



OFFICERS

JOHN A. ARNOLD
President

DAVID DEPAOLI
Vice-President

MARV ROWE
Assessor-Collector

P.O. Box 908 / 315 E. Lindmore Avenue
Lindsay, CA 93247

MICHAEL D. HAGMAN
General Manager

DIRECTORS

Division 1 – Mike Brownfield

Division 2 – Scott Reynolds

Division 3 – Ed Milanesio

Division 4 – David DePaoli

Division 5 – John Arnold

NOTICE AND AGENDA OF THE LINDMORE IRRIGATION DISTRICT

BOARD OF DIRECTORS MEETING

Tuesday – August 13, 2019 - 2:00 p.m.
315 East Lindmore Avenue Lindsay, CA 93247

Public Participation –Members of the Public may directly address the Board of Directors on any item of interest to the public within the Board’s subject matter jurisdiction before or during the Board’s consideration of the item. Request to keep comments to a maximum of five minutes. (If assistance is required—please contact the office prior to the meeting so that arrangements can be made.)

A person with a qualifying disability under the Americans with Disabilities Act of 1990 may request the District provide a disability- related modification or accommodation in order to participate in any public meeting of the District. Such assistance includes appropriate alternate formats for the agendas and agenda packets used for any public meetings of the District. Requests for such assistance and for agendas and agenda packets shall be made in person, by telephone, facsimile, or written correspondence to the Lindmore Irrigation District office at least 48 hours before a public District meeting.

AGENDA

1. Roll Call and acknowledgement of visitors

2. Approval of the Agenda

3. Public Comment

4. Minutes –Review and consider adoption of the July 9, 2019 Board Meeting minutes.

5. Prior/New Action Items

A. Address Pending/Standing Board actions/discussions/directions:

- Report: Operation and Maintenance Report – Action may be taken to address the policy needs of O&M including additional purchases, labor, or service contracts, etc.
- Water Supply Report – Action may be taken to modify allocation, discuss water purchases, water transfers, in district water management/development opportunities, and any other matter relative to water supply needs in the District
- District Improvement Projects (generally a report, however action may be taken to approve contracts, expend dollars and add to the project efforts)
- Status of WaterSMART Grant submittal and Update on 93.2E Modernization
- Friant Water Authority – Cost Recovery Methodology and Friant Fix
- Recharge Policy (Mauritson)
- Water Recharge 2019 – Report

- Min Recharge Basin Development – Update and Direction
- Personnel Policies and Employment Agreement (Mauritson)
- Job Descriptions – Board to review developed job descriptions

B. New Action Items

- Shared Resources Agreement with the EKGSA – Update and direction from Board on Staffing and Agreement with EKGSA
- Recharge Reservoir Name
- Miscellaneous Administrative Items (Action to give direction to staff may occur)

C. Review of Accounts Payable Listing - consider ratifying payments made to pay the bills since prior Board action on payments.

D. Financial Reports and Issues

- Treasurer's Cash Report – July 31, 2019
- Investment Analysis/Report of Investments
- Affidavit of Reconciliation – July 31, 2019
- Financial reports for the months ending July 31, 2019

6. Report and Discussion on Meetings Attended or other Water Related Business Report

- Friant Water Authority Report (Brownfield, Hagman)
- Friant Power Authority Report (Arnold, Hagman)
- East Kaweah GSA Report (Milanesio, Hagman)
- Temperance Flat MOU (Hagman)
- Reports on Other Meetings Attended
- Review upcoming Meetings Calendar (Arnold)

7. Closed Session:

Closed session will begin at any time after 2 pm to accommodate the schedule of Counsel regardless of where the Board is on the Agenda

- CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
[Government Code Section 54956.9(d)(1)] City of Fresno, et al. v. United States of America, Court of Federal Claims, Case No. 16-1276L
- CONFERENCE WITH LABOR NEGOTIATOR Michael Hagman – International Brotherhood of Electrical Workers (AFL-CIO) [Government Code Section 54957.6]

RETURN TO OPEN SESSION – REPORT ANY REPORTABLE ACTION

8. Correspondence

- Miscellaneous pertinent information

10. Other items to be discussed pursuant to Government Code Section 54954.2 (Relating to items not appearing on posted agenda - no action to be taken)

11. Adjournment

LINDMORE IRRIGATION DISTRICT

MINUTES OF THE BOARD MEETING

July 9, 2019

Roll Call and Acknowledgement of Visitors

President Arnold called the meeting to order @ 2:00 p.m.

Directors Present: Arnold, Brownfield, DePaoli, Milanesio, Reynolds

Directors Absent: None

Others present: Hagman (GM), Mauritsen (Counsel)

Approval of the Agenda

The agenda for the meeting was presented and the following action was taken:

Motion: To approve the agenda for July 9, 2019 as provided - 1st Brownfield and 2nd DePaoli - Motion passed by unanimous vote of those present

Public Comment

No Public comment provided.

Minutes

The minutes were presented for the June May 14, 2019 Regular Board meeting and May 21, 2019 Special Meeting. Corrections were made to the May 21 minutes that were provided regarding a motion that was not made by Milanesio (he was absent). After those corrections, the following action was taken:

Motion: To approve the minutes of the June 11, 2019 Regular Board meeting and June 14, 2019 Special meeting as corrected - 1st DePaoli and 2nd Brownfield - Motion passed by unanimous vote of those present

Prior/New Action Items

A. Report on Prior Board actions/discussions

Operation and Maintenance Report: Hagman reported on staff operations and maintenance efforts.

