272)	-	-	0.00%	-	243,819	322,091	132.10%	(78,272)
Road Maintenance	2,280	-	0.00%	2,280	-	-	0.00%	-	2,280	-	0.00%	2,280
Yard & Building Maintenance	76,987	30,819	40.03%	46,168	22,460	8,116	36.13%	14,345	54,526	22,703	41.64%	31,823
Structure & Gate Maintenance	252,872	312,560	123.60%	(59,687)	70,576	126,496	179.23%	(55,920)	182,296	186,063	102.07%	(3,767)
Cleaning Right-of-Way	1,200	1,790	149.16%	(590)	-	1,611	0.00%	(1,611)	1,200	179	14.90%	1,021
Bargate & Guardrail Maint	4,905	2,282	46.52%	2,623	-	-	0.00%	-	4,905	2,282	46.52%	2,623
Reverse Flow Pump	-	181,099	0.00%	(181,099)	-	-	0.00%	-	-	181,099	0.00%	(181,099)
Sump Pump Maintenance	28,304	3,478	12.29%	24,826	-	-	0.00%	-	28,304	3,478	12.29%	24,826
C & I General Mtce	29,736	40,570	136.43%	(10,834)	27,299	40,513	148.41%	(13,214)	2,437	56	2.32%	2,380
C. & I. Maint (ESI Equipment)	228,013	117,670	51.61%	110,343	46,765	39,636	84.76%	7,129	181,248	78,034	43.05%	103,214
Meter Repair	123,236	147,369	119.58%	(24,132)	66,789	60,829	91.08%	5,959	56,448	86,539	153.31%	(30,092)
Canal Patrol	302,199	241,543	79.93%	60,656	301,397	241,543	80.14%	59,853	803	-	0.00%	803
Operations Reports	82,930	89,310	107.69%	(6,380)	80,923	89,310	110.36%	(8,387)	2,006	-	0.00%	2,006
Operations Supervision	89,530	74,069	82.73%	15,461	89,530	74,069	82.73%	15,461	-	-	0.00%	-
Water Measurement	37,524	9,837	26.21%	27,687	30,716	9,359	30.47%	21,357	6,809	478	7.02%	6,330
Miscellaneous Operations	7,803	1,666	21.35%	6,137	-	157	0.00%	(157)	7,803	1,508	19.33%	6,295
Groundwater & Seepage Well Measurement	-	346	0.00%	(346)	-	331	0.00%	(331)	-	16	0.00%	(16)
Safety & First Aid Training	10,145	7,100	69.98%	3,046	3,346	287	8.59%	3,058	6,800	6,812	100.19%	(13)
Meetings (General)	1,317	2,586	196.33%	(1,269)	1,317	2,586	196.33%	(1,269)	-	-	0.00%	-
Meetings (Staff)	4,657	1,161	24.92%	3,496	4,657	1,161	24.92%	3,496	-	-	0.00%	-
Education & Training	20,991	12,073	57.51%	8,918	3,979	4,373	109.88%	(393)	17,011	7,700	45.26%	9,311
Employee Benefit (Holiday)	24,575	24,390	99.25%	185	24,575	24,390	99.25%	185	-	-	0.00%	-
Employee Benefit (Sick Pay)	32,766	35,148	107.27%	(2,382)	32,766	32,424	98.96%	342	-	2,724	0.00%	(2,724)
Employee Benefit (Vacation)	40,958	44,165	107.83%	(3,207)	40,958	39,918	97.46%	1,040	-	4,247	0.00%	(4,247)
Employee Benefit (Jury Duty)	-	402	0.00%	(402)	-	402	0.00%	(402)	-	-	0.00%	-
Retirement, Health Ins, PR Taxes	384,507	333,507	86.7%	51,001	-	-	0.0%	-	384,507	333,507	86.7%	51,001
Personnel Administration	-	137	0.00%	(137)	-	-	0.00%	-	-	137	0.00%	(137)
Workers Comp. Insurance	3,048	-	0.00%	3,048	-	-	0.00%	-	3,048	-	0.00%	3,048
Utilities	30,565	6,460	21.14%	24,105	-	-	0.00%	-	30,565	6,460	21.14%	24,105
Telephone Expense	-	9,808	0.00%	(9,808)	-	-	0.00%	-	-	9,808	0.00%	(9,808)
Postage	-	56	0.00%	(56)	-	-	0.00%	-	-	56	0.00%	(56)
Vehicle & Equipment Acquisition	48,201	61,699	128.01%	(13,499)	-	-	0.00%	-	48,201	61,699	128.01%	(13,499)
<b>TOTAL EXPENSES: WATER OPERATIONS</b>	<b>\$ 2,114,125</b>	<b>\$ 2,118,911</b>	<b>100.2%</b>	<b>\$ (4,786)</b>	<b>\$ 848,053</b>	<b>\$ 797,512</b>	<b>94.0%</b>	<b>\$ 50,541</b>	<b>\$ 1,266,072</b>	<b>\$ 1,321,399</b>	<b>104.4%</b>	<b>\$ (55,327)</b>



Friant Water Authority  
Budget vs Actual Expenses  
YTD - 9/30/2021

Budget year: 100.0% Completed												
Total					Labor				Materials			
Annual Budget	YTD Actual	% Of Bud	Projected Remaining		Budget	YTD Actual	Projected Remaining		Budget	YTD Actual	Projected Remaining	
ADMINISTRATION												
C. & I. Maint (ESI Equipment)	\$ 25,094	\$ 13,095	52.18%	\$ 11,999	\$ 25,094	\$ 13,095	52.18%	\$ 11,999	\$ -	\$ -	0.00%	\$ -
Right of way research	56,707	-	0.00%	56,707	56,707	-	0.00%	56,707	-	-	0.00%	-
Vehicle & Equipment Service	16,184	-	0.00%	16,184	-	-	0.00%	-	16,184	-	0.00%	16,184
Structure & Gate Maintenance	5,775	-	0.00%	5,775	201	-	0.00%	201	5,573	-	0.00%	5,573
Bridge Maintenance	305	-	0.00%	305	305	-	0.00%	305	-	-	0.00%	-
Meetings	4,448	-	0.00%	4,448	4,448	-	0.00%	4,448	-	-	0.00%	-
Employee Inspection	4,183	-	0.00%	4,183	4,183	-	0.00%	4,183	-	-	0.00%	-
Water supply coordination & monitoring	5,447	1,119	20.55%	4,328	5,447	1,119	20.55%	4,328	-	-	0.00%	-
Legal Expense - Direct	51,250	27,218	53.11%	24,032	-	-	0.00%	-	51,250	27,218	53.11%	24,032
Administrative Supervision	15,382	13,825	89.88%	1,557	15,382	13,825	89.88%	1,557	-	-	0.00%	-
Safety & First Aid Training	35,068	20,874	59.52%	14,194	1,084	1,374	126.67%	(289)	33,984	19,500	57.38%	14,483
Office Admin (Typing etc.)	75,950	149,025	196.21%	(73,074)	75,950	147,950	194.80%	(72,000)	-	1,075	0.00%	(1,075)
Payroll Preparation	11,437	11,401	99.69%	36	11,437	11,401	99.69%	36	-	-	0.00%	-
Meetings (General)	14,298	10,960	76.65%	3,338	14,298	4,735	33.12%	9,563	-	6,224	0.00%	(6,224)
Meetings (Board of Directors)	8,410	72,156	857.99%	(63,746)	8,410	16,294	193.75%	(7,884)	-	55,862	0.00%	(55,862)
Meetings (Sub Committee)	33,371	20,818	62.38%	12,553	4,143	13,270	320.30%	(9,127)	29,228	7,548	25.82%	21,680
Meetings (Staff)	22,084	12,902	58.42%	9,182	16,729	11,153	66.67%	5,576	5,355	1,749	32.66%	3,606
Education & Training	63,352	9,067	14.31%	54,286	22,495	3,009	13.38%	19,486	40,857	6,057	14.83%	34,800
Miscellaneous Administrative	289	2,670	922.79%	(2,381)	289	448	154.96%	(159)	-	2,222	0.00%	(2,222)
Procurement	4,649	-	0.00%	4,649	4,649	-	0.00%	4,649	-	-	0.00%	-
Inventory & Property Mgt.	423	317	74.95%	106	423	317	74.95%	106	-	-	0.00%	-
Employee Benefit (Holiday)	35,591	26,407	74.19%	9,184	35,591	26,407	74.19%	9,184	-	-	0.00%	-
Employee Benefit (Sick Pay)	39,616	29,222	73.76%	10,394	39,616	23,531	59.40%	16,085	-	5,691	0.00%	(5,691)
Employee Benefit (Vacation)	40,586	54,395	134.02%	(13,809)	40,586	55,627	137.06%	(15,042)	-	(1,232)	0.00%	1,232
Employee Benefit (Jury Duty)	-	-	0.00%	-	-	-	0.00%	-	-	-	0.00%	-
Data Processing	149,554	184,572	123.41%	(35,018)	49,768	46,312	93.06%	3,456	99,786	138,260	138.56%	(38,474)
Travel	22,179	30,538	137.69%	(8,359)	-	-	0.00%	-	22,179	30,538	137.69%	(8,359)
Accounting & Auditing	370,067	314,773	85.06%	55,294	342,199	292,723	85.54%	49,476	27,867	22,050	79.13%	5,817
Personnel Administration	96,561	102,411	106.06%	(5,850)	58,057	60,764	104.66%	(2,708)	38,504	41,646	108.16%	(3,142)
Retirement, Health Ins, PR Taxes	305,460	324,349	106.18%	(18,889)	-	-	0.00%	-	305,460	324,349	106.18%	(18,889)
Liability Insurance	158,286	103,893	65.64%	54,393	-	-	0.00%	-	158,286	103,893	65.64%	54,393
Workers Compensation Insurance	7,259	79,040	1088.89%	(71,781)	-	-	0.00%	-	7,259	79,040	1088.89%	(71,781)
Legal Expense - General	-	100	0.00%	(100)	-	-	0.00%	-	-	100	0.00%	(100)
Utilities	54,764	10,854	19.82%	43,911	-	-	0.00%	-	54,764	10,854	19.82%	43,911
Telephone Expense	95,087	63,635	66.92%	31,452	-	-	0.00%	-	95,087	63,635	66.92%	31,452
Office Supplies	40,129	33,973	84.66%	6,155	-	-	0.00%	-	40,129	33,973	84.66%	6,155
Employee Incentives & Awards	22,072	13,003	58.91%	9,069	-	-	0.00%	-	22,072	13,003	58.91%	9,069
Postage	5,337	5,015	93.97%	322	-	-	0.00%	-	5,337	5,015	93.97%	322
Dues & Subscriptions	114,994	99,984	86.95%	15,010	-	-	0.00%	-	114,994	99,984	86.95%	15,010
Budget Preparation	3,075	11,896	386.86%	(8,821)	-	11,896	0.00%	(11,896)	3,075	-	0.00%	3,075
Achieving & Data Storage	4,085	-	0.00%	4,085	2,971	-	0.00%	2,971	1,115	-	0.00%	1,115
Lease office equipment	27,054	34,303	126.80%	(7,250)	-	-	0.00%	-	27,054	34,303	126.80%	(7,250)
Vehicle & Equipment Acquisition	38,234	40,092	104.86%	(1,858)	-	-	0.00%	-	38,234	40,092	104.86%	(1,858)
Admin Reimb - GM Fund	(212,500)	(159,390)	75.01%	(53,110)	-	-	0.00%	-	(212,500)	(159,390)	75.01%	(53,110)
TOTAL EXPENSES: ADMINISTRATION	\$ 1,871,596	\$ 1,768,509	94.5%	\$ 103,087	\$ 840,463	\$ 755,251	89.9%	\$ 85,213	\$ 1,031,133	\$ 1,013,259	98.3%	\$ 17,874

O&M 92% 1,875,486  
Administration Total Allocated out GM 8% 159,390

BUDGET ITEM	FYE 9/30/20	CURRENT YTD	REMAINING	NON-LABOR
CARRY OVER ITEMS FY 2020				
FKC Title Transfer (estimate)	578,334	66,107	512,226	n/a
Server	217,807	217,807	-	n/a
TOTAL CARRY OVER ITEMS FY 2020	796,140	283,914	512,226	n/a

Friant Water Authority  
Budget vs Actual Expenses  
YTD - 9/30/2021

Budget year: 100.0% 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 -- USBR	\$ -	(1,172,399)	0.00%	1,172,399	\$ -	\$ (32,293)	0.00%	32,293	\$ -	\$ (1,140,106)	0.00%	1,140,106
Pump Back Project - Cost Recoverable Costs	25,000	1,364,853	5459.41%	(1,339,853)	-	28,872	0.00%	(28,872)	25,000	1,335,981	5343.92%	(1,310,981)
FKC MRCCP - Cost Recovered - USBR	-	(2,796,712)	0.00%	2,796,712		\$ (133,304)	0.00%	133,304	\$ -	\$ (2,663,408)	0.00%	2,663,408
MRRCP - Contractor & Recoverable Costs	5,000,000	3,401,816	68.04%	1,598,184	96,705	128,531	132.91%	(31,827)	4,903,295	3,273,284	66.76%	1,630,011
FKC Capacity Correction (FWA) - 6226	-	565,520	0.00%	(565,520)	-	87,760	0.00%	(87,760)	-	477,759	0.00%	(477,759)
FKC Capacity Correction - System Wide - 6227	-	59,737	0.0%	(59,737)	-	9,416	0.0%	(9,416)	-	50,321	0.0%	(50,321)
GSA Engagement	536,600	85,729	16.0%	450,871	-	36,618	0.0%	(36,618)	536,600	49,110	9.2%	487,490
Water Quality	100,000	50,214	50.2%	49,785	37,610	10,777	28.7%	26,833	62,390	39,437	63.2%	22,952
TOTAL EXPENSES: SPECIAL PROJECTS	5,661,600	1,558,757	27.5%	4,102,842	134,315	136,378	101.5%	(2,063)	5,527,285	1,422,379	25.7%	4,104,906

**Friant Water Authority**  
**Budget vs Actual Expenses**  
**YTD - 9/30/2021**

Budget year: <b>100.0%</b> Completed												
Total					Labor				Materials			
Annual Budget	YTD Actual	% Of Bud	Projected Remaining		Budget	YTD Actual	Projected Remaining		Budget	YTD Actual	Projected Remaining	
<b>GENERAL MEMBERSHIP</b>												
Meeting - Board of Directors	-	n/a	n/a									
Employee Benefit (Holiday)	\$ 51,703	\$ 30,391	59%	21,312	\$ 51,703	\$ 30,391	59%	21,312	\$ -	\$ -	n/a	n/a
Employee Benefit (Sick Pay)	90,985	29,269	32%	61,716	52,316	6,516	12%	45,800	38,669	22,753	59%	15,916
Employee Benefit (Vacation)	119,382	64,888	54%	54,494	88,920	52,807	59%	36,113	30,462	12,080	40%	18,381
Travel	20,615	17,873	87%	2,742	-	-	0%	-	20,615	17,873	87%	2,742
Employee Retirement - OC Maint	192,852	65,028	34%	127,824	91,762	-	0%	91,762	101,090	65,028	64%	36,062
Retirement Administration	7,155	5,271	74%	1,884	-	-	0%	-	7,155	5,271	74%	1,884
Medical & Disability Insurance - OC Maint	106,939	32,834	31%	74,105	51,979	-	0%	51,979	54,960	32,834	60%	22,126
Payroll Taxes	14,117	7,671	54%	6,446	12,488	-	0%	12,488	1,629	7,671	471%	(6,042)
Utilities	3,874	1,525	39%	2,350	-	-	0%	-	3,874	1,525	39%	2,350
City of Fresno vs USA (JDA)	12,633	8,675	69%	3,958	-	-	0%	-	12,633	8,675	69%	3,958
GM Administrative Costs	230,157	172,961	75%	57,196	113,667	75,999	67%	37,668	116,490	96,962	83%	19,528
Administration Allocation	212,500	159,390	75%	53,110	-	-	0%	-	212,500	159,390	75%	53,110
Water Supply Mgmt - General Implementation	21,798	14,005	64%	7,794	20,018	13,224	66%	6,794	1,780	781	44%	999
Friant Supply, Tracking, Policies & Defense	20,893	79,228	379%	(58,335)	19,121	19,991	105%	(870)	1,772	59,237	3342%	(57,464)
Delta Supply, Tracking, Policies & Defense	235,401	181,924	77%	53,477	19,490	12,268	63%	7,222	215,911	169,656	79%	46,255
San Joaquin Settlement	111,499	64,949	58%	46,550	24,042	14,298	59%	9,743	87,457	50,651	58%	36,807
Reconsultation (CVP/SWP LTO)	618	283	46%	334	618	283	46%	334	-	-	0%	-
Friant Sustainability Plan	697	2,361	339%	(1,664)	-	-	0%	-	697	2,361	339%	(1,664)
SJV Blue Print	40,134	17,699	44%	22,435	7,611	3,692	49%	3,919	32,523	14,007	43%	18,516
Upstream Storage	6,191	2,428	39%	3,762	2,760	1,078	39%	1,682	3,431	1,350	39%	2,081
Special Projects	250	662	265%	(413)	250	662	265%	(413)	-	-	0%	-
NASA Airborne Snow Observatory	278,622	297,691	107%	(19,069)	6,622	3,820	58%	2,802	272,000	293,871	108%	(21,871)
Organization & Governance	18,663	16,289	87%	2,374	13,612	12,205	90%	1,407	5,052	4,084	81%	967
Friant Member & Grower Coordination	117,991	76,183	65%	41,808	-	-	0%	-	117,991	76,183	65%	41,808
Grants & Funding Development	2,859	1,125	39%	1,734	-	-	0%	-	2,859	1,125	39%	1,734
Outreach & Engagement	66,818	48,328	72%	18,489	33,092	26,535	80%	6,558	33,725	21,794	65%	11,932
Legislative Affairs	177,356	116,509	66%	60,847	51,919	37,354	72%	14,565	125,437	79,155	63%	46,282
State Regulatory Affairs	154,835	63,898	41%	90,938	1,253	615	49%	638	153,582	63,283	41%	90,300
External Affairs	229,509	112,264	49%	117,245	41,224	32,109	78%	9,116	188,285	80,156	43%	108,129
Communications & Media Relations	27,955	22,964	82%	4,991	20,533	16,482	80%	4,051	7,421	6,482	87%	940
<b>TOTAL EXPENSES: GENERAL MEMBERSHIP</b>	<b>\$ 2,575,000</b>	<b>\$ 1,725,093</b>	<b>67%</b>	<b>\$ 860,435</b>	<b>\$ 725,000</b>	<b>\$ 360,330</b>	<b>50%</b>	<b>\$ 364,670</b>	<b>\$ 1,850,000</b>	<b>\$ 1,364,763</b>	<b>74%</b>	<b>\$ 495,765</b>
<b>Outside Legal Consultants</b>	<b>609,000</b>	<b>323,150</b>	<b>285,850</b>		<b>53%</b>							
<b>Other Consultants</b>												
General Consulting	55,000	21,763	33,237		<b>40%</b>							
Kan Ventures	65,500	67,169	(1,669)		<b>103%</b>							
WDC Lobbyist	40,500	28,952	11,549		<b>71%</b>							
Sacramento Lobbyist	45,000	19,993	25,007		<b>44%</b>							
Public Relations Consultant	40,500	5,100	35,400		<b>13%</b>							
Airborne Snow	272,000	294,392	(22,392)		<b>108%</b>							
CDTFA - CA Water Res. Control Board	67,500	51,187	16,313		<b>76%</b>							
Family Farm Alliance	15,000	15,000	-		<b>100%</b>							
CVPWA dues	50,000	46,710	3,290		<b>93%</b>							
SJV Blueprint	15,000	10,500	4,500		<b>70%</b>							
Temperance Flat Reservoir Authority	40,000	-	40,000		<b>0%</b>							
<b>Total Other Consultants</b>	<b>706,000</b>	<b>560,765</b>	<b>145,235</b>		<b>79%</b>							
<b>Other Supplies &amp; Services</b>	<b>310,000</b>	<b>166,340</b>	<b>143,660</b>		<b>54%</b>							
<b>General Counsel</b>	<b>12,500</b>	<b>1,231</b>	<b>11,270</b>		<b>10%</b>							
<b>Staff Payroll &amp; Benefits</b>	<b>725,000</b>	<b>514,217</b>	<b>210,783</b>		<b>71%</b>							
<b>Admin Allocation</b>	<b>212,500</b>	<b>159,390</b>	<b>53,110</b>		<b>75%</b>							
<b>Total GM</b>	<b>2,575,000</b>	<b>1,725,093</b>	<b>849,907</b>		<b>67%</b>							

BUDGET TO ACTUAL REPORT

				% of Budget YTD
Consultants	FY 2021 Approved Budget	FY 2021 Actuals	Surplus /(Shortage)	100.00%
<b>General Counsel</b>				
Burke, Williams & Sorenson, LLC	12,500	1,231	6,500	9.84%
<b>Special Counsel</b>				
Water & Power Law Group	178,000	188,447	(22,000)	105.87%
Fennemore Craig	-	-	0	
Burke, Williams & Sorensen, LLC	50,000	22,259	24,031	44.52%
Sornach Simmons	36,000	67,254	(42,463)	186.82%
Other -	20,000	2,517	17,063	12.59%
BiOps Litigation	175,000	-	175,000	
CEQA Litigation	150,000	42,673	100,215	28.45%
<b>Special Counsel Subtotal</b>	<b>609,000</b>	<b>323,150</b>	<b>251,847</b>	<b>53.06%</b>
<b>Professional Support - Operations</b>				
General Consulting - as needed (Luce, Steve O. & MBK)	55,000	21,763	29,610	39.57%
Kan Ventures	65,500	67,169	0	102.55%
Operations and planning analyst- Stantec	-	-	0	
<b>Professional Support - Operations Subtotal</b>	<b>120,500</b>	<b>88,932</b>	<b>29,610</b>	<b>73.80%</b>
<b>Professional Support - Communications &amp; Outreach</b>				
External Affairs - Other (Ferguson Group)	40,500	28,952	6,723	71.49%
Villines Group, LLC	45,000	14,972	27,533	33.27%
Media & Materials - (Commuter Industries)	40,500	7,125	31,375	17.59%
<b>Professional Support - Comm. &amp; Outreach Subtotal</b>	<b>126,000</b>	<b>51,048</b>	<b>65,632</b>	<b>40.51%</b>
<b>Consultants Subtotal</b>	<b>868,000</b>	<b>464,360</b>	<b>353,588</b>	<b>53.50%</b>
<b>Staff</b>				
Leadership	725,000	514,217	125,080	70.93%
Other Staff (intern/temp)	-	-	0	
<b>Staff Subtotal</b>	<b>725,000</b>	<b>514,217</b>	<b>125,080</b>	<b>70.93%</b>
<b>Other Activities</b>				
CDTFA - State Water Resources Control Board	67,500	51,187	16,313	75.83%
Family Farm Alliance	15,000	15,000	0	100.00%
CVPWA dues	50,000	46,710	3,290	93.42%
SJV Blueprint	15,000	10,500	5,000	70.00%
Temperance Flat Reservoir Authority	40,000	-	40,000	
<b>Dues &amp; Fees Subtotal</b>	<b>187,500</b>	<b>123,397</b>	<b>64,603</b>	<b>65.81%</b>
<b>Other Supplies &amp; Services</b>				
Travel	60,000	2,218	55,413	3.70%
Hotel	37,500	1,562	32,500	4.16%
Meals	35,000	8,025	25,638	22.93%
Miscellaneous visa receipts	10,000	13,685	0	136.85%
Meeting expenses -	45,000	47,302	(2,302)	105.11%
Other expenses	5,000	-	5,000	
<b>Other Supplies &amp; Services Subtotal</b>	<b>192,500</b>	<b>72,791</b>	<b>116,249</b>	<b>37.81%</b>
<b>Admin Allocation</b>	<b>212,500</b>	<b>159,390</b>	<b>26,545</b>	<b>75.01%</b>
<b>Direct Expenses (including rent, mileage)</b>				
Mileage	27,500	7,803	18,397	28.37%
Rent	66,000	76,695	(23,478)	116.20%
Office Expenses	10,000	4,041	5,286	40.41%
Office Supplies	7,500	2,622	4,441	34.96%
Communications	6,500	2,389	3,713	36.75%
<b>Direct Expenses Subtotal</b>	<b>117,500</b>	<b>93,549</b>	<b>8,359</b>	<b>79.62%</b>
<b>Other Activities Subtotal</b>	<b>710,000</b>	<b>449,127</b>	<b>215,756</b>	<b>63.26%</b>
<b>Subtotal Base Budgets</b>	<b>2,303,000</b>	<b>1,427,704</b>	<b>694,424</b>	<b>61.99%</b>
<b>Special Projects</b>				
Airborne Snow Observatory (NASA)	272,000	294,392	(22,392)	108.23%
Sustainability Plan	-	-	0	
SJV Blueprint	-	-	0	
Consulting for Settlement Discussions	-	-	0	
Science Funding (MBK)	-	-	0	
<b>Total Special Projects</b>	<b>272,000</b>	<b>294,392</b>	<b>(22,392)</b>	<b>108.23%</b>
<b>Total Budgets</b>	<b>2,575,000</b>	<b>1,722,096</b>	<b>672,032</b>	<b>66.88%</b>

**Middle Reach Capacity Correction Project, Phase 1**  
**Monthly Financial Status Report - September 2021**  
**FWA Expenditures through September 30, 2021**

SOURCES OF FUNDS		Total Anticipated	Funds Secured / Received to Date	Expenditures*	Remaining Funding Available
Federal Funding	SJRRP (Non-Reimb)	\$ 46,900,000	\$ 46,900,000	\$ 18,182,029	\$ 28,717,971
	WINN (Reimb)	\$ 210,550,000	\$ 210,550,000	\$ 1,981,971	\$ 208,568,029
State Funding		\$38M - \$170M	In Progress (TBD)	In Progress (TBD)	In Progress (TBD)
ETGSA	Eastern Tule GSA	\$125M - \$200M	\$ -	\$ -	\$ -
Pixley GSA	Pixley GSA	\$11M - \$14.5M	\$ -	\$ -	\$ -
FKC Contractors	FKC Contractors	\$50M	\$ 15,221,118	\$ 10,180,245	\$ 5,040,873

\* Reclamation expenditures through December 31, 2020, FWA expenditures through September 30, 2021  
(Reclamation to begin monthly expenditure reporting in November 2021)

Project Budget to Actuals (Initial - High Level)	Reclamation**		FWA	
Cost Category	Budget Est.	Expenditures	Budget Est.	Expenditures
Prior Period & Non-Construction**	\$20,164,000	\$20,164,000	\$3,516,386	\$3,493,047
ROW & Land Acquisition	\$6,846,000	\$0	\$8,498,000	\$6,687,198
Construction***	\$119,240,000	\$0	\$134,235,614	\$0
Total	\$146,250,000	\$20,164,000	\$146,250,000	\$10,180,245
% Cost-Share	50%	66%	50%	34%

\*\* Spending Plan in CFA identified prior period costs through December 31, 2020,

\*\*\*The current budget reflects the updated bottom line estimate for Phase 1 from September 2021

including the construction contract award of \$177M, a more detailed budget presentation will be ready in November 2021.

## AGENDA REPORT

NO. 3.A

**DATE:** October 28, 2021

**TO:** Executive Committee

**FROM:** Douglas DeFlitch, Chief Operating Officer

**SUBJECT:** **Approval of Task Order No. 2 to GSI Master Professional Services Agreement for FKC Subsidence Monitoring and GSA Engagement**

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### SUMMARY:

In April of 2021 FWA entered into a Master Professional Services Agreement with GSI Environmental Inc. (GSI) to assist with the monitoring of subsidence along the Friant-Kern Canal. The initial Task Order under the contract included review of several proposed groundwater banks, a review of ETGSA's proposed Subsidence Monitoring and Management Plan as well as technical assistance to create an autonomous monitoring plan for the FKC. Task Order No. 2 is being requested to expand GSI's scope of services and make a related budget increase of \$125,000. Details of GSI's additional scope of work are included in Task Order No. 2.

### RECOMMENDED ACTION:

The Board of Directors approve Task Order No. 2 with GSI for monitoring subsidence along the Friant-Kern Canal and assist with GSA engagement and increase the approved budget under the Master Professional Services Agreement with GSI by \$125,000.

### SUGGESTED MOTION:

I move that the Board of Directors approve Task Order No. 2 with GSI for monitoring subsidence along the Friant-Kern Canal and assist with GSA engagement and increase the approved budget under the Master Professional Services Agreement with GSI by \$125,000.

### BUDGET IMPACT:

Approval of Task Order No. 2 will result in an increase of \$125,000 to GSI's approved FY 2022 budget. Funding for GSI's contract remains covered by the existing FY 2022 Operations, Maintenance & Replacement Budget. This Task order stays within the budgeted amounts.

### ATTACHMENTS:

GSI Proposed Task Order No. 2

Douglas DeFlitch  
Friant Water Authority  
854 N. Harvard Avenue  
Lindsay, CA 93247

Subject: Task Order Request – ETGSA GFM Review and Subsidence Professional Services

Dear Mr. DeFlitch,

Pursuant to our discussion, GSI Environmental Inc. (GSI) has prepared this request for a Task Order under our Master Professional Services Agreement (Master PSA) with the Friant Water Authority (FWA) dated April 20, 2021. The scope of work includes (1) review of the Groundwater Flow Model developed by Thomas Harder for the East Tule Groundwater Sustainability Agency (ETGSA), (2) interaction with ETGSA, (3) and subsidence consulting. The work will be performed based on time and materials at rates in Table 1 with a budget of \$125,000. We will not exceed this budget without prior authorization by the FWA.

Yours sincerely,



Chin Man W. Mok, PhD, PE, GE, PG, D.WRE, D.GE  
Vice President and Principal  
GSI Environmental Inc.

Table 1: Billing Rates

**TABLE 1**  
**GSI Environmental Inc.**

<b>F E E</b>	<b>P E R S O N N E L</b>	<b>R A T E / H R</b>
	01 Project Assistant.....	\$77
	02 Environmental Technician .....	\$77
	03 Senior Environmental Technician.....	\$86
	04 CADD /Graphics Specialist.....	\$95
	05 Computer Programmer.....	\$117
	06 Data Scientist .....	\$126
	07 GIS Specialist, Senior Data Scientist, Senior Programmer, Senior Researcher ..	\$158
	08 Engineer/Scientist/Geologist I .....	\$110
	09 Engineer/Scientist/Geologist II .....	\$120
	10 Engineer/Scientist/Geologist III .....	\$138
	11 Engineer/Scientist/Geologist IV .....	\$160
	12 Senior Engineer/Scientist/Geologist I .....	\$171
	13 Senior Engineer/Scientist/Geologist II .....	\$189
	14 Senior Associate.....	\$216
	15 Principal I.....	\$240
	16 Principal II.....	\$290

**SCHEDULE**  
**Effective**  
**22 March**  
**2021**



## Agenda Report

No. 3.B

**DATE:** October 28, 2021

**TO:** Board of Directors

**FROM:** Wilson Orvis, CFO

**SUBJECT:** Allocation of Settlement Payment

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### SUMMARY:

On August 6, 2021, a payment in the amount of \$1,047,804.99 was made by Panoche Water District to the San Luis & Delta Mendota Water Authority (Authority) pursuant to a Settlement Agreement. The Authority allocated the settlement payment as a surplus based upon actual deliveries to all contractors for each year starting in Water Year (WY) 2009 through WY 2019. Friant Water Authority's (FWA) share of the settlement payments was \$395,822.44. Staff is recommending that FWA's share of the settlement payment be allocated to Friant Division Contractors based upon their relative share of costs for exchange/settlement contractor deliveries in each of the years covered by the settlement.

### DISCUSSION

The Authority's methodology for allocating the refund of the settlement payment was to allocate the settlement payment for each Water Year (WY) based upon the relative percentage of deliveries throughout the entire facility in that year (see Attachment 1 – agenda report). As such, the settlement allocation was not formulated based upon the cost pools in the Authority's cost recovery policy, but instead was based upon total deliveries across all pools.

FWA's Cost Recovery Methodology Policy (October 1, 2019) requires that Operations, Maintenance, and Replacement (OM&R) costs associated with Exchange Contractor/Settlement Contract deliveries through the facilities at the Authority be allocated to Friant Division contractors on the basis of conveyance and pumping cost pools. Since the Authority's approach to allocating the settlement payment did not segregate costs by those cost pools, staff had to develop an alternative methodology.

**Recommended Allocation Methodology.** Staff developed a recommended allocation of the settlement payments by year and District (see Attachment 2). The allocation percentages were developed by:

1. Collating the total Authority OM&R costs by that FWA paid for WY's 2009 – 2019.
2. Segregating each year's costs into the pumping, conveyance, and reserves cost pools
3. Allocating each year's costs<sup>1</sup>, by pool, to each Friant Division contractor based upon the allocation in place during that WY.

<sup>1</sup> For all but WY 2019, the costs were based upon final accountings as final, actual costs. For WY 2019, the costs are based upon the rates established by the Authority and the final Exchange & Settlement Contractor delivery data for WY 2019.

Once the amounts by pool and District were determined, for each year's settlement payment refund, the refund was allocated to each contractor based upon their relative share of the total OM&R payments for that WY. *For example*, in WY 2009, the total OM&R cost was \$9,044,918.22. Arvin-Edison Water Storage District's share of costs that year was \$698,454.72. Therefore, AEWSD's share of the refund payment in WY 2009 was 7.72%.

## **FINANCE COMMITTEE**

The Finance Committee reviewed the proposal during the October 25, 2021 committee meeting and approved a motion to recommend that the Board of Directors approve the proposed allocation methodology.

## **RECOMMENDED ACTION:**

The Board of Directors approve the proposed methodology for allocating the costs from the Settlement payment.

## **SUGGESTED MOTION:**

A motion to approve the proposed methodology for allocating the costs from the Settlement payment received from the Authority.

## **BUDGET IMPACT:**

There is no impact to the budget, the settlement payment will be refunded to each Friant Division District based upon the recommended allocation methodology.

## **ATTACHMENTS:**

- 1) Authority Agenda Report, Staff Recommendation for Allocation of Settlement Payment, September 13, 2021
- 2) FWA Workbook, Recommended Allocation of Settlement Payment, by Year and District, Friant Division



## MEMORANDUM

TO: SLDMWA Finance & Administration Committee, Board of Directors, Alternates

FROM: Pablo Arroyave, Chief Operating Officer  
Joyce Machado, Director of Finance

DATE: September 13, 2021

RE: Staff Recommendation for Allocation of Settlement Payment

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### BACKGROUND

On August 6, 2021, a \$1,047,804.99 wire transfer was made by Panoche Water District to the Water Authority pursuant to a Settlement Agreement and Limited Release. Staff proposes to allocate the settlement payment in accordance with relevant guidance documents, as discussed below.

### ISSUE FOR DECISION

Whether the Finance & Administration Committee should recommend, and the Board of Directors should adopt, staff's recommendation for allocation of the settlement payment.

### RECOMMENDATION

Staff recommends adoption of its recommendation for allocation of the settlement payment, including the following: \$952,317 to be refunded/credited<sup>1</sup> as surplus; \$26,711 to be treated as miscellaneous revenue in FY21; and \$68,776.99 to be treated as miscellaneous revenue in current fiscal year.

### ANALYSIS

The settlement payment includes dollar amounts associated with four components: (1) OM&R costs incurred between January 1, 2009 and April 30, 2015, (2) associated interest calculated through August 5, 2021, (3) actual Water Authority costs incurred prior to FY22 (cost of sealing diversion sites), and (4) actual staff/attorney time costs in FY22.

The Water Authority's Transfer Agreement discusses the Water Authority's ability to adopt cost recovery methodology, and notes that Reclamation has approved the Water Authority's existing cost recovery methodology. The referenced cost recovery methodology is documented in the First Amended and Restated Memorandum of Understanding between Friant Water Users Authority and San Luis & Delta-Mendota Water Authority Relating to Allocation, Collection and

<sup>1</sup> The refund/credit would not accrue to Panoche Water District.

Payment of Operation, Maintenance & Replacement Costs for Water Delivered through Certain Central Valley Project Facilities (Friant MOU) and SLDMWA OM&R Cost Recovery Plan. These two documents include provisions that address how the Water Authority should treat both “surplus” funds and “miscellaneous revenues.” As explained below, some components of the settlement payment constitute surplus and other components miscellaneous revenues.

OM&R Costs Component: Staff proposes to treat the amount received as surplus, and refund or credit those that overpaid in the associated water years (WY 2009 - WY2019) according to actual deliveries in each of those years. Under the SLDMWA OM&R Cost Recovery Plan, “[i]n the event payments made by or on account of a SLDM Contractor exceed costs allocated to that SLDM Contractor (surplus), the SLDMWA will refund the amount of the surplus to the payee or the payee may direct the SLDMWA to apply such surplus to amounts otherwise due under this ... Plan.”

Interest Component: Staff proposes to treat interest calculated through Water Year 2019 as surplus for each of the associated water years (WY2009 – WY2019), and refund or credit those that overpaid in those water years according to actual deliveries. For the interest received that is associated with Water Year 2020 (\$8,945) and Water Year 2021 (\$8,974), staff proposes to treat these amounts as miscellaneous revenue in those respective open fiscal years (true-ups are yet to be completed).

Miscellaneous revenues are addressed in the Water Authority’s Friant MOU, in Section III.A.4:

It is anticipated that the SLDMWA may from time to time realize miscellaneous revenues from sources directly related to the OM&R Program, including without limitation revenues from (i) rebates from vendors of products and/or services used in the OM&R Program, (ii) the sale of used equipment originally acquired for use in the OM&R Program, and (iii) amounts collected from third parties for whom the SLDMWA performs contract services using employees, equipment and/or materials otherwise used in the OM&R Program. All such miscellaneous revenues will be retained by the SLDMWA and utilized to support the continued OM&R Program.

Actual Costs Component: The settlement payment includes payment for actual costs incurred prior to the current fiscal year. Staff proposes to treat this portion of the payment as miscellaneous revenue in FY21. In addition, the portion of the payment that is assigned to actual costs incurred during the current fiscal year (staff/outside counsel time) would be treated as miscellaneous revenue in FY22. This FY21 and FY22 miscellaneous revenue would be captured as a separate step in the WY20 and WY21 final accountings true-up process.

Recommended Allocation of Settlement Payment, by Year and District, Friant Division  
October 22, 2021

	Total	WY 2019	WY 2018	WY 2017	WY 2016	WY 2015	WY 2014	WY 2013	WY 2012	WY 2011	WY 2010	WY 2009
Settlement Refund:	\$ (395,822.44)	\$ (5,281.12)	\$ (9,583.86)	\$ (6,159.52)	\$ (8,986.57)	\$ (42,245.15)	\$ (125,404.15)	\$ (54,433.21)	\$ (42,009.71)	\$ (20,802.55)	\$ (36,315.53)	\$ (44,601.07)
<b>Friant-Kern Canal</b>												
Arvin-Edison WSD	\$ (30,044.54)	\$ (380.21)	\$ (693.10)	\$ (469.84)	\$ (614.46)	\$ (3,095.67)	\$ (9,691.82)	\$ (4,132.94)	\$ (3,186.19)	\$ (1,613.80)	\$ (2,722.40)	\$ (3,444.12)
Delano-Earlimart ID	\$ (48,938.16)	\$ (695.97)	\$ (1,200.61)	\$ (759.91)	\$ (1,142.82)	\$ (5,272.77)	\$ (15,410.72)	\$ (6,724.73)	\$ (5,191.59)	\$ (2,553.47)	\$ (4,503.24)	\$ (5,482.33)
Exeter ID	\$ (5,533.28)	\$ (72.31)	\$ (132.58)	\$ (85.16)	\$ (124.38)	\$ (584.34)	\$ (1,733.67)	\$ (752.66)	\$ (598.74)	\$ (296.32)	\$ (517.73)	\$ (635.38)
City of Fresno	\$ (25,212.00)	\$ (331.71)	\$ (625.73)	\$ (391.54)	\$ (602.15)	\$ (2,740.55)	\$ (7,916.71)	\$ (3,468.50)	\$ (2,678.38)	\$ (1,310.61)	\$ (2,329.23)	\$ (2,816.89)
Fresno ID	\$ (3,166.15)	\$ (19.25)	\$ (66.40)	\$ (50.25)	\$ (51.26)	\$ (305.28)	\$ (1,062.17)	\$ (438.10)	\$ (337.04)	\$ (178.08)	\$ (281.44)	\$ (376.88)
Garfield WD	\$ (1,471.14)	\$ (19.79)	\$ (36.50)	\$ (22.84)	\$ (35.13)	\$ (159.87)	\$ (461.81)	\$ (202.33)	\$ (156.24)	\$ (76.45)	\$ (135.87)	\$ (164.32)
Hills Valley ID	\$ (334.03)	\$ (6.01)	\$ (13.04)	\$ (8.16)	\$ (12.54)	\$ (57.09)	\$ (164.93)	\$ (72.26)	\$ -	\$ -	\$ -	\$ -
International ID	\$ (504.58)	\$ (6.98)	\$ (12.51)	\$ (7.83)	\$ (12.04)	\$ (54.81)	\$ (158.33)	\$ (69.37)	\$ (53.57)	\$ (26.21)	\$ (46.58)	\$ (56.34)
Ivanhoe ID	\$ (2,848.33)	\$ (38.46)	\$ (68.23)	\$ (42.75)	\$ (65.57)	\$ (298.93)	\$ (864.72)	\$ (378.68)	\$ (292.40)	\$ (143.17)	\$ (254.21)	\$ (401.20)
Kaweah Delta WCD	\$ (721.56)	\$ (6.99)	\$ (19.07)	\$ (12.79)	\$ (17.10)	\$ (84.93)	\$ (263.13)	\$ (112.60)	\$ (86.82)	\$ (43.78)	\$ (74.35)	\$ -
Kern Tulare WD	\$ (154.67)	\$ (0.63)	\$ (4.43)	\$ (3.35)	\$ (3.42)	\$ (20.35)	\$ (70.81)	\$ (29.21)	\$ (22.47)	\$ -	\$ -	\$ -
Lewis Creek WD	\$ (542.16)	\$ (6.49)	\$ (12.51)	\$ (7.83)	\$ (12.04)	\$ (54.81)	\$ (158.33)	\$ (69.37)	\$ (64.73)	\$ (31.67)	\$ (56.29)	\$ (68.07)
Lindmore ID	\$ (14,807.06)	\$ (199.80)	\$ (363.63)	\$ (230.09)	\$ (346.22)	\$ (1,596.85)	\$ (4,665.76)	\$ (2,036.19)	\$ (1,571.97)	\$ (773.07)	\$ (1,363.63)	\$ (1,659.84)
Lindsay-Strathmore ID	\$ (11,562.07)	\$ (158.60)	\$ (286.79)	\$ (179.46)	\$ (275.99)	\$ (1,256.08)	\$ (3,628.49)	\$ (1,589.73)	\$ (1,227.59)	\$ (600.70)	\$ (1,067.56)	\$ (1,291.07)
City of Lindsay	\$ (1,054.78)	\$ (18.10)	\$ (26.07)	\$ (16.31)	\$ (25.09)	\$ (114.19)	\$ (329.86)	\$ (144.52)	\$ (111.60)	\$ (54.61)	\$ (97.05)	\$ (117.37)
Lower Tule River ID	\$ (35,839.54)	\$ (475.47)	\$ (848.96)	\$ (558.82)	\$ (776.86)	\$ (3,764.11)	\$ (11,445.65)	\$ (4,928.11)	\$ (3,801.47)	\$ (1,901.94)	\$ (3,268.92)	\$ (4,069.20)
City of Orange Cove	\$ (593.78)	\$ (13.24)	\$ (14.60)	\$ (9.14)	\$ (14.05)	\$ (63.95)	\$ (184.72)	\$ (80.93)	\$ (62.50)	\$ (30.58)	\$ (54.35)	\$ (65.73)
Orange Cove ID	\$ (16,490.84)	\$ (235.72)	\$ (408.81)	\$ (255.81)	\$ (393.41)	\$ (1,790.49)	\$ (5,172.25)	\$ (2,266.09)	\$ (1,749.88)	\$ (856.27)	\$ (1,521.77)	\$ (1,840.37)
Porterville ID	\$ (7,729.98)	\$ (98.90)	\$ (182.99)	\$ (117.98)	\$ (171.04)	\$ (807.25)	\$ (2,404.04)	\$ (1,042.37)	\$ (849.05)	\$ (420.73)	\$ (733.70)	\$ (901.92)
Saucilito ID	\$ (10,386.70)	\$ (140.69)	\$ (253.26)	\$ (162.28)	\$ (238.19)	\$ (1,115.54)	\$ (3,301.34)	\$ (1,434.48)	\$ (1,093.76)	\$ (540.96)	\$ (946.08)	\$ (1,160.12)
Shafter-Wasco ID	\$ (22,702.78)	\$ (307.64)	\$ (556.50)	\$ (352.82)	\$ (528.86)	\$ (2,444.98)	\$ (7,158.08)	\$ (3,121.74)	\$ (2,409.94)	\$ (1,186.20)	\$ (2,089.63)	\$ (2,546.40)
S.S.J.MU.D.	\$ (42,744.26)	\$ (577.21)	\$ (1,051.43)	\$ (663.14)	\$ (1,004.23)	\$ (4,613.72)	\$ (13,435.98)	\$ (5,870.27)	\$ (4,532.27)	\$ (2,237.54)	\$ (3,953.22)	\$ (4,805.22)
Stone Corral ID	\$ (4,207.30)	\$ (60.59)	\$ (104.29)	\$ (65.26)	\$ (100.36)	\$ (456.76)	\$ (1,319.45)	\$ (578.08)	\$ (446.40)	\$ (218.44)	\$ (388.21)	\$ (469.48)
Tea Pot Dome WD	\$ (3,072.26)	\$ (40.95)	\$ (75.09)	\$ (46.99)	\$ (72.26)	\$ (328.87)	\$ (950.01)	\$ (416.22)	\$ (334.80)	\$ (163.83)	\$ (291.15)	\$ (352.11)
Terra Bella ID	\$ (12,193.83)	\$ (168.36)	\$ (302.43)	\$ (189.25)	\$ (291.04)	\$ (1,324.60)	\$ (3,826.41)	\$ (1,676.44)	\$ (1,294.55)	\$ (633.46)	\$ (1,125.80)	\$ (1,361.50)
Tri Valley WID	\$ (106.62)	\$ (1.65)	\$ (4.17)	\$ (2.61)	\$ (4.01)	\$ (18.27)	\$ (52.78)	\$ (23.12)	\$ -	\$ -	\$ -	\$ -
Tulare ID	\$ (18,599.14)	\$ (242.82)	\$ (437.70)	\$ (290.24)	\$ (397.45)	\$ (1,944.20)	\$ (5,955.23)	\$ (2,557.88)	\$ (1,972.82)	\$ (990.10)	\$ (1,693.73)	\$ (2,116.98)
<b>Total Friant-Kern Canal</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percent of Total												
<b>Madera Canal</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chowchilla WD	\$ (29,897.88)	\$ (377.55)	\$ (715.24)	\$ (466.11)	\$ (661.33)	\$ (3,163.43)	\$ (9,522.94)	\$ (4,114.08)	\$ (3,174.19)	\$ (1,581.31)	\$ (2,735.54)	\$ (3,386.16)
Gravelly Ford	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Madera ID	\$ (43,617.07)	\$ (565.67)	\$ (1,051.13)	\$ (679.30)	\$ (980.18)	\$ (4,639.53)	\$ (13,849.51)	\$ (6,000.20)	\$ (4,630.22)	\$ (2,298.35)	\$ (3,997.72)	\$ (4,925.26)
<b>Total Madera Canal</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percent of Total												
<b>Millerton Lake</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(2) Fresno County Wwks#18	\$ (63.52)	\$ (1.32)	\$ (1.56)	\$ (0.98)	\$ (1.51)	\$ (6.85)	\$ (19.79)	\$ (8.67)	\$ (6.70)	\$ (3.28)	\$ (5.82)	\$ (7.04)
(2) Gravelly Ford	\$ (598.38)	\$ (10.96)	\$ (12.40)	\$ (9.38)	\$ (9.57)	\$ (56.99)	\$ (198.27)	\$ (81.78)	\$ (62.91)	\$ (33.24)	\$ (52.54)	\$ (70.35)
(2) County of Madera	\$ (84.02)	\$ (1.09)	\$ (2.09)	\$ (1.31)	\$ (2.01)	\$ (9.14)	\$ (26.39)	\$ (11.56)	\$ (8.93)	\$ (4.37)	\$ (7.76)	\$ (9.39)
<b>Total Millerton Lake</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Percent of Total												
<b>Total Friant Unit</b>	\$ (395,822.44)	\$ (5,281.12)	\$ (9,583.86)	\$ (6,159.52)	\$ (8,986.57)	\$ (42,245.15)	\$ (125,404.15)	\$ (54,433.21)	\$ (42,009.71)	\$ (20,802.55)	\$ (36,315.53)	\$ (44,601.07)

## AGENDA REPORT

NO. 4.A

**DATE:** October 28, 2021

**TO:** Board of Directors

**THROUGH:** Douglas DeFlicht, Chief Operating Officer

**FROM:** Janet Atkinson, Stantec; Lindy Lee, BRI

**SUBJECT:** Friant-Kern Canal Middle Reach Capacity Correction Project Update

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**SUMMARY OF KEY DEVELOPMENTS:** The following is a summary of the key developments this month:

- Reclamation awarded the construction contract for the Phase 1 Project to the Brosamer & Wall/Tutor Perini Joint Venture on October 7<sup>th</sup> approximately three weeks ahead of the planned schedule. The news release is located here: <https://www.usbr.gov/newsroom/#/news-release/4006>
- 5 parcels have closed escrow, BRI has actual or tentative agreements with 10 owners (for a total of 12 APNs out of 28 APNs)
- A total of 10 relocation designs have been prepared by Southern California Edison (SCE), and a final draft of the SCE Master Facilities Relocation Agreement is being processed for signature by all parties.

**DISCUSSION/UPDATE:** The table below provides a summary update on the Project schedule. Following the schedule update is a summary update for the land acquisition process.

**Schedule Update** –Upcoming milestones related to the construction of the Phase 1 Project are the Notice to Proceed to the selected contractor.

Milestone	Date
Notice of Award to Construction Contractor	October 7, 2021
Notice to Proceed to Construction Contractor	November 9, 2021
Replacement Pump Stations Design Completion	March 11, 2022
Canal and Turnout Tie-ins	January 26, 2024
Construction Completion	September 1, 2024

**Land Acquisition Summary** - The FWA and Reclamation land acquisition team is jointly progressing the land acquisition process. The parcels are being purchased by either FWA or Reclamation, with all the parcels ultimately being transferred to Reclamation for construction of the Phase 1 Project.

Description	Summary Data
Number of APNs and owners	28 APNs, 19 owners
Number of parcels closed	4 owners (5 APNs)
Number of parcels in escrow	9 APNs

#### **Phase 1 Project Construction Contractor Solicitation**

- Reclamation awarded the construction contract for the Phase 1 Project to the Brosamer & Wall/Tutor Perini Joint Venture on October 7<sup>th</sup> approximately three weeks ahead of the planned schedule. The news release is located here: <https://www.usbr.gov/newsroom/#/news-release/4006>
- The first submittal for the construction contract document management system has been received and is currently under review.

#### **Environmental Compliance, Cultural Resources and Permitting**

- Continued preparation of the Biological Resources Management and Monitoring Plan for use during construction and the revegetation plan for work in Deer Creek.
- Progressed the Historic Treatment Properties Plan and coordinated access for photography.

#### **Engineering and Design**

- Supported specialty utility relocation firm in providing utility relocation materials requested by utility companies.
- Completed review of several utility relocation designs prepared by impacted utility companies.
- Supported the land acquisition team as needed. Activities included preparation of materials for landowners and addressing items as they arise.
- Continued engineering designs for the Replacement Pump Station 60-percent submittal.
- Prepared responses to CALTRANS comments on SH 190 (outside of the Phase 1 work limits).

#### **Land Acquisition for Phase 1 Project**

- BRI has closed four (4) escrows (5 APNs out of 28).
- Seven (7) signed agreements and deeds have been received (9 APNs).
- BRI has tentative agreements with 1 property owner(2 APNs) and continues to negotiate as needed
- Eminent domain complaints have been filed against 11 APNs, but negotiations are moving forward.
- SCE delivered 10 relocation plans through OPC.
- The SCE Master Facilities Relocation Agreement is being processed for signature by all parties.

**FUTURE ACTIVITIES PLANNED.** The following activities are planned for the next reporting period.

- **Phase 1 Project Construction**– Anticipate that a Post-Award Conference will be conducted with the construction contractor in early November. Following that, a site meeting will be conducted. Initiate planning for modifications needed to incorporate changes needed as a result of landowner negotiations and other items. Lastly, anticipate that the contractor will initiate construction submittal preparation and provide to the team for review.
- **Environmental Compliance, Cultural Resources and Permitting**– Prepare revised project description for the environmental compliance needs for the replacement pump stations. Continue preparation of the HPTP. Complete environmental plans described in the EIR/S mitigation measures including the Biological Resources Management and Monitoring Plan for use during construction. Mobilize team to conduct environmental preconstruction surveys needed to support the contractor’s planned schedule of activities.
- **Engineering and Design** – Continue to support the utility relocation coordination and review designs prepared by others. Continue to support the land acquisition team. Coordinate with Friant Division Contractors and Reclamation on the replacement pump stations and continue preparation of the 60-percent design submittal including a preliminary construction schedule and construction sequencing. Support Caltrans encroachment permit for the SH190 crossing as needed. Initiate support for post-construction contract award activities.
- **Land Acquisition:**
  - BRI will continue to work with the owners to complete the purchases.
  - BRI will continue to prepare administrative settlements.
  - OPC will continue to work with all utility companies to find solutions to the relocation issues based on the phasing of construction.
  - SCE to deliver preliminary relocation plans for all conflicts in Phase 1.
  - OPC will finalize permit/easement/Joint Use Agreement process and necessary documentation required by BOR.
- **Landowner Coordination and Outreach:** Anticipated activities include continued facilitation of Right-of-Way team meetings and provide as-needed website management.



## Agenda Report

No. 4.B

**DATE:** October 28, 2021

**TO:** Board of Directors

**FROM:** Ian Buck-Macleod, Water Resources Manager

**SUBJECT:** Water Operations Update

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### SUMMARY:

CVP allocations have remained unchanged from May 26<sup>th</sup>, and the CVP allocation for Friant remains at 20% for Class 1. Updated CVP operations projections were made available in September, which includes an outlook for fall operations under a 90% exceedance probability hydrology. A significant debt in CVP project supply in Federal San Luis still needs to be repaid before CVP Project supply can begin accumulating for use next year. At this time, Friant Division water supplies (50 TAF of unallocated CVP water) are being used to meet Exchange Contractor demands via exchanges between Reclamation, DWR, Friant Contractors and MWD. Most upstream reservoirs are releasing the minimum flow requirements to conserve storage. The big story over the last week was the historic storm that affected most of the State. The storm provided a much-needed boost to soil moisture, resulting in significant inflows to the reservoirs and the Delta, and brought snowfall to the mountains.

### DISCUSSION:

#### Inflow Forecasts

After an exceptionally warm and dry summer for most of the State, temperatures have cooled to near or even slightly below normal for most of October. Over the past week, most of the entire State saw some precipitation, with parts of the North Coast and Sierras seeing between 12-18 inches of precipitation, while locations in the Sacramento Valley saw up to 8 inches of precipitation. The majority of the precipitation over the last week occurred during the historic atmospheric river (especially for October) that passed through the State on Sunday and Monday. Snow levels were high for the initial part of the storm but quickly fell Sunday night allowing for several feet of snow to fall over most of the Sierra. After this storm, precipitation across the State as a percent of normal ranges from 525% to 256%. Current forecasts suggest limited chances for precipitation over the next week, but increasing chances later next week with up to 3 inches forecast in the northern Sierras.

Although very early in the water year, Table 1 shows the unimpaired inflow forecasts for Shasta and Millerton from the California Nevada River Forecast Center (CNRFC). The California Department of Water Resources' (DWR) Bulletin 120 (B-120) forecasts are not yet included as their first forecast is not released until December. As a result of the shortage criteria, unimpaired inflow to Shasta in WY 2022 needs to be at least 4.0 MAF to avoid a Shasta Critical year.

**Table 1. Unimpaired Inflow Forecasts for WY 2022**

Item	Exceedance		
	90%	50%	10%
CNRFC Shasta Unimpaired Inflow (TAF) <sup>1</sup>	3240	5420	9260
CNRFC Millerton Unimpaired Inflow (TAF) <sup>1</sup>	844	1690	3660

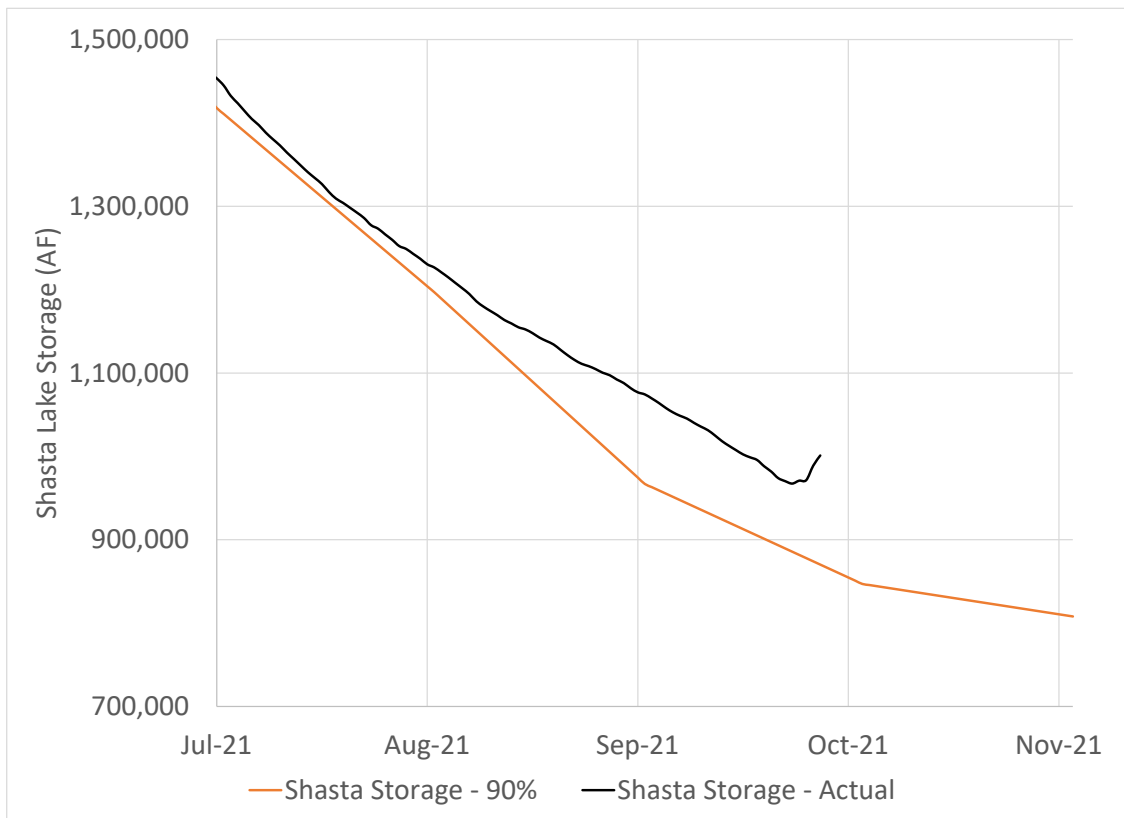
Notes:

<sup>1</sup> As of October 26.

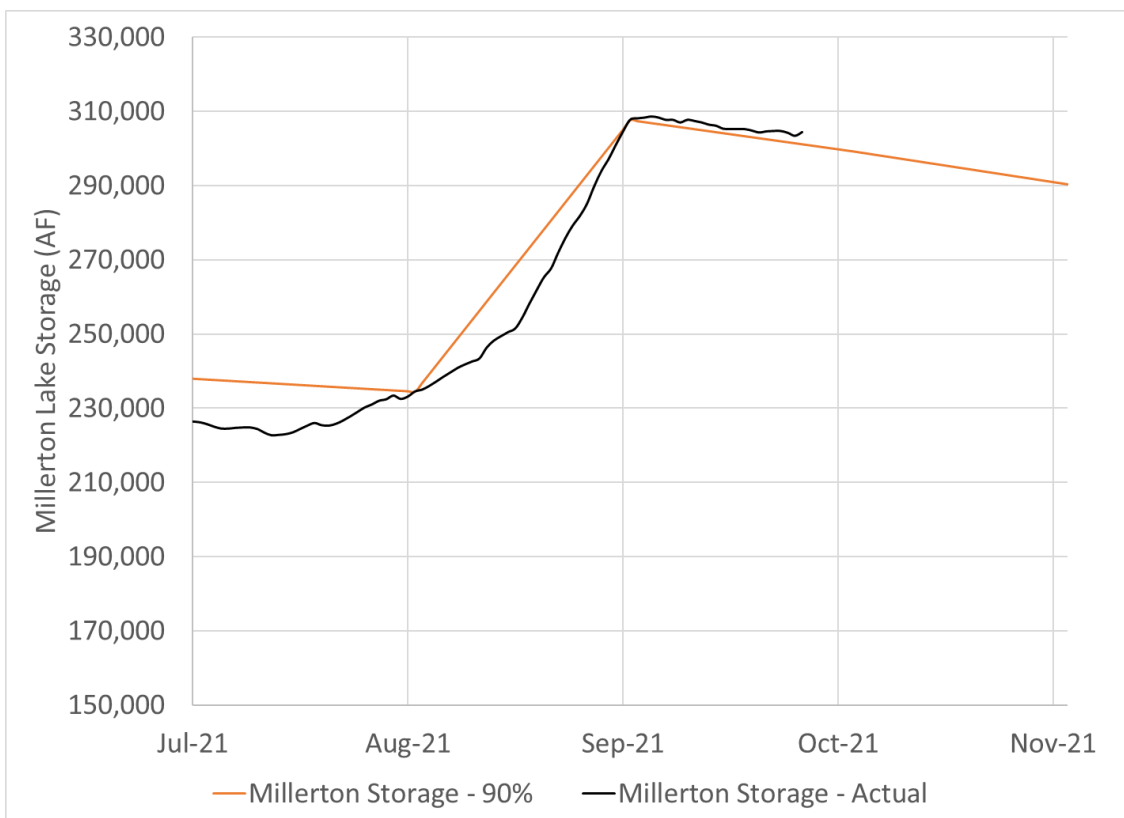
## CVP NOD Operations

Overall CVP North-of-Delta Reservoirs are below-normal storage levels for this week based on their 15-year average – Trinity, Shasta, and Folsom are 52%, 46%, and 74% of average, respectively. Shasta reservoir releases have begun to be reduced to the minimum flow requirement as transfer releases are wrapping up. Temperature management targets had generally been met through most of August. However, in late-August temperature control at Shasta was lost as limited cold water pool volumes remain. River temperatures have remained above the target but have held steady through October. While all reservoirs saw a healthy increase in inflow from the storm, Folsom has so far seen a 75 TAF increase in storage since Saturday. Folsom releases have remained at 550 cfs, which is the minimum flow requirement.

Figures 1 and 2 show the projected Shasta Lake and Millerton Lake storage through November based off the most recent CVO and SCCAO projections, respectively, as compared to actuals to date. Shasta storage has trended above the 90% exceedance from CVO for most of the past few months. Inflow from the recent storm has helped bump storage back above 1 MAF. Given the decrease in releases, Shasta storage should continue to remain above the most recent forecast from CVO. In recent weeks, Millerton Lake storage has trended above the forecast as inflows have increased and San Joaquin River Restoration Program (SJRRP) releases have yet to resume.



**Figure 1. Shasta Lake Storage – August Exceedance Projections Compared to Actuals**



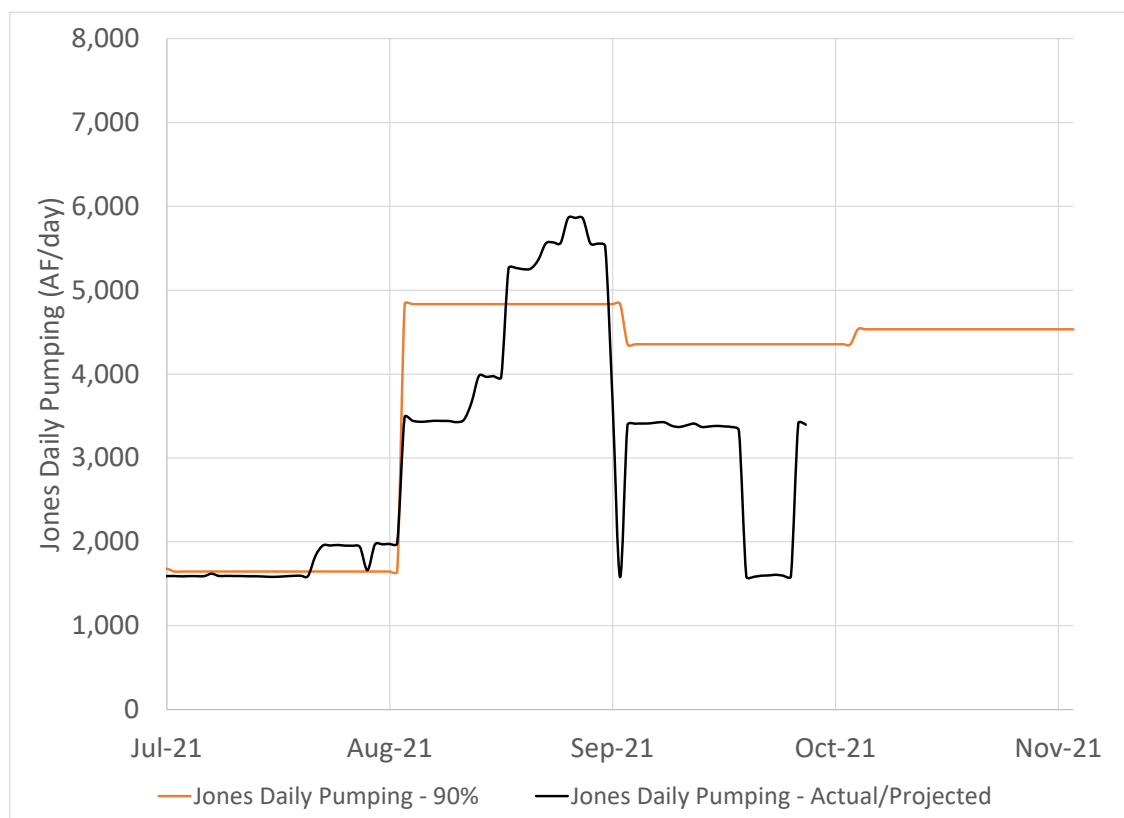
**Figure 2. Millerton Lake Storage – October Exceedance Projections Compared to Actuals**

## CVP SOD Operations

### Delta Operations

Exports began increasing in late-August as additional supplies (mostly transfer water) became available in the Delta. Exports decreased at the end of September to help meet the September Delta Outflow requirement. For most of October, Jones exports have fluctuated between a one- and two-unit operation due to water quality exceedances in the Delta. Jones exports are scheduled to increase to a three-unit operation on October 27<sup>th</sup> and a five-unit operation on October 28<sup>th</sup> to take advantage of the inflow available from the recent storm event.

Figure 3 shows the projected daily Jones pumping through November as compared to actuals to date (please note volumes include expected pumping of transfer supplies). For October, pumping has trended below the most recent forecast, largely due to water quality exceedances in the Delta. As part of the exchange agreement between DWR and Reclamation, Reclamation has first priority on any potentially available supply in the Delta this fall, at least until COA accounting is resolved.



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

On October 19<sup>th</sup> the SWRCB temporarily suspended all curtailments for all post-1914 appropriative water right holders and many pre-1914 appropriative water right holders in the Sacramento-San Joaquin Delta watershed that were curtailed on August 20<sup>th</sup>. Curtailments could potentially be reimposed if hydrologic conditions return dry.

### *San Luis Operations*

CVP San Luis Reservoir storage is at 17 TAF—5% of its 15-year average. Figure 4 shows the projected San Luis Federal storage through December as compared to actuals to date. Three “actual” lines are shown, including the actual physical storage (green), the actual “project” storage (black), and the cumulative Federal San Luis debt (yellow). Actual physical storage has been trending slightly below the forecasted level due to lower than forecast exports in October. The Federal debt includes contractor carryover supplies (rescheduled, transfer, and non-project supplies) that were used by the CVP to meet SOD Project demands from San Luis this summer. This debt needs to be paid back (i.e. the yellow line back to zero) before project supply can begin accumulating supply for the coming year (i.e. the black line going positive). Based off current forecasts (August CVO forecast with updated internal projections), this is not expected to occur until sometime after the new year. As compared to the August CVO projection, this updated projection shows a larger San Luis Federal “debt” that is paid back slower, largely a result of lower than forecasted Delta exports. If recent increases in exports can be maintained at some level, then payback may be able to occur quicker than currently forecast.

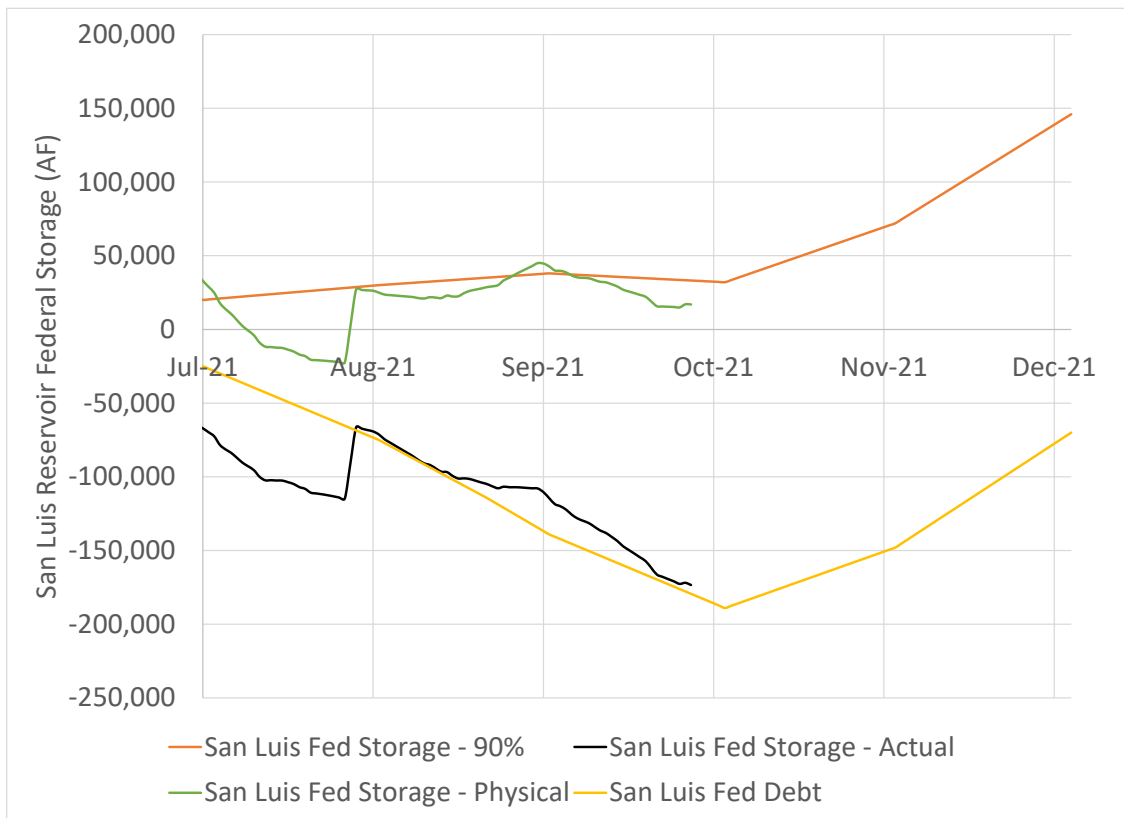
Additional detail on the forecasted San Luis reservoir accounting is provided in Table 2, below. Similar to Figure 4, Table 2 demonstrates that current estimated Project exports are insufficient to meet existing SOD Project demands. As such, SOD Project demands are being met through exported and existing carryover/transfer/non-Project supplies in San Luis. This is expected to continue until sometime in November, at which time the accumulated “debt” will begin to be repaid. As noted above, actual CVP Project supply will not begin to be stored in San Luis until this debt is repaid.

### *Friant Exchanges*

At this time, Friant Division water supplies are being exchanged with SWP supplies in San Luis Reservoir to support Reclamation deliveries for CVP purposes to avoid Friant Dam releases down the San Joaquin River to meet Exchange Contractor demands. FWA and Reclamation have agreed that approximately 50 TAF of unallocated CVP water is available in the watershed of the San Joaquin River above Friant Dam that could be exchanged to meet CVP purposes in San Luis Reservoir.

Reclamation (through Arvin-Edison Water Storage District (Arvin-Edison)) have been exchanging Friant Division water supplies to Metropolitan Water District (MWD) through the Friant-Kern Canal and Cross Valley Canal (CVC) to the California Aqueduct for a like amount of MWD SWP supply available to Reclamation in San Luis Reservoir. Losses have been greater than anticipated on the CVC, resulting in approximately 15% total losses and exchange water costs. Friant deliveries to the CVC are planned to cease on October 31 with an estimated total delivery to be 44 TAF for an exchange of 37 TAF in San Luis Reservoir considering estimated losses.

In addition to this exchange, Delano-Earlimart ID has exchanged 2,523 AF of its 2020 SJRRP Recapture water in San Luis Reservoir for a like amount in Millerton Lake to support meeting CVP purposes from San Luis Reservoir. Additional Friant Contractors are also planning to exchange Recapture water, which will complete all exchanges of 50 TAF from Millerton Lake for 2021.



**Figure 4. San Luis Federal Storage – Internally Computed Projections Compared to Actuals**

	Aug	Sep	Oct	Nov	Dec	Total
Transfer Export	20	96	59	0	0	174
Project Export	34	33	55	102	124	348
Total Export	53	128	114	102	124	522
DMC/Pool	107	72	92	44	31	346
Dos Amigos	21	23	4	9	6	64
Pacheco	9	7	7	6	6	35
CVP SL Evap	8	5	3	2	2	21
Total Use	144	108	106	61	46	466
CVP SL Storage	-75	-57	-55	-14	64	
Transfer Use	20	20	0	0	0	40
Reschdl / other use	40	40	10	8	0	98
Project Use	84	48	96	53	46	328
Transfer export-use	0	76	59	0	0	134
Project export-use	-50	-16	-41	49	78	20
SL transfer storage	0	75	134	134	134	
Deficit (tot SL - transf)	-75	-133	-189	-148	-70	

## **Friant Division Allocation**

### *Friant Division Contractors*

The initial CVP Friant allocation of 20% of Class 1 supplies (160 TAF) has remained unchanged. Reclamation has requested Contract Year 2022 reschedule water up to 10% of respective Class 1 contractual amount by Friant Contractor.

### *San Joaquin River Restoration Allocation*

An updated and final allocation was released on June 25<sup>th</sup>, with the allocation remaining at a Critical-High level of 70,919 AF. On June 1<sup>st</sup>, the RA submitted a revised schedule, which called for zero Restoration flow releases from June 3<sup>rd</sup> through September 10<sup>th</sup>, with the intent of preserving cold-water pool in Millerton Reservoir. No additional Buffer Flows are incorporated into the recommendation. The Restoration Administrator has indicated his intent to extend the period of zero to low Restoration Flows likely into November. Two critical factors controlling this action and decision making are the amount of cold water remaining in Millerton Reservoir and ambient temperatures, which at some point should be low enough to cool the water released from the dam. The RA currently has 63 TAF remaining in Restoration Flow supplies, of which only 40 TAF are in the current schedule.

### *San Joaquin River Restoration Recapture*

WY 2021 recapture and conveyance agreements with PID and BCID have been approved by the FWA Board and both district boards. The agreements are effective March 1, 2021 through February 28, 2022. The SWRCB approved a one-year recapture permit on April 30. No recapture had occurred prior to the halting of restoration flows due to lack of capacity at both PID and BCID. It is uncertain at this time how much capacity will be available when Restoration flows resume. If all available flows can be recaptured when restoration flows resume, then total recapture could be close to 6 TAF. There is some uncertainty around this number as BCID has elected to perform some system maintenance and upgrades due to the delay in release of Restoration flows.

## AGENDA REPORT

NO. 4.C

**DATE:** October 28, 2021

**TO:** Board of Directors

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

**SUBJECT:** External Affairs Update

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### 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*

FWA staff have been working with DWR to plan for how to disburse grants from the \$100 million included in the 2021/2022 State Budget for conveyance as quickly as possible and with minimal additional bureaucratic headaches involved. The Newsom Administration has also been very clear that they anticipate the second \$100 million the Governor proposed in May 2021 for this effort will be included in his budget next January, and FWA is working with them to ensure that the next phase of funding encounters minimal roadblocks in the budget process.

##### *Water Infrastructure Funding Act of 2022*

On Sept. 28, proponents of the ballot initiative titled the “Water Infrastructure Funding Act of 2022” filed the final amended version of the initiative’s language with the Secretary of State. Proponents expect to receive the initiative’s official title and summary from the Secretary of State by the end of this month, at which point they will have 180 days (~6 months) to collect 1.5 million valid, verified signatures from registered voters. The final language accepted by the Secretary of State (attached) intends to enact a state constitutional amendment requiring that 2% of each year’s General Fund budget be dedicated to water supply projects until the State can certify that a minimum increase of 5,000,000 AF of additional water supply has been created for human use. This would represent a substantial funding source for water projects; for reference, if this requirement was in place for the 2021/2022 budget, California would



have dedicated \$3.9 billion to water infrastructure. Projects eligible for this funding could include surface or groundwater storage, desalination, recycling and water treatment, and delivery system improvements, among others.

## Federal Affairs

### *Biden Climate Agenda in Trouble as Negotiations Continue Over \$3.5 Trillion Package*

President Biden met with the leader of the Congressional Progressive Caucus Rep. Pramila Jayapal (D-WA) last week, as Congress returned to Washington for make-or-break negotiations over the president's infrastructure and social spending proposals. President Biden is seeking to unite moderate and progressive Democrats behind tax increases and social spending aimed at fighting climate change and lowering costs of childcare, higher education, and health care. But with two moderate Democrats in the 50-50 Senate demanding cuts in both funding levels (\$3.5 trillion vs. \$1.5 trillion) and policy proposals (certain climate energy provisions), a deal has been elusive so far. House progressive Democrats have blocked the House from moving forward on a Senate-passed bipartisan infrastructure bill until a deal on the separate spending and tax legislation is reached. Democratic leaders are still hopeful a deal can be reached by the end of the month.

### *EPA/Corps Send WOTUS Rewrite to OMB for Review – Announce Regional Roundtables for Input*

The Biden Administration's Environmental Protection Agency (EPA) and the U.S. Army Corps of Engineers (Corps) have sent a draft proposed rule to the White House's Office of Management and Budget (OMB) to revise the definition of what constitutes a "water of the U.S.," or WOTUS. With the Trump Administration's WOTUS rule (Navigable Waters Protection Rule) struck down in an Arizona district court decision, EPA has reverted to the 1986 definition of WOTUS and relied on 2008 guidance from the George W. Bush Administration about how to apply that definition. The Biden Administration has said it wants to craft a definition that is durable and "enduring" after decades of regulatory changes, lawsuits and uncertainty. The earliest we will see the details of such a proposal will be in November, but we will more likely see the draft rule sometime in December.

EPA and Corps officials have released a Federal Register notice asking for input on the potential selection and location of 10 sites for regional roundtables to take input on how various regions are affected by the definition of WOTUS, and to learn about stakeholders' experience, challenges and opportunities under different regulatory regimes. The roundtables, EPA said, are aimed at informing the Administration's work to produce a "durable and workable" definition of WOTUS.

### *Interior Department Welcomes New Biden-Harris Appointees*

The Department of the Interior announced key members of agency leadership who will work to advance President Biden's agenda to tackle climate change, protect endangered wildlife, and honor relationships and trust responsibilities with Indigenous communities. The appointees are listed below in alphabetical order:

- Joaquin Gallegos, Special Assistant, Assistant Secretary - Indian Affairs
- Wizipan Little Elk, Principal Deputy Assistant Secretary - Indian Affairs
- Mike Martinez, Deputy Assistant Secretary, Fish and Wildlife and Parks

- Matthew Strickler, Deputy Assistant Secretary, Fish and Wildlife and Parks

Additionally, the White House has tapped Martha Williams, a former University of Montana law professor, as director of the U.S. Fish and Wildlife Service.

If confirmed, Williams would oversee the recovery of endangered species nationwide and direct an agency that manages 567 national wildlife refuges across about 95 million acres of land, including the Arctic National Wildlife Refuge in Alaska.

Williams has been serving as unofficial acting Fish and Wildlife Service director since January, when she was appointed as the agency's principal deputy director and delegated the authority of the director.

During the Obama administration, Williams served as Interior's deputy solicitor for parks and wildlife and later directed the Montana Department of Fish, Wildlife and Parks. She was previously the co-director of the land use and natural resources clinic at the Blewett School of Law at the University of Montana.

#### *Biden EPA Announces Plan to Regulate PFAS – Senate EPW to Hold Hearing on PFAS Rulemaking*

The Biden Administration has announced their plan to address every form of per- and polyfluoroalkyl substances, known as PFAS pollution, proposing to regulate the "forever chemicals" linked to diseases including cancer and found in a wide range of everyday products and in thousands of drinking water systems nationwide. The EPA "PFAS Strategic Roadmap" includes timelines for regulating multiple compounds in drinking water, and strategies for preventing more contamination. But it does not directly answer the most burning question facing the agency: whether EPA will regulate PFAS together as a class, or take a smaller-scale approach, making it unlikely to please public health experts and affected communities calling for EPA to quicken the pace of regulation.

Meanwhile, this week the Senate Environment and Public Works (EPW) Committee will hear from EPA water chief Radhika Fox this week regarding the agency's approach to regulating PFAS.

#### *House Natural Resource Subcommittee Hearings on Colorado River Drought*

The House Natural Resources Subcommittee on Water, Oceans and Wildlife (WOW) held a day one oversight hearing with Colorado River Basin stakeholders, including representatives of all the Colorado River's seven basin states last Friday. Forty million Americans, 6 million acres of cropland and many ecosystems rely on the waters of the Colorado River, which is currently enduring a 20-year megadrought. Day two of the oversight hearing will be held on Wednesday of this week. The hearings are aimed at beginning the process of figuring out how states will need to make do with less water. The river's two main reservoirs, Lake Powell and Lake Mead, are at the lowest levels since they were initially filled a half century ago, and some climate scientists have suggested what is happening in the basin is no longer a drought, but climate change-fueled "aridification" of the region.

#### **BUDGET IMPACT:**

None.

#### **ATTACHMENTS:**

News Release: "Reclamation awards construction contract for first phase of Friant-Kern Canal repairs" (Oct. 7, 2021); Water Infrastructure Funding Act of 2022; Family Farm Alliance Executive Director's Report for October 2021.



# NEWS RELEASE

For Release: Oct. 7, 2021

Contacts: Mary Lee Knecht, 916-978-5100, [mknecht@usbr.gov](mailto:mknecht@usbr.gov)  
Johnny Amaral, 559-799-6192, [jamaral@friantwater.org](mailto:jamaral@friantwater.org)

## Reclamation awards construction contract for first phase of Friant-Kern Canal repairs

Construction to restore critical water supply infrastructure for San Joaquin Valley to begin by year's end



**Sacramento, Calif.** – Today, the Bureau of Reclamation and Friant Water Authority announces the selection of a construction contractor to begin work on the Friant-Kern Canal Middle Reach Capacity Correction Project.

Brosamer & Wall/Tutor Perini Joint Venture, based in Walnut Creek, was awarded a \$177 million contract to perform the construction aspects of the first phase of work to repair the Friant-Kern

Canal along a portion of the 33-mile stretch. This portion of the canal has lost more than half of its capacity due to subsidence—a sinking of the earth from groundwater extraction.

The total project is estimated to cost around \$500 million and will eventually restore water delivery to over one million acres of farmland and 250,000 residents in California's eastern San Joaquin Valley.

"Repairing this portion of the Friant-Kern Canal provides significant improvement for the canal's conveyance capacity and is a key priority for Reclamation and the Central Valley Project," said **Reclamation Regional Director Ernest Conant**. "We are looking forward to working with FWA and Brosamer & Wall/Tutor Perini Joint Venture to have shovels in the ground by the end of the year—a significant step to providing reliable water supplies to farms and communities throughout the eastern San Joaquin Valley."

Brosamer & Wall/Tutor Perini Joint Venture was selected through a best-value competitive bid process overseen and managed by Reclamation throughout the summer. Reclamation anticipates a Notice To Proceed for the contractor in November with resulting construction activity beginning by year's end. Although the contract will be managed by Reclamation, FWA and Reclamation will work jointly with Brosamer & Wall/Tutor Perini Joint Venture to implement construction of the Friant-Kern Canal Middle Reach Capacity Correction Project. The work under this contract includes 10 miles of new canal with eight concrete inverted siphons below various structures and creeks along with various concrete turnout structures, and other miscellaneous work.

"After more than four years of work to assess the canal's problems, develop designs to fix it, and assemble an initial funding and financing package, we are thrilled to take this enormous step toward restoring critical water deliveries that support the San Joaquin Valley's businesses, communities, and farms," said **Friant Water Authority Chief Executive Officer, Jason Phillips**. "FWA looks forward to launching this phase of work with our partners at Reclamation and Brosamer & Wall/Tutor Perini Joint Venture."

### **Background:**

The Friant-Kern Canal delivers water to more than one million acres of highly productive farmland and 250,000 residents. The canal, part of the Central Valley Project's Friant Division, is owned by the federal government but FWA and its predecessor agency have operated, maintained, and repaired it under contract with Reclamation since 1986. The canal's diminished capacity has resulted in up to 300,000 acre-feet of reduced water deliveries in certain water years with effects most prominent in the middle reach of the canal (milepost 88 to milepost 121). The Middle Reach Capacity Correction Project would restore capacity from the current estimated 1,600 cubic-feet-per-second to the original 4,000 cubic-feet-per-second in the most critical area near the Deer Creek check structure (milepost 103). Reclamation signed the Record of Decision for the project in November 2020.

# # #

The Bureau of Reclamation is a federal agency under the U.S. Department of the Interior and is the nation's largest wholesale water supplier and second largest producer of hydroelectric power. Its facilities also provide substantial flood control, recreation opportunities, and environmental benefits. Visit [www.usbr.gov](http://www.usbr.gov) and follow [@USBR](#) & [@ReclamationCVP](#) on Twitter; Facebook [@bureau.of.reclamation](#); LinkedIn [@Bureau of Reclamation](#); Instagram [@bureau\\_of\\_reclamation](#); and YouTube [@reclamation](#).

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

California Action  
PO Box 730  
Hilmar, CA 95324

September 29, 2021

Anabel Renteria  
Initiative Coordinator  
Office of the Attorney General  
State of California  
PO Box 994255  
Sacramento, CA 94244-25550

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SEP 29 2021

INITIATIVE COORDINATOR  
ATTORNEY GENERAL'S OFFICE

Re: Initiative 21-0014 - Amendment Number One

Dear Initiative Coordinator:

Pursuant to subdivision (b) of Section 9002 of the Elections Code, enclosed please find Amendment #1 to Initiative No. 21-0014. The amendments are reasonably germane to the theme, purpose or subject of the initiative measure as originally proposed.

I am the proponent of the measure and request that the Attorney General prepare a circulating title and summary of the measure as provided by law, using the amended language.

Thank you for your time and attention processing my request.

Sincerely,

  
Edward Arthur Ring

**Shawn Dewane**

September 23, 2021

Anabel Renteria  
Initiative Coordinator  
Office of the Attorney General  
State of California  
PO Box 994255  
Sacramento, CA 94244-25550

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Shawn Dewane

Wayne Western Jr.

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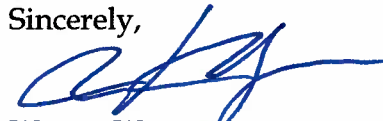
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Wayne Western Jr.



**Geoffrey Todd Vanden Heuvel**

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**Stephen Rex Sheldon**

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## **Water Infrastructure Funding Act of 2022**

### **SECTION 1. TITLE**

This measure shall be known and may be cited as the “Water Infrastructure Funding Act of 2022.”

### **SECTION 2. STATEMENT OF FINDINGS AND DECLARATION OF PURPOSE AND INTENT**

The People of the State of California find and declare all of the following:

- (A) Safe, sufficient and affordable water is a human right and fundamental to our quality of life and key to the economic development of our community. Previous Constitutional Amendments have prioritized spending for public education, public safety and transportation.
- (B) It is long-past time for Californians to prioritize spending to increase California’s storage and supply of clean, safe drinking water for homes and businesses, water for agricultural use, and treatment, purification, and reclamation of stormwater and wastewater, while maintaining protection for the environment. Short-term and long-term drought resiliency requires an increase in the supply of water, through surface and subsurface storage, waste water treatment and reuse, and desalination, including ocean and inland brackish water.
- (C) Water projects take years to permit, and, once issued, those permits can be subject to lengthy litigation, delaying the realization of new water supplies.
- (D) Therefore, the people of the State of California hereby enact the “Water Infrastructure Funding Act of 2022” (the “Act”) to:
  - (1) Require the transfer of two percent (2%) of the State’s General Fund Revenue each and every year into a trust account until the State certifies that water projects funded, in whole or in part, have created a minimum increase of five million acre-feet (5,000,000 AF) of additional annual water supply that can be reliably delivered to Californians every year thereafter;
  - (2) Provide “pay-as-you-go” funding for certain water projects, including those ready for immediate construction, while also authorizing the issuance of general obligation bonds which may be repaid using up to half of the revenue transferred into the trust account each year for larger, longer-term water projects, all for the purpose of creating a minimum of five million acre-feet (5,000,000 AF) of additional annual water supply;
  - (3) Require that such projects include new or increased storage capacity in reservoirs and aquifers, desalination, recycling and treatment of waste and stormwater, repair and upgrade to water systems for the delivery of clean, safe drinking water for homes and businesses, water for agricultural uses, and other projects designed to increase the safe and affordable supply of water to all Californians;
  - (4) Except as necessary to repay any outstanding bonds issued pursuant to this Act, this annual minimum funding requirement shall become inoperative upon the State’s certification that a

minimum of five million acre-feet (5,000,000 AF) of additional annual water supply capacity has been created and is being delivered to California's urban and agricultural consumers; and

(5) Provide for streamlined administrative processing and judicial review of water projects funded, in whole or in part, by this Act or otherwise certified by the California Water Commission as a drought resiliency project that would help achieve a minimum of five million acre-feet (5,000,000 AF) of additional annual water supply capacity.

### **SECTION 3. MINIMUM FUNDING GUARANTEE FOR WATER INFRASTRUCTURE PROJECTS**

Section 2.5 is added to Article X of the Constitution to read:

SEC 2.5(a) The Treasurer shall annually transfer an amount equal to two percent (2%) of all state revenues which may be appropriated pursuant to Article XIII B, from the General Fund to the Water Supply Infrastructure Trust Account, which is hereby created in the State Treasury. The first annual transfer shall occur in the first fiscal year following the effective date of this section.

(b) Moneys in the trust account are hereby continuously appropriated, notwithstanding Section 13340 of the Government Code, to the California Water Commission for its actual cost of implementing this act, and for allocation for projects that will help achieve the creation of a minimum of five million acre-feet (5,000,000 AF) of additional annual water supply capacity, including, and limited to, the following project categories:

- (1) Development or expansion of groundwater aquifer storage, remediation, and recovery projects;
  - (2) Recycling, purification, and treatment of stormwater and wastewater to water reuse standards, including, but not limited to, current drinking water standards at the time the project is approved;
  - (3) Expansion, repair, or replacement of existing surface reservoirs, and construction of new surface reservoirs;
  - (4) Desalination plants;
  - (5) Water conveyance development, maintenance, or expansion, for the delivery of clean, safe drinking water for homes and businesses, and water for agricultural uses, consistent with area-of-origin water rights;
  - (6) Other projects designed to increase the clean, safe and affordable supply of water to all Californians with emphasis on California's disadvantaged communities, and other projects designed to increase conservation; and
  - (7) Research and development of new technologies designed to increase the clean, safe and affordable supply of water to all Californians, subject to an annual limit of no more than two percent (2%) of available funds.
- (c) The Commission shall allocate and provide funding or, where applicable, additional funding in an amount necessary to complete a project that will begin delivery of water to California's urban and agricultural consumers from the Trust Account, subject to the following priorities:

- (1) The project is approved by the Commission as submitted pursuant to Section 79750(b) and (c) of the Water Code, on or before July 1, 2021;
  - (2) The applicant is a public agency, special district, joint powers authority, or a public-private partnership for the entitlement, design, construction, operation, and maintenance of the project, and the project will be owned, in whole or in part, by the applicant;
  - (3) The applicant is ready and able to commence the project immediately upon issuance of all necessary construction permits and will complete the project and begin delivery of water to California's urban and agricultural consumers within five years from the allocation;
  - (4) The applicant is ready and able to commence the project immediately upon issuance of all necessary construction permits and will complete the project and begin delivery of water to California's urban and agricultural consumers within a reasonable period of time; and
  - (5) All other projects that the Commission reasonably determines are consistent with the objectives of subdivision (b).
- (d) Both of the following requirements apply as a condition of allocating funding to any project from the Trust Account:
- (1) The applicant must certify, to the Commission's satisfaction, that one of the following requirements is satisfied:
    - (A) The project is a public work for which prevailing wages must be paid for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.
    - (B) The project is not a public work, but all contractors and subcontractors employing construction workers on the project will be required to pay those workers at least the general prevailing rate of per diem wages for the type of work and geographic area, as determined by the Director of Industrial Relations pursuant to Sections 1773 and 1773.9 of the Labor Code, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate.
  - (2) The applicant must certify, to the Commission's satisfaction, that all contractors and subcontractors employing construction workers on the project will be required to use a skilled and trained workforce to perform all work on the project or contract that falls within an apprenticeable occupation in the building and construction trades, in accordance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.
- (e) The Commission shall not accept a certification pursuant to subdivision (d) unless the applicant demonstrates, to the Commission's satisfaction, that construction workers or their representatives will have adequate means to monitor and enforce contractors' and subcontractors' compliance with the requirements.
- (f) Except as necessary to repay any outstanding bonds issued pursuant to this Act, this section shall become inoperative upon the State's certification that a minimum of five million acre-feet (5,000,000 AF) of additional annual water supply capacity has been created after the effective date

of this section by the projects specified in subdivision (b), and projects otherwise certified by the Commission as drought resiliency projects, and is being delivered to California's urban and agricultural consumers. For purposes of this section, "additional annual water supply capacity" shall be measured as follows:

(1) For water storage projects, including the necessary infrastructure to convey the additional water supply created, funded by this Act, or certified by the Commission as a drought resiliency project, the amount of additional annual water supply capacity shall be calculated based on the average annual yield the projects produce instead of their storage capacities.

(2) For water recycling, treatment, purification to reuse standards (including, but not limited to, drinking water standards), desalination, and other projects, including the necessary infrastructure to convey the additional water supply created, funded by this Act, or certified by the Commission as a drought resiliency project, the amount of new annual water supply capacity shall be calculated based on average annual output capacity.

(3) For projects partially funded under this section, the amount of new annual water supply capacity shall be calculated based on their average annual yield without regard to the percent of funding provided under this section compared to total project funding.

(4) For projects designed to increase water conservation, up to one million acre-feet (1,000,000 AF) of water conserved annually may count towards the five million acre-feet (5,000,000 AF) of additional annual water supply capacity as required in subdivision (b).

(5) If the State, any public agency, or the federal government, eliminates any water producing infrastructure, or by regulation reduces the supply of water from existing infrastructure, that existed prior to the effective date of this Act and provided water for urban and agricultural consumers, the Commission shall increase the minimum requirement of creating five million acre-feet (5,000,000 AF) of additional annual water supply capacity by the same amount of water supply reduced by the elimination of such infrastructure or reduction of supply from such infrastructure.

(g) The projects funded or partially funded by this section, including projects identified in subdivision (c)(1), shall be deemed to be for the reasonable and beneficial use of the state's water resources and such uses are in the interest of the people, and for their public welfare as provided in Section 2 of this article.

(h) The Commission may enact regulations pursuant to the Administrative Procedures Act to implement this section.

(i) Notwithstanding any other provision of law, the Commission is prohibited from:

(1) Utilizing or developing any beneficial use rating when allocating funding from the Trust Account to projects pursuant to this section;

(2) Delegating, assigning, partitioning, or otherwise transferring any responsibilities, duties, or obligations as assigned by this section to any other new or existing state department or agency; and



(3) Authorizing, permitting, or encouraging any other state department or agency from actively interfering with or otherwise delaying projects that qualify for funding pursuant to this section.

(j) Within the Trust Fund, the Commission shall establish an account for the legal defense of the Act and of projects allocated funding pursuant to the Act, including the Water Supply Infrastructure Bond Act of 2022. The Commission shall allocate money in the Trust Fund to the account, as necessary, to provide money to any public agency requesting assistance to reimburse the necessary and actual legal defense costs associated with a project, and shall reimburse the Department of Justice, if the Department undertakes the legal representation of the State or the Commission.

(k) This Act is intended to supplement, and not supplant, existing funding for water infrastructure projects. Thus, any funding for such a project by this Act shall not preempt, nullify, or in any way impede, any existing funding for these projects, to the extent work has begun or will be performed on the projects on or after the effective date of this section.

(l) On or before June 30 of each fiscal year, the Chair of the California Water Commission shall certify, under penalty of perjury, the amount, by acre-feet, of additional annual water supply capacity that has been created after the effective date of this section by the projects specified in subdivision (b) and projects otherwise certified by the Commission as drought resiliency projects and is being delivered to California's urban and agricultural consumers. When the Chair determines that a minimum of five million acre-feet (5,000,000 AF) of additional annual water supply capacity has been created after the effective date of this section by the projects specified in subdivision (b) and projects otherwise certified by the Commission as drought resiliency projects and is being delivered to California's urban and agricultural consumers, such certification shall be reviewed by the State Auditor. If the State Auditor confirms the Chair's certification, the Chair shall notify the Governor, the Treasurer, and the Legislature.

(m) After the State certifies that a minimum of five million acre-feet (5,000,000 AF) of additional annual water supply capacity has been created after the effective date of this section by the projects specified in subdivision (b) and projects otherwise certified by the Commission as drought resiliency projects and is being delivered to California's urban and agricultural consumers pursuant to subdivision (l), any funds remaining in the Trust Fund shall be used to pay down any remaining bond debt authorized by this Act.

(n) Nothing in this section diminishes, impairs, or otherwise affects in any manner whatsoever any area of origin, watershed of origin, county of origin, or any other water rights protections, including, but not limited to, rights to water appropriated prior to December 19, 1914, provided under the law.

#### **SECTION 4. WATER SUPPLY INFRASTRUCTURE BOND ACT OF 2022**

Division 26.8 (commencing with Section 79800) is added to the Water Code to read:

##### **DIVISION 26.8. WATER SUPPLY INFRASTRUCTURE BOND ACT OF 2022**

###### **Chapter 1. Title/Definitions**

Sec. 79800(a) This division shall be known, and may be cited, as the Water Supply Infrastructure Bond Act of 2022.

(b) As used in this division, the following definitions apply:

(1) "Committee" means the Water Supply Infrastructure Finance Committee created pursuant to Section 79806.

(2) "Fund" means the Water Supply Infrastructure Fund created pursuant Section 79801.

(3) "Public agency" means a board, commission, county, city and county, city, regional agency, district, federally recognized Indian tribe, other public entity, or public-private partnership.

(4) "State General Obligation Bond Law" means the State General Obligation Bond Law (Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code), as it may be amended from time to time.

(5) "Water Supply Infrastructure Trust Account" means the Water Supply Infrastructure Trust Account created pursuant to Section 2.5 of Article X of the Constitution.

## Chapter 2. General Provisions

Sec. 79801. The proceeds of bonds, excluding those issued in accordance with Section 79813, issued and sold pursuant to this Bond Act, shall be deposited in the Water Supply Infrastructure Fund, which is hereby created in the State Treasury. All moneys in the fund, notwithstanding Section 13340 of the Government Code, are hereby continuously appropriated without respect to fiscal years for the purposes of this Bond Act.

Sec. 79802. An eligible applicant that is allocated funds for a water supply infrastructure project pursuant to this Bond Act, shall not use more than five percent (5%) of the funds allocated for the project to pay the administrative costs of the project.

Sec. 79803(a) The bonds issued pursuant to Section 79804 shall be available for the construction and acquisition of capital asset water supply infrastructure projects that will help achieve the creation of a minimum of five million acre-feet (5,000,000 AF) of additional water supply, as provided in Section 2.5 of Article X of the Constitution.

(b) Water supply infrastructure projects eligible for funding pursuant to this Bond Act shall be approved by the California Water Commission based on the priorities stated in subdivision (c) of Section 2.5 of Article X of the Constitution and allocated to eligible projects that will help achieve the creation of a minimum of five million acre-feet (5,000,000 AF) of additional water supply per year, including:

- (1) Development or expansion of groundwater aquifer storage, remediation, and recovery projects;
- (2) Recycling, purification, and treatment of stormwater and wastewater to water reuse standards, including, but not limited to, current drinking water standards at the time the project is approved;
- (3) Expansion, repair, or replacement of existing surface reservoirs, and construction of new surface reservoirs;



(4) Desalination plants;

(5) Water conveyance development, maintenance, or expansion, for the delivery of clean, safe drinking water for homes and businesses, and water for agricultural uses consistent with area-of-origin water rights;

(6) Other projects designed to increase the clean, safe and affordable supply of water to all Californians with emphasis on California's disadvantaged communities, and other projects designed to increase conservation.

(c) The requirements of subdivisions (d) and (e) of Section 2.5 of Article X of the Constitution shall apply to all projects allocated funding pursuant to this Bond Act.

Sec. 79803.5 This division does not diminish, impair, or otherwise affect in any manner whatsoever any area of origin, watershed of origin, county of origin, or any other water rights protections, including, but not limited to, rights to water appropriated prior to December 19, 1914, provided under the law.

### Chapter 3. Fiscal Provisions

Sec. 79804(a) Bonds, equal to an amount wherein principal and interest payments do not exceed fifty percent (50%) of the amount annually transferred from the General Fund pursuant to Section 2.5 of Article X of the Constitution, not including the amount of any refunding bonds issued in accordance with Section 79813, shall be issued and sold for the purposes expressed in Sections 79802 and 79803, inclusive, and to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section 16724.5 of the Government Code. The committee shall annually estimate the allowable amount of bonds that may be issued, and the bonds shall be retired within fifty (50) years of the time of contracting. The bonds, when sold, issued, and delivered, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

(b) The Treasurer shall issue and sell the bonds authorized in subdivision (a) in the amount determined by the committee pursuant to Section 79807. The bonds shall be issued and sold upon the terms and conditions specified in a resolution to be adopted by the committee pursuant to Section 16731 of the Government Code.

Sec. 79805(a) The bonds authorized by this Bond Act shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, and all of the provisions of that law apply to the bonds, and this Bond Act, and are hereby incorporated as though set forth in full in this Bond Act.

(b) For purposes of this Bond Act, the references to "committee" in the State General Obligation Bond Law shall mean the Water Supply Infrastructure Finance Committee created in Section 79806, and the references to "board" in the State General Obligation Bond Law shall mean the California Water Commission.

Sec. 79806(a) Solely for the purpose of authorizing the issuance and sale pursuant to the State General Obligation Bond Law of the bonds authorized by this Bond Act, the Water Supply Infrastructure Finance Committee is hereby created.

(b) The committee consists of the Controller, the Treasurer, the Director of Finance, and the Chair of the California Water Commission. Notwithstanding any other law, any member may designate a representative to act in the member's place for all purposes, as though the member were personally present.

(c) The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

Sec. 79807. The committee shall determine by resolution the amount of bonds to be issued and sold. Successive issues of bonds may be authorized and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized to be issued be sold at any one time.

Sec. 79808. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds becoming due each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act that is necessary to collect that additional sum.

Sec. 79809(a) Notwithstanding Section 13340 of the Government Code, there is hereby continuously appropriated from the Water Supply Infrastructure Trust Account, for the purposes of this Bond Act, and without regard to fiscal years, an amount that equals the total of both of the following:

(1) The sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this Bond Act, as the principal and interest become due and payable.

(2) The sum necessary to carry out Section 79811.

(b) If there is insufficient funding in the Water Supply Infrastructure Trust Account to pay the amounts described in subdivision (a), any excess amount is, notwithstanding Section 13340 of the Government Code, hereby continuously appropriated from the General Fund in the State Treasury to pay the amounts described in subdivision (a).

Sec. 79810. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for the purpose of carrying out this Bond Act, less any amount withdrawn pursuant to Section 79811 and not yet returned to the Water Supply Infrastructure Trust Account. The amount of the request shall not exceed the amount of the unsold bonds that the committee has, by resolution, authorized to be sold for the purpose of carrying out this Bond Act, excluding any refunding bonds authorized pursuant to Section 79813, less any amount loaned pursuant to this section and not yet repaid and any amount withdrawn from the Water Supply Infrastructure Trust Account pursuant to Section 79811 and not yet returned to the Water Supply Infrastructure Trust Account. The board

shall execute any documents required by the Pooled Money Investment Board to obtain and repay the loan. Any amounts loaned shall be deposited in the fund to be allocated by the board in accordance with this Bond Act.

Sec. 79811. For the purposes of carrying out this Bond Act, the Director of Finance may authorize the withdrawal from the Water Supply Infrastructure Trust Account of an amount not to exceed the amount of the unsold bonds that have been authorized by the committee to be sold for the purpose of carrying out this Bond Act, excluding any refunding bonds authorized pursuant to Section 79813, less any amount loaned pursuant to Section 79810 and not yet repaid, and any amount withdrawn from the Water Supply Infrastructure Trust Account pursuant to this section and not yet returned to the Water Supply Infrastructure Trust Account. Any amounts withdrawn shall be deposited in the fund. Any moneys made available under this section shall be returned to the Water Supply Infrastructure Trust Account from proceeds received from the sale of bonds for the purpose of carrying out this Bond Act.

Sec. 79812. All moneys deposited in the fund that are derived from premium and accrued interest on bonds sold pursuant to this Bond Act, shall be reserved in the fund and shall be available for transfer to the Water Supply Infrastructure Trust Account as a credit to expenditures for bond interest, except those amounts derived from premium may be reserved and used to pay the cost of bond issuance before any transfer to the Water Supply Infrastructure Trust Account.

Sec. 79813. The bonds issued and sold pursuant to this Bond Act, may be refunded in accordance with Article 6 (commencing with Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of the Government Code, which is a part of the State General Obligation Bond Law. Approval by the voters of the state of the measure adding this division to the Water Code includes the approval of the issuance of any bonds issued to refund any bonds originally issued under this Bond Act, or any previously issued refunding bonds. Any bond refunded with the proceeds of refunding bonds as authorized by this section may be legally defeased to the extent permitted by law in the manner and to the extent set forth in the resolution, as amended from time to time, authorizing that refunded bond.

Sec. 79814. Notwithstanding any other provision of this Bond Act, or of the State General Obligation Bond Law, if the Treasurer sells bonds pursuant to this Bond Act, that include a bond counsel opinion to the effect that the interest on the bonds is excluded from gross income for federal tax purposes under designated conditions or is otherwise entitled to any federal tax advantage, the Treasurer may maintain separate accounts for the investment of bond proceeds and for the investment of earnings on those proceeds. The Treasurer may use or direct the use of those proceeds or earnings to pay any rebate, penalty, or other payment required under federal law or take any other action with respect to the investment and use of those bond proceeds or earnings required or desirable under federal law to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

Sec. 79815. The proceeds from the sale of bonds authorized by this Bond Act, are not "proceeds of taxes" as that term is used in Article XIII B of the Constitution, and the disbursement of these proceeds is not subject to the limitations imposed by that article.

## **SECTION 5. CALIFORNIA ENVIRONMENTAL QUALITY ACT COMPLIANCE AND STREAMLINED REVIEW**

Article 7 (commencing with Section 21159.50) of Chapter 4.5 of Division 13 of the Public Resources Code is added to read:

Sec. 21159.50(a) Except as provided in Section 21159.51, the provisions of the California Environmental Quality Act ("CEQA") shall apply to water projects allocated funding in whole or in part by Section 2.5 of Article X of the Constitution or the Water Supply Infrastructure Bond Act of 2022 or certified as a drought resiliency project pursuant to Section 21159.52.

(b) Notwithstanding subdivision (a), the Water Commission's determination to (1) allocate funding pursuant to Section 2.5 of Article X of the Constitution or the Water Supply Infrastructure Bond Act of 2022 or (2) certify a project as a drought resiliency project pursuant to Section 21159.52 shall not constitute a "project" pursuant to Section 21065 of the Public Resources Code and shall be exempt from CEQA.

Sec. 21159.51(a) Projects allocated funding in whole or in part by Section 2.5 of Article X of the Constitution or the Water Supply Infrastructure Bond Act of 2022 or certified as a drought resiliency project pursuant to Section 21159.52 may elect to be subject to streamlined review of an agency's compliance with the California Environmental Quality Act ("CEQA") as follows:

(1) For projects electing to be governed by the provisions of this section, within 10 days of the project's allocation of funding or certification as described in subdivision (a), the lead agency shall issue a public notice providing the following:

"THE APPLICANT HAS ELECTED TO PROCEED UNDER PUBLIC RESOURCES CODE SECTION 21159.51, WHICH PROVIDES, AMONG OTHER THINGS, THAT ANY JUDICIAL ACTION CHALLENGING AN AGENCY'S COMPLIANCE WITH CEQA OR THE APPROVAL OF THE PROJECT DESCRIBED IN THE ENVIRONMENTAL DETERMINATION IS SUBJECT TO THE PROCEDURES SET FORTH IN PUBLIC RESOURCES CODE SECTION 21159.51. A COPY OF PUBLIC RESOURCES CODE SECTION 21159.51 IS INCLUDED BELOW."

(2) The public notice shall be distributed by the lead agency as required for public notices issued pursuant to paragraph (3) of subdivision (b) of Section 21092.

(b) Notwithstanding any other law, the procedures set forth in this section shall apply to any action or proceeding brought to attack, review, set aside, void, or annul the certification or approval of any environmental determination or granting of project approvals for a project electing to be governed by the provisions of this section.

(c) Rules 3.2220 to 3.2237, inclusive, of the California Rules of Court, as may be amended by the Judicial Council, shall apply to any action or proceeding brought to attack, review, set aside, void, or annul the certification or approval of any environmental determination or granting of project approvals for a project electing to be governed by the provisions of this section, to require the action or proceeding, including any potential appeals therefrom, to be resolved, to the extent feasible, within two hundred seventy (270) days of the filing of the certified record of proceedings with the court. For purposes of this Article, "environmental determination" means an environmental impact report, mitigated negative declaration, negative declaration, categorical



exclusion, a determination that the project is not subject to CEQA, or a determination that no additional environmental review is required.

(d) Notwithstanding any other law, in connection with any environmental review following allocation of funding or certification for a project electing to be governed by the provisions of this section, the preparation and certification of the administrative record shall be performed in the following manner at the applicant's expense:

(1) The lead agency or responsible state agency (for purposes of this section, the "Agency") shall prepare the record of proceedings pursuant to this division concurrently with the administrative process.

(2) All documents and other materials placed in the record of proceedings after the project's allocation of funding under Section 2.5 of Article X of the Constitution or the Water Supply Infrastructure Bond Act of 2022 or certification under Section 21159.52 shall be posted on, and be downloadable from, an Internet Web site maintained by the Agency commencing with the date of the release of the project's draft environmental impact report or other environmental determination.

(3) The Agency shall make available to the public in a readily accessible electronic format the project's draft environmental impact report or other environmental determination and all other documents submitted to, or relied on by, the Agency in the preparation of the project's draft environmental impact report or other environmental determination.

(4) A document prepared by the Agency or submitted by the applicant after the date of the release of the project's draft environmental impact report or other environmental determination that is a part of the record of the proceedings shall be made available to the public in a readily accessible electronic format within five (5) business days after the document is released or received by the Agency.

(5) The Agency shall encourage written comments on the project to be submitted in a readily accessible electronic format, and shall make any comment available to the public in a readily accessible electronic format within five (5) business days of receipt.

(6) Within seven (7) business days after the receipt of any comment that is not in an electronic format, the Agency shall convert that comment into a readily accessible electronic format and make it available to the public in that format.

(7) Notwithstanding paragraphs (2) to (6), inclusive, documents submitted to or relied on by the Agency that were not prepared specifically for the project and are copyright protected are not required to be made readily accessible in an electronic format. For those copyright-protected documents, the Agency shall make an index of these documents available in an electronic format no later than the date of the release of the project's draft environmental impact report or other environmental determination, or within five business days if the document is received or relied on by the Agency after the release of the project's draft environmental impact report or environmental determination. The index shall specify the libraries or Agency offices in which hardcopies of the copyrighted materials are available for public review.

(8) The Agency shall certify the final record of proceedings within five (5) days of its approval of the project.

(9) Any dispute arising from the record of proceedings shall be resolved by the Superior Court. Unless the Superior Court directs otherwise, a party disputing the content of the record shall file a motion to augment the record at the time it files its initial brief.

(10) The contents of the record of proceedings shall be as set forth in subdivision (e) of Section 21167.6.

(e) (1) In granting relief in an action or proceeding subject to this section, the court shall not stay or enjoin the construction or operation of any project described in subdivision (a) unless the court finds either (i) that the continued construction or operation of the project presents an imminent threat to public health and safety, or (ii) that the project site contains unforeseen important Native American artifacts or unforeseen important historical, archaeological, or ecological values that would be materially, permanently, and adversely affected by the continued construction or operation of the project unless the court stays or enjoins the construction or operation of the project.

(2) If the court finds that either (i) or (ii) of subsection (1) is satisfied, the court shall only enjoin those specific activities associated with the project that present an imminent threat to public health and safety or that materially, permanently, and adversely affect unforeseen important Native American artifacts or unforeseen important historical, archaeological, or ecological values.

(f) With respect to projects described in subdivision (a), for a period of five (5) years after the certification or adoption of the project's most recent environmental determination, subdivisions (b) and (c) of Section 21166 of the Public Resources Code shall not apply and "substantial changes" as used in subdivision (a) of Section 21166 of the Public Resources Code shall only mean changes to the project that result in more than a five percent (5%) increase in the project's total floor area and/or production capacity, beyond the scope of the project analyzed in the project's environmental determination.

(g) This section applies prospectively and retroactively to any approvals by a lead agency or a responsible agency for a project electing to proceed pursuant to this section. This section also applies prospectively and retroactively to any such project with any causes of action and claims that are pending as of the effective date of this section and for which no final non-appealable judgment has been entered prior to the effective date of this section.

Sec. 21159.52(a) A person proposing to construct a water supply project may apply to the Water Commission for certification that the water supply project is a drought resiliency project eligible for streamlining provided by this Article. The person shall supply evidence and materials that the Water Commission deems necessary to make a decision on the application. Any evidence or materials submitted for certification review shall be made available to the public at least fifteen (15) days before the Water Commission certifies a project pursuant to this Article.

(b) Within sixty (60) days of receipt of the evidence and materials described in subdivision (a), the Water Commission shall certify a project as a drought resiliency project if the evidence and materials provided demonstrate that:

(1) The project falls within one or more of the following project categories:

(i) Development or expansion of groundwater aquifer storage, remediation, and recovery projects;

(ii) Recycling, purification, and treatment of stormwater and wastewater to water reuse standards, including but not limited to current drinking water standards at the time the project is approved;

(iii) Expansion, repair, or replacement of existing surface reservoirs, and construction of new surface reservoirs;

(iv) Desalination plants;

(v) Water conveyance development, maintenance, or expansion, for the delivery of clean, safe drinking water for homes and businesses, and water for agricultural uses consistent with area-of-origin water rights;

(vi) Other projects designed to increase the clean, safe and affordable supply of water to all Californians with emphasis on California's disadvantaged communities, and other projects designed to increase conservation; or

(vii) Research and development of new technologies designed to increase the clean, safe and affordable supply of water to all Californians;

(2) The project will help achieve the creation of a minimum of five million acre-feet (5,000,000 AF) of additional annual water supply capacity; and

(3) The project will satisfy the requirements of subdivisions (d) and (e) of Section 2.5 of Article X of the Constitution.

(c) A project is not required to be eligible for or receive funding under Article X, Section 2.5 of the Constitution or the Water Supply Infrastructure Bond Act of 2022 in order to be certified as a drought resiliency project pursuant to this Section.

(d) The Water Commission may issue guidelines regarding application and certification of projects under this section. Any guidelines issued under this section are not subject to the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code).

(e) This Section shall become inoperative upon the State's certification pursuant to Article X, Section 2.5(e) that a minimum of five million acre-feet (5,000,000 AF) of additional annual water supply capacity has been created and is being delivered to California's urban and agricultural consumers.

## **SECTION 6. CALIFORNIA COASTAL COMMISSION REVIEW**

Section 30412.5 of the Public Resources Code is added to read:

Sec. 30412.5(a) Notwithstanding any other provision of law, with respect to any project allocated funding in whole or in part by Section 2.5 of Article X of the Constitution or the Water Supply Infrastructure Bond Act of 2022 or certified as a drought resiliency project pursuant to Section 21159.52 of the Public Resources Code, the Secretary of the California Natural Resources Agency shall have the authority to review, approve, deny, and/or issue any Coastal Commission action or inaction for such project, including without limitation, any coastal development permits or denials arising out of an appeal of an approval or a denial by a local government pursuant to a local coastal program or part thereof certified under Chapter 6 of Division 20 of the Public Resources Code, pursuant to the procedures set forth in this section. For purposes of this section, any project meeting the requirements of this subdivision (a) shall be referred to as an "eligible water project." For purposes of this section, an appeal of an approval or a denial by a local government of an eligible

water project pursuant to a local coastal program or part thereof certified under Chapter 6 of Division 20 of the Public Resources Code, including all local implementing ordinances and regulations related thereto, shall be referred to as a “local coastal program appeal.”

(b) The Secretary of the California Natural Resources Agency shall have the authority to review the Coastal Commission action or inaction with respect to any eligible water project subject to subdivision (a) as set forth herein:

(1) Notwithstanding Article 5 of Chapter 4.5 of Division 1 of Title 7 of the Government Code, the Coastal Commission shall render a final decision on any coastal development permit application, and/or local coastal program appeal(s) for an eligible water project subject to subdivision (a) within ninety (90) days after submission of the application and/or local coastal program appeal or the Coastal Commission determines the application and/or local coastal program appeal is complete, whichever may occur first. If the Coastal Commission fails to act within such ninety-day (90 day) time period, the coastal development permit application and/or local coastal program appeal(s) shall be transferred to the Secretary of the California Natural Resources Agency, who shall render a final decision on such application and/or local coastal program appeal(s).

(2) Within thirty (30) days following any decision by the Coastal Commission on an eligible water project subject to subdivision (a), a project applicant may appeal the Coastal Commission’s decision to the Secretary of the California Natural Resources Agency.

(3) For any Coastal Commission decision related to any eligible water project subject to subdivision (a) issued subsequent to September 1, 2021, but before the effective date of this section, the project applicant may appeal any such decision to the Secretary of the California Natural Resources Agency within thirty (30) days of the effective date of this section.

The Secretary may grant or deny any appeal filed pursuant to this subdivision, and shall render a final decision on any such appeal within ninety (90) days of the filing of such appeal. Should the Secretary approve any coastal development permit(s) for the eligible water project, or grant any appeal filed hereunder, the Secretary may direct the Commission to issue the coastal development permit(s) or take any other action, on those terms and conditions that the Secretary may determine, in the Secretary’s sole discretion, are appropriate. In issuing such approval or direction regarding any such coastal development permit, the Secretary shall rely upon the project’s previous environmental determination(s) and no further environmental review shall be required under Division 13 (commencing with Section 21000) of the Public Resources Code. The Secretary shall adopt findings that reflect the action of the Secretary based upon prior environmental review. In reviewing the coastal development permit application and/or local coastal program appeal(s), or any other decision, the Secretary shall consider the State’s interest in diverse and resilient water supplies and mitigating the effects of drought on such supplies, and may conclude that such interests require modification of any decision of the Coastal Commission, or any condition imposed by the Coastal Commission on the eligible water project.

(c) Notwithstanding the Secretary of the California Natural Resources Agency’s certification of the regulatory program of the Coastal Commission dealing with the consideration and granting of coastal development permits pursuant to Section 21080.5 of the Public Resources Code, in



assessing the conformity of an eligible water project with Chapter 3 (commencing with Section 30200) of the Public Resources Code and, if applicable, the local government's certified local coastal program for those portions of the project on appeal to the Coastal Commission, the Coastal Commission shall rely exclusively upon any environmental impact report or other environmental review document previously certified or adopted by the lead agency (and any responsible state agency, if applicable) pursuant to Division 13 (commencing with Section 21000) of the Public Resources Code, and the Coastal Commission shall not require any new or revised environmental review pursuant to the California Environmental Quality Act prior to acting on such.

(d) Notwithstanding any other provision of law, including but not limited to Chapter 4, Article 3, and Chapter 5, Article 1, of Division 20 of the Public Resources Code, the Secretary of the California Natural Resources Agency is designated as a state agency charged with implementation of Section 307 of the Federal Coastal Zone Management Act of 1972 (16 U.S.C. § 1456), and any regulations promulgated thereunder, with respect to decisions made by the Secretary pursuant to this section. In exercising such authority, the Secretary shall interpret and apply the applicable policies set forth in the certified California Coastal Management Program, including, but not limited to, the applicable policies set forth in Chapter 3 of Division 20 of the Public Resources Code, and shall determine the consistency of such eligible water project with such policies. This section shall be submitted by the Governor to the United States Secretary of Commerce for certification as part of the California Coastal Management Program consistent with the requirements of 16 U.S.C. § 1455, subdivision (e) and 15 C.F.R. Part 923, subpart H.

(e) This section applies prospectively and retroactively to any approvals or denials of permits for an eligible water project under Division 20 of the Public Resources Code or any local coastal program or part thereof approved by a local government lying, in whole or in part, within the coastal zone and certified under Chapter 6 of Division 20 of the Public Resources Code.

(f) The Coastal Commission may provide comment to the Water Commission during the Water Commission's funding allocation process pursuant to Section 2.5 of Article X of the Constitution or the Water Supply Infrastructure Bond Act of 2022.

## **SECTION 7. MANDATORY AUDITS**

Article 5 (commencing with Section 8549.50) of Chapter 6.5 of Division 1 of Title 2 of the Government Code is added to read:

Sec. 8549.50(a) The California State Auditor shall annually conduct a programmatic review and an audit of expenditures from the Water Supply Infrastructure Fund and the Water Supply Infrastructure Trust Account.

(b) Notwithstanding Section 10231.5 of the Government Code, the California State Auditor shall report its findings under subdivision (a) annually on or before March 1 to the Governor, and to the Legislature in compliance with Section 9795 of the Government Code, and shall make the findings publicly available.

(c) If an audit of an entity that receives funding under this article is conducted pursuant to state law and reveals any impropriety, the California State Auditor or the Controller may conduct a full

audit of any or all of the activities of that entity. If the audit reveals erroneous or inappropriate spending of funding received under Section 2.5 of Article X of the California Constitution or the Water Supply Infrastructure Bond Act of 2022 by a public agency, the public agency shall, if the California Water Commission determines the erroneous or inappropriate spending was intentional, repay the moneys to the California Water Commission for deposit into the Water Supply Infrastructure Trust Account or the Water Supply Infrastructure Fund, as applicable.

## **SECTION 8. GENERAL PROVISIONS**

(A) The provisions of this Act are severable. If any provision of this Act, or any part thereof, or its application, is for any reason held to be invalid or unconstitutional by a final judgment of a court of competent jurisdiction, such decision shall not affect any other provision or application that can be given effect without the invalid provision or application. The People of the State of California hereby declare that they would have adopted this Act and each and every portion, section, subdivisions, paragraph, clause, sentence, phrase, word, and application not declared invalid or unconstitutional irrespective of whether any portion of this Act or application thereof are subsequently declared invalid or unconstitutional.

(B) This Act is intended to be comprehensive. It is the intent of the people that in the event this Act and acts relating to the same subject appear on the same statewide election ballot, the provisions of the other act or acts (each, a "Conflicting Act") shall be deemed to be in conflict with this Act. In the event that this Act and one or more Conflicting Acts are adopted by the voters in the same election, and this Act receives a greater number of affirmative votes, the provisions of this Act shall prevail in their entirety, and all provisions of the Conflicting Acts shall be null and void.

(C) (1) Except as provided in paragraph (2), the Attorney General shall defend against any action challenging, in whole or in part, the validity of this Act, and shall have an unconditional right to intervene in any action to defend the validity of this Act.

(2) If the Attorney General declines to defend the validity of this Act in any action, the Attorney General shall nonetheless file an appeal from, or seek review of, any judgment of any court that determines that the Act is invalid, in whole or in part, if necessary or appropriate to preserve the State's standing to defend the law in conformity with the Attorney General's constitutional duty to see that the laws of the state are adequately enforced.

(3) The official proponent(s) of this Act have an unconditional right to participate, either as interveners or real parties in interest, in any action affecting the validity or interpretation of this Act. Where the Governor and Attorney General have declined to defend the validity of the Act, the official proponents are also authorized to act on the State's behalf in asserting the State's interest in the validity of this Act in any such action and to appeal from any judgment invalidating this Act.

(4) Nothing in this section precludes other public officials from asserting the State's interest in the validity of this act.

(5) This Act must be broadly construed, interpreted, and implemented in order to achieve the purposes in Section 2.



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## MEMORANDUM

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**TO:** FRIANT WATER AUTHORITY BOARD OF DIRECTORS  
**FROM:** DAN KEPPEL, EXECUTIVE DIRECTOR  
**SUBJECT:** EXECUTIVE DIRECTOR'S REPORT  
**DATE:** OCTOBER 17, 2021

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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, preparing testimony for four Congressional hearings, tracking and influencing other water legislative developments in Congress, and drought messaging and public outreach. These issues and other matters important to our members are further discussed in this memo.

### BIDEN ADMINISTRATION DEVELOPMENTS

#### 1. Appointments

##### a. Commissioner of Reclamation

Members from both sides of the political aisle on the Senate Energy and Natural Resources Committee (ENR) last month voiced support for President Biden's nominee to serve as the Commissioner of the Bureau of Reclamation (Reclamation). Ms. Camille Touton, a longtime water policy adviser to Hill Democrats, appears headed towards being the first Filipino American to lead Reclamation after her confirmation hearing. In addition to her time working on Congressional water committees, Camille also worked at the Interior Department on water and science issues during the Obama Administration. She is currently the Deputy Commissioner at Reclamation. The Alliance earlier this year sent a letter support for Camille's nomination to the ENR Committee.

The ENR Committee also heard from Ms. Laura Daniel-Davis, nominee for the Department of the Interior's (DOI's) Assistant Secretary for Lands and Minerals Management, and Ms. Sara Bronin, nominee to chair the Advisory Council on Historic Preservation. The committee will vote on Ms.

Touton's nomination in a future meeting, which has not been announced. If approved by a majority of the panel's members, her nomination will proceed to a final vote in the full Senate.

In related news, Reclamation has selected Levi Brekke, Ph.D., as the senior advisor for research and development. The newly established position provides executive oversight of all aspects of the research and development office and data management activities for Reclamation's workforce of nearly 6,000 federal employees.

b. DOI Solicitor

The Senate three weeks ago voted 53-44 to confirm Robert Anderson to serve as the Biden Administration's DOI solicitor. Mr. Anderson has already been working at DOI and serving as chief lawyer in his capacity as principal deputy solicitor. He was appointed to that job in January. Mr. Anderson's responsibility includes overseeing the solicitor's headquarters staff in Washington, as well as 16 regional and field offices. Overall, the office employs more than 400 attorneys, with divisions for tribal issues, ethics, energy and minerals, parks and wildlife, land, water, and general law. In addition to serving as DOI's chief FOIA officer, the solicitor serves as the primary legal adviser to Interior Secretary Deb Haaland. The designated agency ethics official also reports directly to him.

c. EPA Agricultural Advisor

Administrator Michael Regan has tapped Rod Snyder, a sustainable farming advocate who has also represented commodity corn producers and the pesticide industry, as EPA's agriculture advisor, who will lead outreach and engagement efforts with the agricultural community, the agency announced Oct. 7. Mr. Snyder previously served as president of Field to Market: The Alliance for Sustainable Agriculture, the largest multi-stakeholder initiative working to advance the sustainability of commodity crop farming in the United States. In that role, he forged science-based consensus among stakeholders across the food and agriculture value chain on issues such as climate change, water quality, biodiversity, and pest management, the EPA announcement says. Prior to his time at Field to Market, Snyder worked for the National Corn Growers Association and CropLife America. He is a longtime champion of agricultural solutions to climate change and has previously organized farmer delegations to participate in UN Climate Summits in Paris and Copenhagen.

**2. Department of Interior, Bureau of Reclamation: DRAFT Directives and Standards**

Last week, we developed DRAFT comments in response to the Bureau of Reclamation's (Reclamation's) draft revisions to PEC 05-03, "Extended Repayment of Extraordinary Maintenance Costs". I believe Reclamation will extend the comment period for this review process, but right now, the deadline to send in comments is October 24. In the course of digging into this D&S, we learned that Reclamation is currently drafting five other D&S, including one that would modify the title transfer directive that we spent so much time refining with the last

administration. Our draft letter outlines our concerns with PEC 05-03, and also underscores our concerns with Reclamation's public notification process. We've reached out to the Commissioner's office on this latter concern, and they have told us informally that the public comment periods will be extended for all the draft D&S and that improved outreach to the Alliance and other water and power organizations will soon be initiated. More info on this is forthcoming.

### **3. Environmental Protection Agency (EPA): Strategic Plan with Climate, Environmental Justice Goals**

EPA recently [announced](#) the release of its draft strategic plan that will help the agency chart its course from FY 2022 through FY 2026. The draft plan puts fighting climate change and advancing environmental justice at the center of the agency's agenda. EPA Administrator Michael Regan told employees that the plan embraces four key principles, which include science, law, transparency, and justice and equity. The draft EPA strategic plan is open for public comment through November 12. The final plan will be issued in February along with the agency's FY 2023 budget proposal. The Biden Administration's draft strategic plan is a marked change from the Trump Administration's prior strategic plan, released four years ago, which did not mention climate change and was centered around catchphrases from then-Administrator Scott Pruitt like "cooperative federalism" and "rule of law."

### **4. DOI, Bureau of Land Management (BLM): Turmoil**

DOI Secretary Deb Haaland's recent decision to move BLM's headquarters back to Washington and to designate the current headquarters in Grand Junction, Colorado as a Western hub did little to satisfy congressional leaders from both parties. BLM is an agency responsible for administering federal lands. With oversight over 247.3 million acres- most of it in the West - it governs one eighth of the country's landmass. Republicans are critical of land management policy decisions made by D.C.-based bureaucrats hundreds of miles away from the lands and stakeholders affected. Colorado's Democratic Senators bemoaned the move away from their home state as disappointing, even though the newly designated Western hub would remain in Grand Junction.

Last month's announcement ended months of speculation over the fate of the Robert F. Burford Bureau of Land Management Headquarters in Grand Junction. BLM completed the move there last year under the Trump Administration. That decision was largely based in the fact that 99 percent of the lands managed by the BLM are located west of the Mississippi River and 97 percent of BLM employees already lived in the western United States. Currently, DOI plans to move only the BLM Director and other unspecified "key leadership positions" back to Washington DC.

Meanwhile, Senate Democrat Leader Chuck Schumer snuck in a Senate vote late in the night of September 30 to confirm President Biden's BLM nominee, Tracy Stone-Manning, who some Western GOP Members of Congress have tagged as "an ecoterrorist collaborator".



## **5. White House: Conserving and Restoring America the Beautiful (“30 x 30”) Initiative**

Throughout the transition and early months of the Biden Administration, the Alliance has worked with other Western landowner groups and Members of Congress to monitor and seek to influence the development of the Administration’s “Conserving and Restoring America the Beautiful” initiative. The Administration noted that its interim report, released earlier this year, was only the starting point on the path to fulfilling the president’s conservation vision. In the past month, the Alliance signed on to a letter providing guidance to the Administration on collaboratively engaging with Western farmers and ranchers to implement the Biden conservation vision.

### **a. Western Landowners Alliance Letter**

The Alliance, along with 7 other organizations representing farmers, ranchers and landowners on hundreds of millions of acres across the West, signed on to a September 10 letter addressed to DOI Secretary Deb Haaland and U.S. Department of Agriculture (USDA) Secretary Tom Vilsack, spearheaded by the Western Landowners Alliance. The letter proposed a collaborative engagement process with the administration to identify solutions intended to keep working landscapes whole and healthy for the benefit of people, wildlife and ecosystems. This process would include a series of professionally facilitated work sessions, hosted by the signatory organizations and attended by federal officials from relevant agencies, state agency officials, conservation NGOs and other interested organizations. In addition to the outlining the proposed process, the letter identifies seven questions that could be addressed through the structured engagement process:

- How do we define conservation and measure success?
- How do we define “community”, what is meant by “locally led”, and how can community-led and/or locally led conservation be better integrated and supported in policy?
- In addition to funding for short-term conservation and restoration work, how do we pay for ongoing ecological stewardship?
- How can we improve federal funding programs and delivery, and how can groups with direct experience and local relationships help guide federal funding allocations?
- How can we improve public lands management and agency/landowner relationships?
- How can we remove regulatory barriers to conservation?
- How can we support working lands stewardship as a strategy to deliver natural climate solutions and improve community and landscape climate resiliency?

The letter commends the Administration for committing to use science as a guide in implementing the Initiative. At the same time, the co-signers believe that it is essential in designing carbon markets that a range of benefits beyond just carbon sequestration are considered. Ranchers who use Western public lands for cattle, horses, goats and sheep received some good news late this month when top officials with DOI and USDA said that millions of acres of public lands leased for grazing livestock should be counted toward the Biden administration's conservation target.

b. 30x30 Working Group Established, Holds Inaugural Meeting

The White House last month announced the establishment and inaugural meeting of the 25-member “America the Beautiful Interagency Working Group.” Co-chaired by Council on Environmental Quality Chair Brenda Mallory, Interior Sec. Deb Haaland, Agriculture Sec. Tom Vilsack, and Commerce Sec. Gina Raimondo, the group was created to coordinate federal efforts to implement the Biden administration’s initiative. The Working Group discussed several issues at its initial meeting, including efforts underway to collaborate and engage stakeholders on voluntary, locally-driven efforts on private and working lands. Discussion also focused on conservation-related elements of the bipartisan infrastructure bill (*see related discussion, below*). The Working Group will meet quarterly, with current agency. The White House noted that membership will expand further in order to achieve “an all-of-government approach.”

c. Foundations Announce \$5B Pledge to Further 30x30

Nine foundations last month launched the “Protecting Our Planet Challenge”, calling for additional private and public funding and pledging \$5 billion over the next 10 years to support the creation, expansion, management, and monitoring of protected and conserved lands, inland waters, and seas. The contributing foundations include Arcadia, Bezos Earth Fund, Bloomberg Philanthropies, Gordon and Betty Moore Foundation, Re:wild, Nia Tero, Rainforest Trust, Rob and Melani Walton Foundation, and the Wyss Foundation. As part of the commitments, Bezos Earth Fund announced last month that it will contribute \$1 billion, with a focus on the tropical Pacific Ocean, Congo Basin, and tropical Andes. The Bezos Earth Fund is Jeff Bezos's \$10 billion commitment to fund scientists, activists, NGOs, and other actors that will drive climate and nature solutions.

d. Western GOP Caucus Offers Alternative to Biden Conservation Plan

More than three dozen members of the congressional Western caucuses from both the House and Senate issued their own [counterproposal](#) to the Biden Administration's aggressive “30x30” conservation pledge. The GOP plan titled "Western Conservation Principles: An Alternative Proposal to Conserve and Restore America's Landscapes" would emphasize regulatory reform, such as changes to the National Environmental Policy Act (NEPA) and the Endangered Species Act (ESA), as well as renewed support for extractive industries. Notably, the Caucus report specifically promotes the protection of Western water infrastructure, a recommendation we provided to the authors of this report. The Alliance is quoted in a [press release](#) - which includes a link to the Caucus report - that was distributed last week by the Congressional Western Caucus.

e. Other Federal Climate Resiliency Efforts

Almost two dozen federal agencies released their climate change [resilience strategies](#), an effort that underscores the Biden Administration’s push for a “whole of government” approach to climate as well as the government’s potentially vast vulnerabilities and the numerous adaptation strategies

needed to fully prepare for a changing climate in future decades. The strategies were called for in President Biden's January climate executive order (EO), and outline how each agency's mission might be affected by climate change-related risks as well as the steps officials plan to take to ensure climate readiness. For example, the Environmental Protection Agency (EPA) explored in its plan the potential risks on its work due to climate change, such as exacerbated conditions at contaminated waste sites. EPA then promised to account for the impacts of climate change as it assesses and enforces programs, policies, and rulemaking processes, according to the EPA's report. Each report also identified senior leadership for each specific new action-step. For example, the Interior Department assigned a leadership team to work toward the promotion of climate-resilient lands, waters, and cultural resources, so that these "resources threatened by climate change are managed, protected, and/or preserved for current and future generations."

f. Alliance President Speaks at U.N. Climate Workshop

Family Farm Alliance President Patrick O'Toole, a sheep and cattle rancher from Wyoming, is one of a handful of international panelists who participated last week in a United Nations (UN) – sponsored workshop on sustainable land and water management. Pat talked about some of the fundamental principles that he practices in his part of the world, which extrapolates to the entire world of people who produce food. [CLICK HERE](#) to watch the October 13 broadcast. Mr. O'Toole represents the Alliance on the board of the organization Solutions from the Land and he is a representative of the North America Climate Smart Agriculture Alliance.

The UN Framework Convention on Climate Change (UNFCCC) established an international environmental treaty to combat "dangerous human interference with the climate system". It was signed by 154 states at the Earth Summit, held in Rio de Janeiro in June 1992. The treaty called for ongoing scientific research and regular meetings, negotiations, and future policy agreements designed to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened and to enable economic development to proceed in a sustainable manner. The UNFCCC in 2017, adopted a decision on the "Koronivia joint work on agriculture", which requested scientific bodies to address issues related to agriculture, including through workshops, to address the vulnerabilities of agriculture to climate change and approaches to addressing food security. Mr. O'Toole's presentation will be made on behalf of the farmers constituency at [part 2 of the Koronivia workshop](#).

2. **White House CEQ: NEPA Plan Overturns Trump Reforms**

The Biden White House Council on Environmental Quality (CEQ) is proposing to restore a range of analysis requirements on federal agencies that the Trump Administration dropped when it rewrote National Environmental Policy Act (NEPA) implementing rules. Phase 1 of the proposal would require agencies to analyze direct, indirect, and cumulative effects of major federal actions and allow agencies to be even more stringent than the CEQ rules in their implementing regs. The broader Phase 2 of the proposal will follow in 2022. The proposed plan was slated for publication in the *Federal Register* last week which commenced a public comment process that will include



two public hearings. The two public meetings will be held virtually from 1-4 p.m. October 19 and from 5-8 p.m. October 21 Eastern time. The two-phased approach is intended to allow the Biden Administration in Phase 1 to quickly revoke what it sees as the most problematic pieces of the Trump Administration's broad rewrite of CEQ's NEPA implementing rules in 2020 and allow time in Phase 2 to consider more wholesale changes to the rule.

As oft-reported to you in the past, the often slow and cumbersome federal regulatory process is a major obstacle to realization of projects and actions that could enhance Western water supplies. NEPA implementation, in particular, can have a direct bearing on the success or failure of critical water supply enhancement projects. The Trump Administration adopted changes that reduced review times, cut page counts, limited public input, cut out "cumulative impacts" analyses, and expanded projects that could be excluded entirely from NEPA review. The Alliance in March 2020 prepared a detailed comment letter on those proposed regulations, and believed they would help modernize the Federal environmental review process, which would lead to improvements in Western water resource development and management. We very much appreciated the Trump CEQ's effort to reform the regulations, which had not seen a significant update since 1978. In our view, many of the changes the Trump Administration made regarding implementation of decades-old federal environmental laws like NEPA helped bring them into the modern era.

## DEVELOPMENTS IN CONGRESS

In a recent [letter](#) to her House colleagues, House Speaker Nancy Pelosi (D-CALIFORNIA) remarked on the chamber's upcoming legislative agenda, including the *Build Back Better Act (BBB)* and the *Bipartisan Infrastructure Bill*, stating that "it is essential that difficult decisions must be made very soon." These comments come as Democrats have backed off their original \$3.5 trillion number for the reconciliation bill and have begun to trim the social package down to roughly \$2 trillion. She continued by saying that "Overwhelmingly, the guidance I am receiving from Members is to do fewer things well so that we can still have a transformative impact on families in the workplace and responsibly address the climate crisis". House Democratic leadership is hoping the House will pass the Senate-passed \$1 trillion *Infrastructure Investment and Jobs Act (H.R. 3684)* by October 31. However, they must come to an agreement on a "topline" funding level for the BBB Act with the 50-member Senate Democratic Caucus beforehand.

### 6. Congress Votes to Raise Debt Ceiling

The Senate last week voted 50-48 to approve a deal struck between Senate Republicans and Democrats to temporarily raise the nation's debt ceiling by \$480 billion, allowing the nation to pay its debts through at least December 3 and avoid an economically risky federal default. The vote came after 11 Republicans joined all Democrats on a procedural motion advancing the measure. After the vote, the Senate left for a 10-day recess. House Speaker Nancy Pelosi (D-CA) called the House back into session last week, and the House approved the Senate plan. Originally, only House committees were supposed to meet this week. President Joe Biden quickly signed the measure.

The debt deal sets up the possibility of another “fiscal cliff” on December 3, the same day the stopgap continuing resolution (CR) currently funding federal agencies expires. Congress will need to address both the debt limit and FY 2022 spending by then or risk a credit default and a government shutdown at the same time, although some say Treasury could potentially extend the debt ceiling into January 2022 using extraordinary measures. Senate Republicans say they will not be as helpful in December when the debt ceiling comes up again, insisting Democrats use budget reconciliation to raise or suspend the debt ceiling without GOP votes, as they are trying to do to enact President Biden’s \$3.5 trillion agenda without the Republicans. However, Democrats are refusing to use reconciliation to raise the debt ceiling, setting the stage for yet another fiscal showdown between the parties towards the end of the year.

## **7. Alliance Engagement on Senate-Passed Bipartisan Infrastructure Bill**

As previously reported, the Senate in August passed the 2,702-page, five-year *Infrastructure Investment and Jobs Act*, which includes a full surface transportation reauthorization bill, in addition to funding for the electric grid, broadband, water infrastructure, resiliency and western water storage, environmental remediation, and more. The Western Water Title in the infrastructure bill passed by the Senate includes \$8.3 billion for 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.

Importantly, the *Infrastructure Investment and Jobs Act* aligns with the solutions advanced by a Western water coalition that collectively represents thousands of Western farmers, ranchers, water providers, businesses and communities who help provide \$120 billion of agricultural production on millions of acres of productive land. The coalition is led by a steering committee comprised of the Alliance, Association of California Water Agencies (ACWA), California Farm Bureau, National Water Resources Association (NWRA) and Western Growers.

As previously reported, media attention on this matter continues to grow. New coverage in outlets like the Associated Press, *USA Today*, Fox News, ABC News, *POLITICO* and *Agri-Pulse* reported on the Western ag/urban coalition’s efforts, and Western water and ag interests have been steadily feeding the op/ed pages of Western newspapers with guest columns. I was interviewed by the New York Times last week for a story that ran in last week’s Sunday edition. [CLICK HERE](#) for the link. I’m always worried about which parts of the interview the urban papers will pick to match their narrative. Usually, they won’t even bother to reach out. This was a nice surprise, and the timing was good.

## **8. Alliance Engagement on Reconciliation**

Individual House committees last month worked on the various bills that parsed out the \$3.5 trillion reconciliation proposal noted above, and completed that work during the last week of

September. Getting our Reclamation provisions included in the Senate-passed bipartisan infrastructure bill was huge. Our coalition efforts in the past month have focused on using the reconciliation process to fill in the gaps behind our \$30 billion forest health and \$4 billion PL-566 asks. We've also updated our broader coalition and encouraged them to contact their House Members to express support for the water provisions of the Senate bipartisan infrastructure bill. Our steering committee has also had numerous calls this summer with key Western House Member staffers.

The House Natural Resources Committee approved a \$31 billion reconciliation package on a party-line vote, which includes a \$3 billion investment in the creation of a Civilian Climate Corps. There is also \$1 billion for Bureau of Reclamation Western irrigation and tribal drought mitigation activities. And, there's hundreds of millions of dollars for tribal settlements, ecosystem restoration, snow surveys, conveyance repairs, large scale water reuse grants, and research.

The House Agriculture Committee proposal includes billions of dollars for USDA to manage national forests, increase rural development, upgrade biofuel infrastructure and conduct climate research. Notably, it did not include provisions related to conservation and farm debt relief. The final reconciliation bill passed developed by the House Budget Committee includes \$28 billion out of the \$94 billion total devoted to agriculture. As reported in POLITICO, the reconciliation package includes:

- \$5 billion for direct payments to producers who establish cover crops totaling \$25 per-acre, up to 1,000 acres per producer.
- \$9 billion for the Environmental Quality Incentives Program.
- \$4 billion for the Conservation Stewardship Program through fiscal year 2026.
- \$1.5 billion for the Agricultural Conservation Easements Program through fiscal year 2026.
- \$7.5 billion for the Regional Conservation Partnerships Program.
- \$200 million for Natural Resources Conservation Service technical assistance.
- \$650 million for climate change adaptation through regional climate hubs and carbon sequestration and greenhouse gas emissions quantification through NRCS.

Last month, the Environmental Defense Fund, Irrigation Association, The Freshwater Trust, and Trout Unlimited joined the steering committee of the Western Water Infrastructure Coalition in a letter to Congressional leadership calling out funding gaps that remain in areas critical to counteracting the historic drought and wildfire currently gripping the West. The coalition steering committee includes the Family Farm Alliance, Association of California Water Agencies, California Farm Bureau, National Water Resources Association and Western Growers Association. The coalition letter identified additional funding needs for USDA and DOI to accelerate the pace and scale of restoration that improves ecosystem resiliency, reduces the risk of uncharacteristic wildfire, deploys water technology, boosts conservation programs, and responds to the ongoing drought emergency.

Earlier this month, rumors were flying that the proposed emergency drought and forest health provisions we and others had advanced were on the chopping block. Our Western Water Infrastructure Coalition steering committee sent out a letter last week to Congressional leadership, noting that, while our organizations await release of a final reconciliation proposal in order to assess how the broader package will impact our members, these provisions are important to provide immediate drought relief. We encouraged Congressional support to enact them in any reconciliation package.

### **9. *The Watershed Results Act***

The Family Farm Alliance last month publicly supported *The Watershed Results Act*, introduced by Senator Ron Wyden (D-OREGON). This legislation would use the best scientific and data analysis to identify the most effective acres where watershed restoration work would generate the greatest environmental results at the best value for taxpayers. DOI, USDA and EPA would coordinate to establish several watershed restoration programs across the country. I was quoted in Senator Wyden's press release announcing the introduction of his legislation. The Family Farm Alliance has long advocated for collaborative solutions to water challenges that employ the best available technology and yield measurable results. Farmers play a critical role in ensuring the resiliency of our watersheds. We are supportive of this legislation because it encourages collaboration among all those funding and working with and on behalf of water.

### **10. Senate ENR Subcommittee Oversight Hearing on Historic Drought**

The Senate Energy and Natural Resources (ENR) Subcommittee on Water and Power held an oversight hearing two weeks ago on the historic drought gripping the American West and how the federal government is handling the crisis. Nearly the entire Western U.S. is dealing with extraordinarily dry conditions, according to the U.S. Drought Monitor, with nearly 60 percent in "extreme" or "exceptional" drought — the scale's more severe ratings. The Water and Power Subcommittee meeting was temporarily chaired by Sen. Mark Kelly (D-ARIZONA) – who was handed the gavel by Subcommittee Chairman Ron Wyden (D-OREGON) - whose home state has been particularly devastated. Along with Nevada and the Country of Mexico, Arizona will face its first mandatory cuts in Colorado River supply following a shortage declaration for next year. Although we didn't testify at the hearing, we quickly put together a tome of testimony that we asked Senator Kelly and Senator Barrasso (R-WYOMING) to have introduced into the hearing record. Both did, and Senator Barrasso and Interior Department Assistant Secretary Tanya Trujillo briefly discussed it. I think it does a good job of describing the extent and impacts of this year's unprecedented drought, and providing recommendations on how to better manage water in future droughts.

### **11. House NR Water, Oceans and Wildlife Subcommittee: Colorado River Hearing**

Last Friday, the House Natural Resources Water, Oceans and Wildlife Subcommittee held a virtual oversight hearing on the drought facing the Colorado River and the impacts on the 40

million subscribers to its waters. The oversight hearing was the first of two, with a follow up drought hearing planned for this Wednesday. Check out the feed and witness testimony for Day One at [https://naturalresources.house.gov/hearings/colorado-river-drought-conditions-and-response-measures\\_day-one](https://naturalresources.house.gov/hearings/colorado-river-drought-conditions-and-response-measures_day-one). We prepared written testimony for that hearing, and Alliance President Patrick O'Toole will testify (virtually) at Wednesday's hearing. Alliance Advisory Committee Member Tom Davis (ARIZONA) will also testify, in addition to Alliance Member Imperial Irrigation District (CALIFORNIA). Pat has been asked to focus on forest health, water yield, and watershed issues. All three witnesses are expected to underscore the importance of Colorado River agriculture in their testimony.

## ADMINISTRATIVE AND MISCELLANEOUS

- Alliance President Pat O'Toole (WYOMING) spoke directly with U.S. Secretary of Agriculture Tom Vilsack in Fort Collins and Boulder earlier this month at two different Colorado River events. Pat's message in recent months has focused on his "Western Solution Trivecta", supported by locally-driven initiatives that encourage investment in new infrastructure, irrigated agriculture, and health forest restoration.
- President O'Toole is one of three speakers who will participate in the "*Solutions in the American West*" panel at the Water in the West Symposium, scheduled for November 3-4 at the Seawell Ballroom in downtown Denver (COLORADO). The fourth annual symposium will be hosted by Colorado State University (CSU) and sessions will be held in-person, with a virtual option available. Mr. O'Toole will be joined by Bidtah Becker (Navajo Tribal Utility Authority) and Jennifer Pitt (Colorado River Program Director, Audubon). The panel will be moderated by Brad Udall, Senior Water and Climate Research Scientist at CSU.
- As previously reported, I spoke in Pismo Beach last month at the California Agricultural Irrigation Association summer meeting about the drought and the infrastructure initiative. That same week, I briefed the Tri States water users meeting (ID/OR/WA) on WOTUS developments. Two weeks ago, I travelled to Reno (NEVADA) for a few days, as part of the Mid-Pacific Water Users Conference planning committee, for meetings that will start putting together the January 2022 conference in Reno. Later this month, I'll be speaking on the drought in Eugene to the Oregon Association of Counties annual conference.

*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](mailto:dan@familyfarmalliance.org) if you would like further information about what the Alliance is doing to protect water for Western irrigated agriculture.*

## Agenda Report

## Agenda No. 4. D

**DATE:** October 28, 2021

**TO:** Board of Directors

**FROM:** Austin Ewell

**SUBJECT:** Water Blueprint for the SJV

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### SUMMARY:

The Water Blueprint for the San Joaquin Valley (Blueprint) is 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 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:** A nominating committee has been established to identify up to 15 directors for the 501c3 to better reflect its current participants, contributors, and its approach of a "coalition of the willing" while allowing for a streamlined review and action process. The committee is looking to fill the following categories: Local Government, Water Agency, At-Large, White Area & Agriculture.

**Outreach & Engagement:** The Blueprint Community Advisory Committee will be having its first meeting on October 27th. The tentative agenda is an introduction of participants, overview of the Water Blueprint for the San Joaquin Valley and drought Planning for 2022. The Blueprint's first community newsletter is being circulated and the website is being updated. Continue working with CSBA (School Boards Association) and Tribal interests. Creating a contact list of local elected officials, including special districts and county supervisors. This contact list is the basis for a newsletter sent to community leaders throughout our region.

**Technical Committee:** ESA is developing a regulatory and permitting path forward for the Blueprint. This detailed plan will list all permits needed, the approvals, the reports, and documents essential to prepare and obtain from the Federal and/or State Agencies for the solution sets provided. 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.

A dinner has been set up with Board Members from Madera I.D. and Chowchilla W.D., participants of the Blueprint and White Area representatives to review the status of the technical work and next steps if any.

**SJV Water Collaborative Action Program (SJVWCAP):** Stanford University working in coordination with the Blueprint, Central Valley Community Foundation, Fresno State, NGOs and 60+ stakeholders from water agencies, agricultural interests, local government, drinking water advocates and environmental interests have drafted an inter-caucus Problem Statement and Solution Sets for the Plenary Group to review and adopt. A fundamental part of the solution set is a focus on a two phased approach to identify an amount of water and its sources to aid in recharging the Valley as well as a total amount of acres for potential fallowing as well as a timeframe for identifying agreeable ways of doing so.

**DAC Drinking Water Feasibility Study – FKC:** Participants include FWA, FSU, Self Help, Sustainable Conservation and Leadership Council are looking to study Tulare County related to surface water supply, recharge and drinking water supplies. DWR is making available approx. \$49,500 for this study. 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.

#### **BUDGET IMPACT:**

None

#### **ATTACHMENTS:**

None





# Operations & Maintenance Report

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

September 2021



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# OPERATION & MAINTENANCE REPORT

## SAFETY, EDUCATION & TRAINING

- Operations Department held tailgate safety meetings in the Lindsay yard; 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.

## ACCIDENTS & INJURIES

- Friant staff has worked 1,903 days without a lost-time injury accident.

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# MAINTENANCE SUPERVISION

## GENERAL SUPERINTENDENT REPORT

### SUBSIDENCE

- Staff worked with Stantec on the Water Quality monitor program.
- Facilitated a first step process with the County of Tulare and Stantec for middle reach plan reviews.
- Facilitated a meeting with the State Waterboard and the City of Orange Cove on city expansions.
- Managed the FY21 budget final month of September to close out projects and carryover funds on items not yet delivered.

### PERSONNEL ITEMS

- Staff worked on several personnel items, including annual reviews, policy conformance, and other matters.
- Interviewed three qualified applicants on the open CMW position that is being vacated by a current FWA retirement.

# 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.	3,500.00	1,900.00	2,400.00	7,800.00	67,400.00
Copper Sulfate - Chem One	Lbs.	0	0	0	0	0
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	62.00	62.00	118.00
Diuron 4L - Loveland	Gal	0	0	0	0	2106.00
Diuron 4L - Drexel	Gal	0	0	0	0	4.00
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	0	0	342.00
Roundup - Custom	Gal	4.00	38.49	12.00	54.49	1765.51
Roundup - Pro Conc	Gal	20.00	26.50	54.00	100.50	1707.00
Forfeit 280	Oz	0	0	0	0	0
Sonar Genesis	Gal	0	0	0	0	2.00
Cheetah	OZ	0	3.95	704.00	707.95	6912.12

- Delano, Lindsay, and Orange Cove maintenance staff continued application of Roundup Custom as part of the annual weed control program in the Lake Woollomes Reservoir right-of-way areas and along the canal right-of-way for post-emergence control of weeds.
- Delano, Lindsay, and Orange Cove maintenance staff continued the application of Roundup Pro Concentrate as part of the annual weed control program.
- Delano, Lindsay, and Orange Cove maintenance staff continued the use of Copper Sulfate as part of an algae control program.
- Lindsay and Orange Cove maintenance staff continued with the application of Cheetah for post emergence control of weeds along the canal right-of-way.
- Orange Cove maintenance staff hand cleared vegetation around canal structures.
- Orange Cove maintenance staff continued the application of Diphacinone to the canal right-of-way for the control of California ground squirrels.

## CANAL & DIVERSION STRUCTURES

- Delano maintenance staff installed an electrical conduit support platform.
- Delano maintenance staff continued gate structure maintenance.
- Delano maintenance staff continued embankment maintenance to upper and lower embankments and around structures which will prevent erosion.
- Delano maintenance staff continued reverse flow pumping, installed generators, fuel tanks, electrical lines, and debris screens.
- Delano, and Orange Cove maintenance staff continued hauling debris collected from the canal.
- Lindsay maintenance staff removed aquatic weeds.
- Lindsay maintenance staff assisted Water Operations with trenching, conduit, and transformer platform installation for the power supply at Lake Wollomes.



*LMS staff assisted with trenching*



*DMS electrical conduit support platform*



*Transformer platform installation*

- Orange Cove maintenance staff cleaned of the underdrain at MP22.9.
- Orange Cove maintenance staff hauled materials off the embankment from the desilt project.
- Orange Cove maintenance staff cleaned silt and debris out of several cross drainages.
- Orange Cove maintenance staff continued repairing washouts along the embankment.

## O&M ROADS

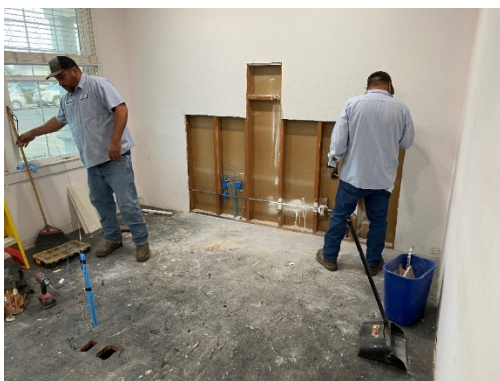
- Lindsay maintenance staff replaced sections of wooden bridges that were damaged/rotting.
- Orange Cove maintenance staff continued road patching on the Friant-Kern Canal roadway.
- Orange Cove maintenance staff graded nonoperation roadway.
- Orange Cove maintenance staff repaired washouts and funnel drains.



*LMS staff assisted replaced damaged or rotting sections of bridges*

## YARD & BUILDING

- Delano maintenance staff continued to perform routine maintenance and repairs, such as: yard cleaning, vehicle/equipment repairs, facility improvements, and office duties.
- Delano maintenance staff prepared the building for paint.
- Lindsay maintenance staff began the remodel of CFO's office to add an additional workstation.



*LMS staff began remodel of CFO's office*



*CFO's office remodel*



*DMS preparing building for paint*



## 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 replace on structures such as block houses, bridges, embankments, and liner.
- 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 block house doors.
- Orange Cove maintenance staff continued repair and maintenance of bar gates.



*DMS staff repair and install security fencing*



*Before and After photos in Strathmore*



## 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
<b>In-House Inspections</b>	B – Semi-annual	4
	C - Annual	2
	E - Equipment	0
	BIT - 90-Day Heavy Equipment	1
<b>Outside Inspections</b>	B – Semi-Annual	0
	C - Annual	0
	Smog Test	0
	Smoke Test	0
DELANO, LINDSAY, & ORANGE COVE	TYPE	QUANTITY
<b>In-House Repairs</b>	Light Vehicles	10
	Trucks	1
	Heavy Equipment	4
	Utility Equipment	4
<b>Outside Repairs</b>	Light Vehicles	0
	Trucks	0
	Heavy Equipment	0

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# ENGINEERING ACTIVITIES

## ENGINEER AND ENGINEER TECHNICIAN REPORT

### ASSET INVENTORY

- Staff documented all inventory and assets associated with FWA and uploaded them into the Friant file system.

### DRAWDOWN INSPECTIONS

- Staff will coordinate with Operations to ensure appropriate water levels to complete the following inspections and record updates:
  1. Bridge
  2. Check Gates

### KAWEAH DELTA WATER CONSERVATION DISTRICT

- Completed phase- Infrastructure (pumphouse and turnout) construction.
- Next phase- backfill and compaction the week of 10/25/2021.
- Next phase- temporary dam removal the week of 11/1/2021 with a two-week float.
- Next phase- remove sheet piles and W beam piles after backfilling and compaction. All voids will be filled with sand slurry, if necessary.

### WATER QUALITY MIXING MODEL

- Staff continue to file analytical reports and transcribe data to summary tables in coordination with water operations.
- Staff continue agricultural pump-ins to determine appropriate volumes and mixing concentrations.

### REPORTS

- Staff will complete Annual Reports to be finalized by the Federal 2<sup>nd</sup> Quarter.
- Staff will complete Inspection Reports to be finalized by December.



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# OPERATIONS ACTIVITIES

## OPERATIONS SUPERVISOR REPORTS

- Operations staff during the month of September delivered 45,018 acre-feet. Total water diverted year-to-date to Friant-Kern Canal Contractors is 203,609 acre-feet.
- Staff reported sump pump deliveries of 4 acre-feet and year to date total of 33 acre-feet.
- Staff completed and sent out the ROWD's for the month of September.
- Staff performed battery maintenance for the solar panels at the Kaweah downstream block house.
- Staff completed 30 differential head tests.
- Staff installed new transmitters at OC#4 and OC#8.
- Staff checked 16 transmitters and calibrated 8 transmitters on the Friant-Kern Canal system.

## EDUCATION AND TRAINING

- Staff received environmental training on endangered species completing the annual review.

## ELECTRICAL

- Staff met with Southern California Edison planner to inspect work completed at the Reservoir check.
- Staff trenched and ran conduit from the power pole at the Reservoir storage yard for the 600amp panel installation.
- Staff trenched a secondary line for the Reservoir pump back power installation.
- Staff installed 4" and 3" rigid conduit pipe from the power pole to the check structure at the Reservoir.
- Staff installed a conduit bridge at the Reservoir check from the canal road to the check structure deck for pump back electrical power.
- Staff installed a grounding rod for the Poso Creek downstream meter.
- Staff poured and finished the concrete pad for the 600amp panel at Reservoir Creek.

## MEETING/TRAINING

- Staff met with IntelliSite for the Water Authority Alarm Module weekly meetings.
- Weekly Friant-Kern Canal Project meetings- Internal, Microsoft Teams, IOS, and Clear SCADA upgrade with IntelliSite.
- Weekly Friant-Kern Canal water reports, Wednesday reports, end of month reports, and water orders.

## POWER

- Staff assisted with power, setup, laying conduit, wiring, building a catwalk for conduit, pouring concrete, and building a foundation for the Pump Back project at the reservoir.
- Staff assisted with running power in the downstream blockhouse.
- Staff assisted with wiring, and weather stripping at Poso Creek.

## SCADA

- Staff worked on Scada Data Points for IntelliSite.
- Staff edited the Friant-Kern Canal alarm system module, objectives, and values for IntelliSite.

## 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 installed alarm wheels at the following locations: Kern Check DS, Poso DS, and Shafter DS.
- Staff performed a modem reset for communication issues at Kaweah Check.
- Staff assisted Instrument technician with zero transmitters.
- Staff met with MRC Global at Kern Check for measurements and calculation for new actuators.
- Staff tested and calibrated EC Sensors with Geotech conductivity solution.
- Staff performed a router reset and pulled bad UPS power supply at Rocky Hill.
- Staff flushed out transmitter lines and recalibrated transmitters at the following locations: OC#1, OC#2, OC#4, OC#7, and OC#8.

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# INFRASTRUCTURE MANAGEMENT

## DIRECTOR OF TECHNOLOGY REPORT

### ADMINISTRATIVE SUPPORT

- Staff completed the Weed and Pest reports and submitted Summary Pesticide use reports to each county (Fresno, Kern, Tulare).
- Staff completed the Operation and Maintenance report, submitting the final to the Superintendent.
- Staff entered vehicle odometer readings through fleet management system to track preventative maintenance.
- Staff assisted the Accounting department with reconciliation, voucher completion, and invoice collection.
- Staff provided support via Microsoft Teams with the addition of an Audio-Conferencing call-in phone number for meetings.

### INFORMATION TECHNOLOGY MANAGEMENT

- Staff continued to manage the SCADA alarm project. Significant milestones were met in the month of September; project completion is expected within the first week of November
- In coordination with Operations Supervisor, staff has created an Intelligent Operating Services (IOS) landing project to focus on completing the adoption of services developed with in the third phase of the SCADA Communications Project. Staff looks forward to the opportunity to work directly with Friant staff and Friant contractors during this project and expects full adaption by January of 2023.
- Staff continues to work on the Clear SCADA upgrade project with operations staff.

## AGENDA REPORT

NO. 4.F.

**DATE:** October 28, 2021

**TO:** Board of Directors

**FROM:** Wilson Orvis, Chief Financial Officer

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

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### SUMMARY:

Friant Water Authority staff have engaged with San Luis & Delta-Mendota Water Authority (SLDMWA) via Special Workshops on September 30 and October 21, 2021, the Finance and Administration Committee (FAC) on October 4, 2021, the Board of Directors' (BOD) Meeting on October 7, 2021, as well as additional staff-to-staff meetings throughout the last month regarding the San Luis Transmission Project.

There were three major items under consideration at SLDMWA over the last month – (1) San Luis Transmission Project, (2) B.F. Sisk Dam Raise and Expansion Project, and (3) Water Year 2022 Operations, Maintenance, & Replacement (OM&R) Budget.

For the San Luis Transmission Project (SLTP), SLDMWA voted to proceed with the documents necessary to self-finance the project, with a total estimated project construction cost of between \$282M and \$345M. Friant Water Authority (FWA) staff have been engaged with SLDMWA staff to understand the characterization of the project as OM&R and the anticipated impacts of the proposed allocation to Friant Contractors (estimated to be between \$100M and \$150M over 27 years). To that end, FWA submitted a letter (Attachment 1) identifying the outstanding questions and concerns and requesting an agreement with FWA tolling the limitations period for any legal challenges to the Board's bond financing actions. FWA staff are working to analyze the legal basis and potential financial impacts of the SLTP project and are continuing to meet with SLDMWA staff to resolve outstanding questions and concerns.

For the B.F. Sisk Dam Raise and Expansion Project, SLDMWA has been working with Reclamation on an addendum to the Feasibility Report for the project. The overall cost estimate for the project (above and separate from the Safety of Dams project component) is ~\$1B, with the Federal share of costs limited to no more than 50% (WIIN Act authority). The main focus of the addendum is to identify the allocation of benefits for the non-federal investor portion (\$500M / 50%) as well as the allocation cost for the reimbursable Federal portion (~\$200M / 20%). Reclamation presented at a Special Workshop and fielded questions from SLDMWA water contractors. The main areas of interest (1) whether the addendum "locked-in" the percentages – of which the general messaging was that the addendum could identify a 50/50 split non-Federal/Federal and later the non-Federal portion of costs could be increased and (2) how the reimbursable Federal portion would be recovered, of which Reclamation indicated that additional work and contractor outreach would be necessary, but was looking at a CVP-wide cost allocation or a South of Delta Contractor cost allocation pool.

For the WY 2022 OM&R budget discussions, FWA staff participated in the initial review of the proposed budget as part of the O&M Committee. SLDMWA staff are following up on items raised during that meeting – FWA’s focus was on understanding the rationale for the level of effort proposed and the characterization and cost recovery of non-routine OM&R items.

Attachments:

1. FWA Letter, “Concerns Regarding Proposed Characterization and Allocation of Costs for the San Luis Transmission Project” (October 11, 2021)
2. Handout, Project Benefits & Funding Example Diagram, B.F. Sisk Dam Raise and Expansion Project (October 21, 2021)

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  
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Loren Booth  
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Chris Tantau  
Kaweah Delta W.C.D.

Michael Brownfield  
Lindmore I.D.

Josh Pitigliano  
Lower Tule River I.D.

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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

October 11, 2021

San Luis & Delta-Mendota Water Authority  
Federico Barajas, Executive Director  
842 6th Street  
Los Banos, CA 93635

**RE: CONCERNS REGARDING PROPOSED CHARACTERIZATION AND ALLOCATION  
OF COSTS FOR THE SAN LUIS TRANSMISSION PROJECT**

Dear Federico:

This letter is a follow-up to the discussions at the September 30, 2021 special workshop, the October 3, 2021 Finance and Administration Committee meeting, and the October 7, 2021 Board meeting regarding the San Luis & Delta-Mendota Water Authority's (Authority) proposed financing for the San Luis Transmission Project (Project or SLTP). During these meetings, Authority staff walked through the documents related to the financing, including a Resolution, Indenture of Trust, Continuing Disclosure Certificate, and Advanced Payment Project Agreement (Payment Agreement) (collectively, Financing Documents).

We support the Authority's efforts to stabilize power costs, especially given that Friant Contractors pay for a substantial portion of the Authority's annual OM&R costs, to ensure water deliveries to the Settlement Contractors. However, as discussed at the recent meetings, we have unresolved questions and concerns regarding the Authority financing this Project and assuming a debt obligation that we would like to see resolved as soon as possible. These concerns include the basis for characterizing the financing costs as OM&R and the Authority to assume the debt obligation under the Authority's Transfer Agreement and the Friant MOU; how the annual debt service costs will be allocated to all contractors in various water year types; the overall anticipated cost for the Project; and the relative financial benefits to each funding agency.

At this time, we do not object to the Authority's efforts to move forward with the necessary preliminary actions to finance the Project with the understanding that a final recommendation and decision regarding the bond issuance will be requested from the Finance and Administration Committee and the Board of Directors in the December 2021 timeframe, at which time it is anticipated the offering document (Preliminary Official Statement) and other relevant agreements with Western Area Power Administration and the Bureau of Reclamation will be acted upon by the Board.

We appreciate the recent commitment from Authority staff to work with FWA and other interested water contractors to resolve the outstanding concerns we have raised. To that end and based upon the timeframe the Authority has laid out to complete the bond issuance, FWA is requesting that the Authority: (1) execute an agreement with FWA tolling the limitations period for any legal challenges to the Board's bond financing actions and (2) work with FWA and other interested contractors to understand the legal framework, relative cost benefits, and the cost allocation methodology with the goal of developing a consensus on the legal framework and mechanics for allocation of the costs for the Project.

Please contact me with questions and/or concerns. We look forward to working with the Authority on this important Project.

Sincerely,



Jason Phillips  
Chief Executive Officer  
Friant Water Authority

CC:

Cannon Michael, SLDMWA Chairman of the Board  
Pablo Arroyave, SLDMWA Chief Operating Officer  
Frances Mizuno, SLDMWA Special Projects Administrator  
Rebecca Akroyd, SLDMWA General Counsel  
Wilson Orvis, FWA Chief Operating Officer  
Don Davis, FWA General Counsel  
Brian Thomas, FWA Consultant

# B.F. Sisk Dam Raise and Reservoir Expansion Project

## SLDMWA Special Board Meeting

October 21, 2021

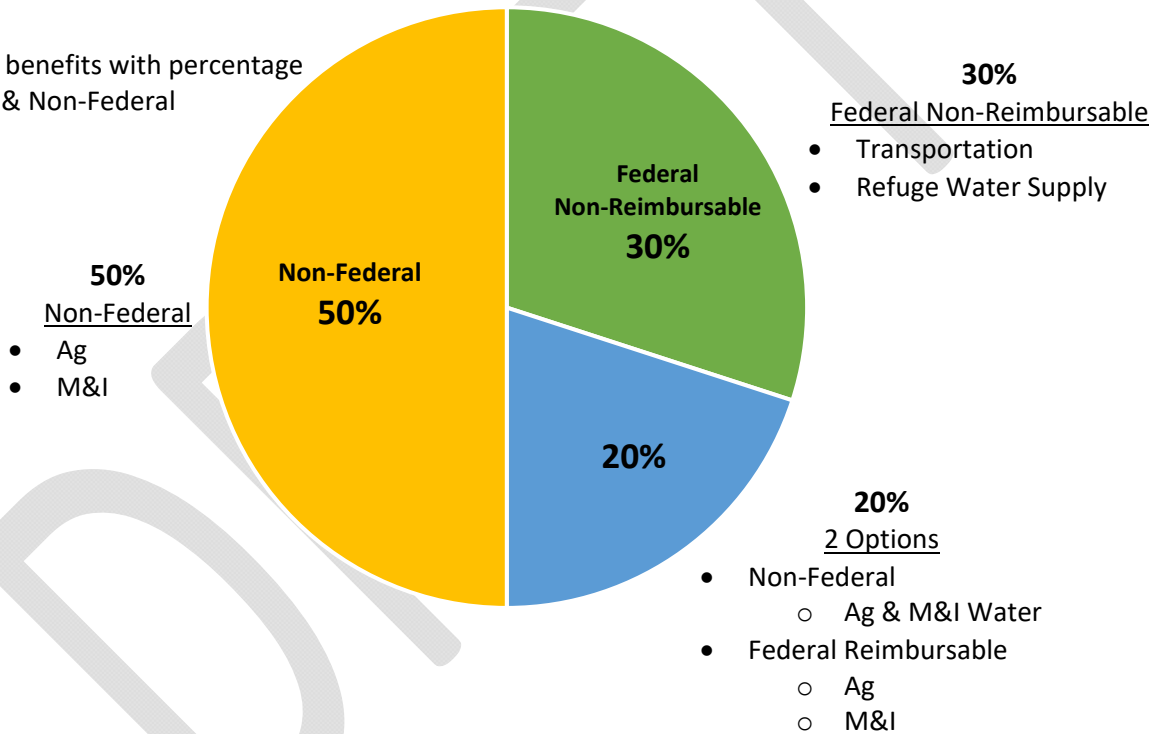
1:00 pm to 2:30 pm PST

Handout 1

**DRAFT**

### Project Benefits & funding Example diagram (Assume \$1B in 2021 Dollars)

Associated benefits with percentage  
by Federal & Non-Federal



October 21, 2021 SLDMWA Special Board Meeting  
Pre-decisional - For internal use only



## Agenda Report

No. 4.B

**DATE:** October 28, 2021

**TO:** Board of Directors

**FROM:** Ian Buck-Macleod, Water Resources Manager

**SUBJECT:** Water Operations Update

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### SUMMARY:

CVP allocations have remained unchanged from May 26<sup>th</sup>, and the CVP allocation for Friant remains at 20% for Class 1. Updated CVP operations projections were made available in September, which includes an outlook for fall operations under a 90% exceedance probability hydrology. A significant debt in CVP project supply in Federal San Luis still needs to be repaid before CVP Project supply can begin accumulating for use next year. At this time, Friant Division water supplies (50 TAF of unallocated CVP water) are being used to meet Exchange Contractor demands via exchanges between Reclamation, DWR, Friant Contractors and MWD. Most upstream reservoirs are releasing the minimum flow requirements to conserve storage. The big story over the last week was the historic storm that affected most of the State. The storm provided a much-needed boost to soil moisture, resulting in significant inflows to the reservoirs and the Delta, and brought snowfall to the mountains.

### DISCUSSION:

#### Inflow Forecasts

After an exceptionally warm and dry summer for most of the State, temperatures have cooled to near or even slightly below normal for most of October. Over the past week, most of the entire State saw some precipitation, with parts of the North Coast and Sierras seeing between 12-18 inches of precipitation, while locations in the Sacramento Valley saw up to 8 inches of precipitation. The majority of the precipitation over the last week occurred during the historic atmospheric river (especially for October) that passed through the State on Sunday and Monday. Snow levels were high for the initial part of the storm but quickly fell Sunday night allowing for several feet of snow to fall over most of the Sierra. After this storm, precipitation across the State as a percent of normal ranges from 525% to 256%. Current forecasts suggest limited chances for precipitation over the next week, but increasing chances later next week with up to 3 inches forecast in the northern Sierras.

Although very early in the water year, Table 1 shows the unimpaired inflow forecasts for Shasta and Millerton from the California Nevada River Forecast Center (CNRFC). The California Department of Water Resources' (DWR) Bulletin 120 (B-120) forecasts are not yet included as their first forecast is not released until December. As a result of the shortage criteria, unimpaired inflow to Shasta in WY 2022 needs to be at least 4.0 MAF to avoid a Shasta Critical year.

**Table 1. Unimpaired Inflow Forecasts for WY 2022**

Item	Exceedance		
	90%	50%	10%
CNRFC Shasta Unimpaired Inflow (TAF) <sup>1</sup>	3240	5420	9260
CNRFC Millerton Unimpaired Inflow (TAF) <sup>1</sup>	844	1690	3660

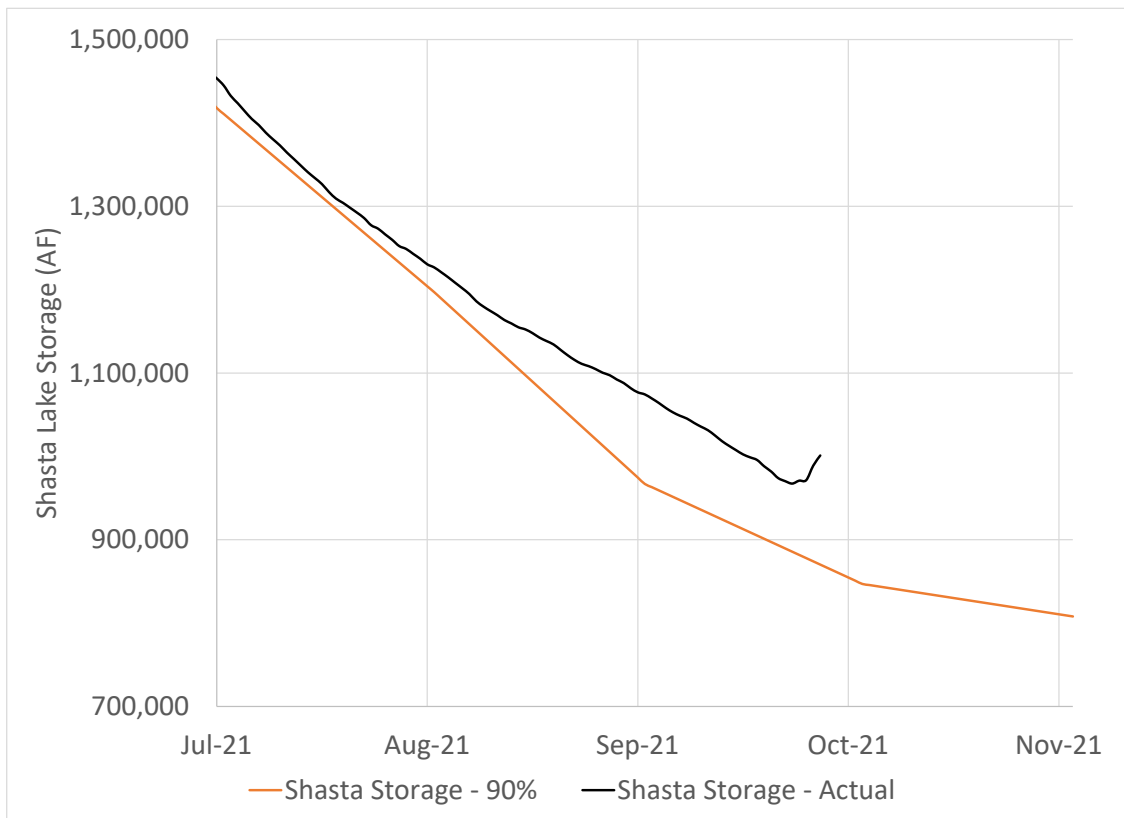
Notes:

<sup>1</sup> As of October 26.

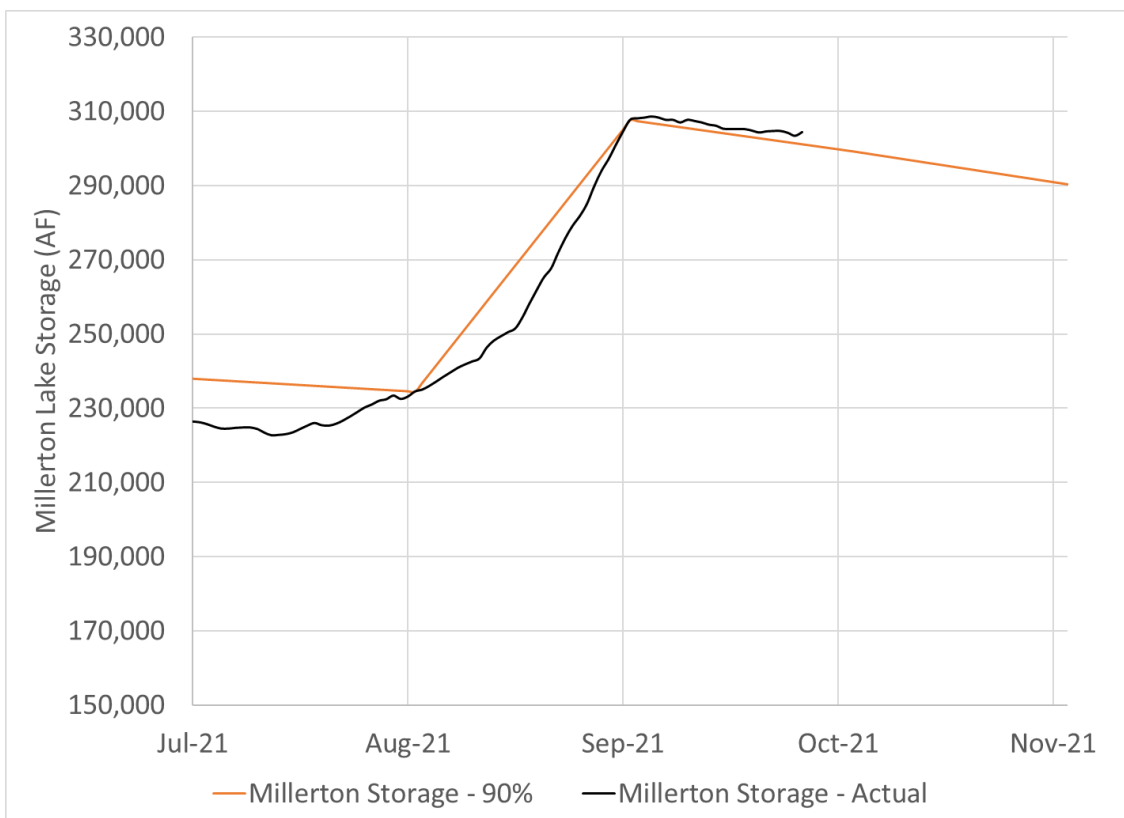
## CVP NOD Operations

Overall CVP North-of-Delta Reservoirs are below-normal storage levels for this week based on their 15-year average – Trinity, Shasta, and Folsom are 52%, 46%, and 74% of average, respectively. Shasta reservoir releases have begun to be reduced to the minimum flow requirement as transfer releases are wrapping up. Temperature management targets had generally been met through most of August. However, in late-August temperature control at Shasta was lost as limited cold water pool volumes remain. River temperatures have remained above the target but have held steady through October. While all reservoirs saw a healthy increase in inflow from the storm, Folsom has so far seen a 75 TAF increase in storage since Saturday. Folsom releases have remained at 550 cfs, which is the minimum flow requirement.

Figures 1 and 2 show the projected Shasta Lake and Millerton Lake storage through November based off the most recent CVO and SCCAO projections, respectively, as compared to actuals to date. Shasta storage has trended above the 90% exceedance from CVO for most of the past few months. Inflow from the recent storm has helped bump storage back above 1 MAF. Given the decrease in releases, Shasta storage should continue to remain above the most recent forecast from CVO. In recent weeks, Millerton Lake storage has trended above the forecast as inflows have increased and San Joaquin River Restoration Program (SJRRP) releases have yet to resume.



**Figure 1. Shasta Lake Storage – August Exceedance Projections Compared to Actuals**



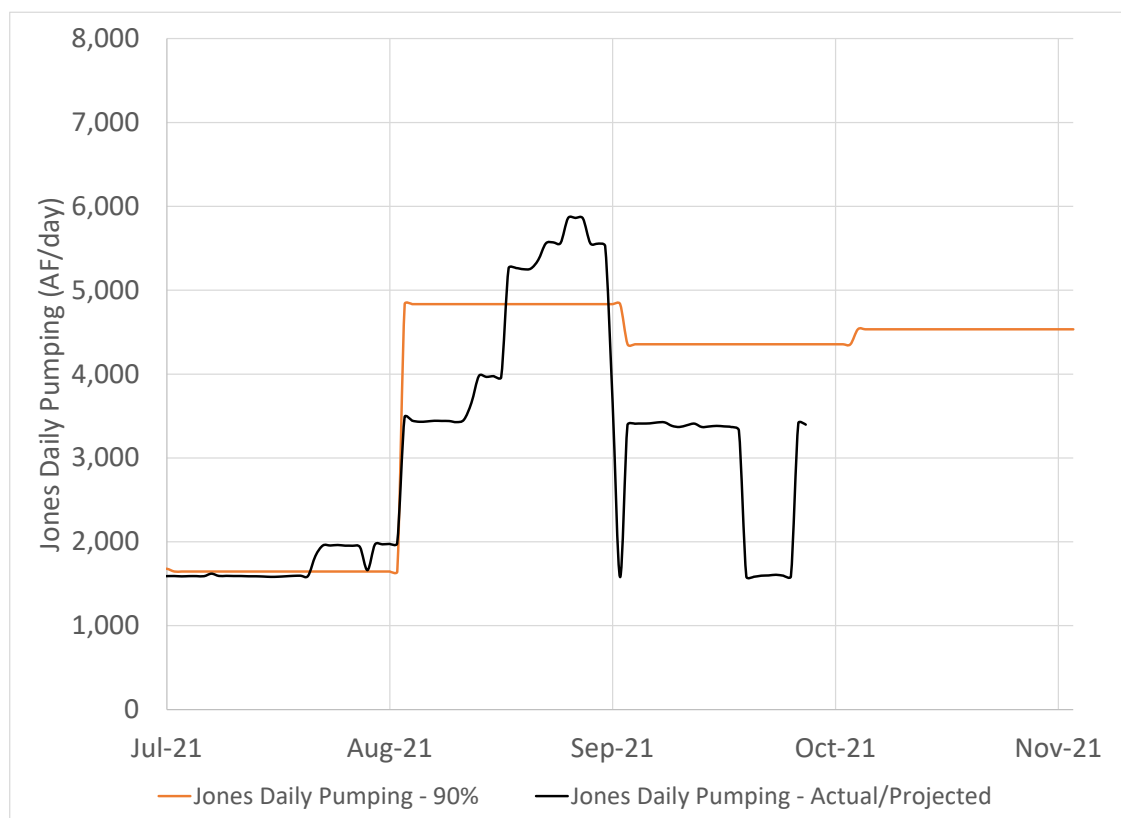
**Figure 2. Millerton Lake Storage – October Exceedance Projections Compared to Actuals**

## CVP SOD Operations

### Delta Operations

Exports began increasing in late-August as additional supplies (mostly transfer water) became available in the Delta. Exports decreased at the end of September to help meet the September Delta Outflow requirement. For most of October, Jones exports have fluctuated between a one- and two-unit operation due to water quality exceedances in the Delta. Jones exports are scheduled to increase to a three-unit operation on October 27<sup>th</sup> and a five-unit operation on October 28<sup>th</sup> to take advantage of the inflow available from the recent storm event.

Figure 3 shows the projected daily Jones pumping through November as compared to actuals to date (please note volumes include expected pumping of transfer supplies). For October, pumping has trended below the most recent forecast, largely due to water quality exceedances in the Delta. As part of the exchange agreement between DWR and Reclamation, Reclamation has first priority on any potentially available supply in the Delta this fall, at least until COA accounting is resolved.



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

On October 19<sup>th</sup> the SWRCB temporarily suspended all curtailments for all post-1914 appropriative water right holders and many pre-1914 appropriative water right holders in the Sacramento-San Joaquin Delta watershed that were curtailed on August 20<sup>th</sup>. Curtailments could potentially be reimposed if hydrologic conditions return dry.

### *San Luis Operations*

CVP San Luis Reservoir storage is at 17 TAF—5% of its 15-year average. Figure 4 shows the projected San Luis Federal storage through December as compared to actuals to date. Three “actual” lines are shown, including the actual physical storage (green), the actual “project” storage (black), and the cumulative Federal San Luis debt (yellow). Actual physical storage has been trending slightly below the forecasted level due to lower than forecast exports in October. The Federal debt includes contractor carryover supplies (rescheduled, transfer, and non-project supplies) that were used by the CVP to meet SOD Project demands from San Luis this summer. This debt needs to be paid back (i.e. the yellow line back to zero) before project supply can begin accumulating supply for the coming year (i.e. the black line going positive). Based off current forecasts (August CVO forecast with updated internal projections), this is not expected to occur until sometime after the new year. As compared to the August CVO projection, this updated projection shows a larger San Luis Federal “debt” that is paid back slower, largely a result of lower than forecasted Delta exports. If recent increases in exports can be maintained at some level, then payback may be able to occur quicker than currently forecast.

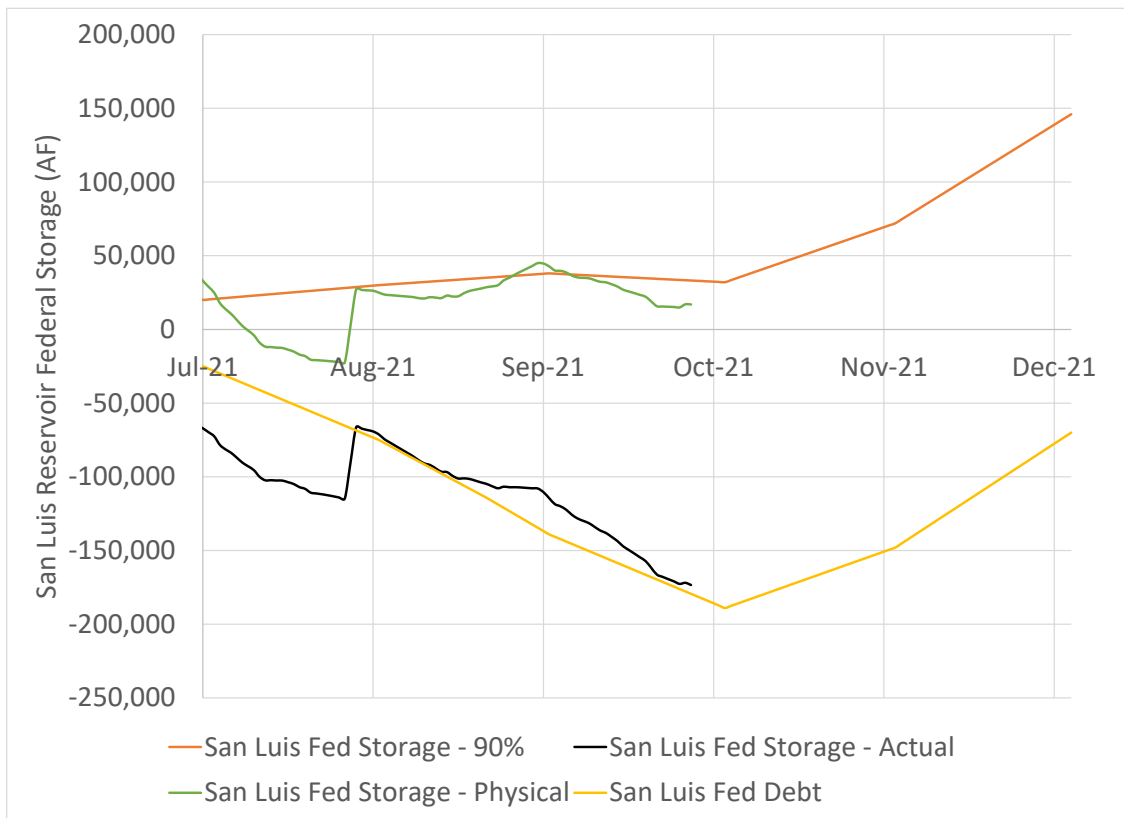
Additional detail on the forecasted San Luis reservoir accounting is provided in Table 2, below. Similar to Figure 4, Table 2 demonstrates that current estimated Project exports are insufficient to meet existing SOD Project demands. As such, SOD Project demands are being met through exported and existing carryover/transfer/non-Project supplies in San Luis. This is expected to continue until sometime in November, at which time the accumulated “debt” will begin to be repaid. As noted above, actual CVP Project supply will not begin to be stored in San Luis until this debt is repaid.

### *Friant Exchanges*

At this time, Friant Division water supplies are being exchanged with SWP supplies in San Luis Reservoir to support Reclamation deliveries for CVP purposes to avoid Friant Dam releases down the San Joaquin River to meet Exchange Contractor demands. FWA and Reclamation have agreed that approximately 50 TAF of unallocated CVP water is available in the watershed of the San Joaquin River above Friant Dam that could be exchanged to meet CVP purposes in San Luis Reservoir.

Reclamation (through Arvin-Edison Water Storage District (Arvin-Edison)) have been exchanging Friant Division water supplies to Metropolitan Water District (MWD) through the Friant-Kern Canal and Cross Valley Canal (CVC) to the California Aqueduct for a like amount of MWD SWP supply available to Reclamation in San Luis Reservoir. Losses have been greater than anticipated on the CVC, resulting in approximately 15% total losses and exchange water costs. Friant deliveries to the CVC are planned to cease on October 31 with an estimated total delivery to be 44 TAF for an exchange of 37 TAF in San Luis Reservoir considering estimated losses.

In addition to this exchange, Delano-Earlimart ID has exchanged 2,523 AF of its 2020 SJRRP Recapture water in San Luis Reservoir for a like amount in Millerton Lake to support meeting CVP purposes from San Luis Reservoir. Additional Friant Contractors are also planning to exchange Recapture water, which will complete all exchanges of 50 TAF from Millerton Lake for 2021.



**Figure 4. San Luis Federal Storage – Internally Computed Projections Compared to Actuals**

	Aug	Sep	Oct	Nov	Dec	Total
Transfer Export	20	96	59	0	0	174
Project Export	34	33	55	102	124	348
Total Export	53	128	114	102	124	522
DMC/Pool	107	72	92	44	31	346
Dos Amigos	21	23	4	9	6	64
Pacheco	9	7	7	6	6	35
CVP SL Evap	8	5	3	2	2	21
Total Use	144	108	106	61	46	466
CVP SL Storage	-75	-57	-55	-14	64	
Transfer Use	20	20	0	0	0	40
Reschdl / other use	40	40	10	8	0	98
Project Use	84	48	96	53	46	328
Transfer export-use	0	76	59	0	0	134
Project export-use	-50	-16	-41	49	78	20
SL transfer storage	0	75	134	134	134	
Deficit (tot SL - transf)	-75	-133	-189	-148	-70	

## **Friant Division Allocation**

### *Friant Division Contractors*

The initial CVP Friant allocation of 20% of Class 1 supplies (160 TAF) has remained unchanged. Reclamation has requested Contract Year 2022 reschedule water up to 10% of respective Class 1 contractual amount by Friant Contractor.

### *San Joaquin River Restoration Allocation*

An updated and final allocation was released on June 25<sup>th</sup>, with the allocation remaining at a Critical-High level of 70,919 AF. On June 1<sup>st</sup>, the RA submitted a revised schedule, which called for zero Restoration flow releases from June 3<sup>rd</sup> through September 10<sup>th</sup>, with the intent of preserving cold-water pool in Millerton Reservoir. No additional Buffer Flows are incorporated into the recommendation. The Restoration Administrator has indicated his intent to extend the period of zero to low Restoration Flows likely into November. Two critical factors controlling this action and decision making are the amount of cold water remaining in Millerton Reservoir and ambient temperatures, which at some point should be low enough to cool the water released from the dam. The RA currently has 63 TAF remaining in Restoration Flow supplies, of which only 40 TAF are in the current schedule.

### *San Joaquin River Restoration Recapture*

WY 2021 recapture and conveyance agreements with PID and BCID have been approved by the FWA Board and both district boards. The agreements are effective March 1, 2021 through February 28, 2022. The SWRCB approved a one-year recapture permit on April 30. No recapture had occurred prior to the halting of restoration flows due to lack of capacity at both PID and BCID. It is uncertain at this time how much capacity will be available when Restoration flows resume. If all available flows can be recaptured when restoration flows resume, then total recapture could be close to 6 TAF. There is some uncertainty around this number as BCID has elected to perform some system maintenance and upgrades due to the delay in release of Restoration flows.





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