Water Supply Report: Hagman provided the monthly report. He noted that the USBR has announced the extension of uncontrolled season (UcS), to at least July 12th. We will be able to run the balance of the exchange water with Lindsay-Strathmore ID (LSID gives LID 1 AF of C1 for every 2 AF of C2 LID gives them). Staff moved to full price and allocation now assigned at 1.30 AF per acre.

District Improvement Projects: Hagman presented the status of the currently approved engineering activities in the District (Groundwater Recharge, City of Lindsay Exchanges and JB Rehabilitation projects).

Status of WaterSMART grant: Hagman reported that we will have an award call on July 18, 2019.

Friant Water Authority Cost Recovery Methodology: Hagman noted that the cost recovery method was approved for public review by the FWA nearly two months ago. There are concerns with the methodology provided and FWA staff will likely address it at the July FWA meeting.

Job Descriptions: Hagman noted that he does not have job descriptions developed yet and noted it would likely be in the Fall. This is due to the workload on GSP and other District issues.

Water Banking 2019: Hagman reported that there were 13 growers who signed agreements on the water. There are about seven taking any supply. Total acre feet delivered was 137.18 AF. At the June meeting the Board asked for Counsel to draft a policy for this program as opposed to the letter agreement written by Hagman and approved by the Board. Counsel Mauritson provided a draft and some discussion ensued. Hagman and Mauritson were to work out the “kinks” and bring it back to the Board in August.

Personnel Policies and Procedures: Mauritson provided an update on Special Counsel Berglund’s efforts. Mauritson and the Board discussed the format of the current employment agreement with GM Hagman. Special Counsel will also guide the Board on this issue.

Resolution 2019-04 – As a result of the June 14, 2019 Special Board meeting, the Board asked for staff to develop options of vehicle that could be purchased with the San Joaquin Valley Air Pollution Control District grant. Several options were submitted, and the following action was taken:

Motion: Directing Hagman to submit the ZeroNox proposal with the grant submittal – 1st Brownfield and 2nd DePaoli and Motion passed by unanimous vote of those present

B. New Action Items

Friant Power Authority – Signatory on historical Documents: Hagman shared two agreements that the FPA has been operating under since their inception. However, those agreements were not supported by signed documents. One was a JPA amendment and the other a Financing amendment. Member agencies of the FPA were asked to sign them. President Arnold asked for the Board’s direction on it. After some discussion the following action was taken:

Motion: To authorize GM Hagman to spend up to \$25,000 on a dry well – 1st Brownfield and 2nd Reynolds and Motion passed by unanimous vote of those present

Request Budget Authority for additional staff member: At the June 14, 2019 Special Board meeting the Board directed Hagman to hire a “Operations and Maintenance Trainee”. This direction however is an increase in staffing, temporarily. Hagman therefore asked that the Board authorize additional funding to cover the cost of this employee. After considerable discussion the following action was taken:

Motion: Authorize an increase in the labor budget to cover the cost of a full-time Operations and Maintenance Trainee at the rate of 16.64 an hour plus any other costs required by law – 1st DePaoli and 2nd Brownfield and Motion passed by unanimous vote of those present

Miscellaneous Administrative Items: None were provided.

C. Review accounts payable listing and request by staff that the Board ratify the payments made to pay the bills:

Motion: To ratify the payments made to pay the bills as follows: A/P Checks (#13589 – 13645) June 12, 2019 to July 9, 2019 in the amount of \$767,459.68, and payroll for June 2019 in the amount of \$73,319.76 for a total disbursement of \$840,779.44. - 1st DePaoli and 2nd Reynolds - Motion passed by unanimous vote of those present

D. Financial Reports

Hagman presented the financial statements and reports and answered questions.

Reports and Discussion on meetings attended or other water related business reports:

Administrative Report: GM Hagman noted he had nothing to report.

FWA Issues –Director Brownfield/GM Hagman reported open session items of the FWA.

Friant Power Authority (FPA) – President Arnold/GM Hagman reported the FPA Board meeting.

East Kaweah Groundwater Sustainability Agency (EKGSA) – Director Milanesio/GM Hagman reported on EKGSA activities.

Report on Other Meetings/Issues: GM Hagman reported on meetings related to the District, water issues, and or the Friant/CVP.

Meetings Attended/to Attend: Meetings were covered.

Closed Session:

- CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
[Government Code Section 54956.9(d)(1)] City of Fresno, et al. v. United States of America, Court of Federal Claims, Case No. 16-1276L
- CONFERENCE WITH LABOR NEGOTIATOR (Hagman) re: MOU with IBEW –
[Government Code Section 54957.6]

President Arnold called the Board to closed session at 4:10 pm and out at 4:37 pm and noted no reportable action.

Correspondence Report:

None

Other Items to be Discussed per 54954.2 (Items not appearing on the Agenda)

No other items were discussed.

Adjourn

There being no further business to come before the Board, President Arnold asked for a motion to adjourn: Motion to adjourn (Milanesio/Brownfield) carried by unanimous vote of those present. Meeting was adjourned at 4:45 pm.

Michael D. Hagman
District Secretary

LINDMORE IRRIGATION DISTRICT

WATER REPORT - July 2019

Board Meeting - August 13, 2019

Water Delivery Report July 2019

<u>Available Water and Allocation</u>			
Declared Class 1 =	95.00%	33,000	31,350
Declared Class 2 =	0.00%	22,000	-
Millerton Carryover =	100.00%	725	725
Uncontrolled Class 2 =	100.00%	19,762	19,762
Pumped (Wells)	0.00%	-	60
URF Tier 1	100.00%	4,816	4,816
URF Tier 2	100.00%	61	61
Recaptured Water (SLR)	100.00%	-	-
Exchange (SLR to Millerton)	100.00%	-	-
Trans In (C2/C1 Exchange)	100.00%	2,750	2,750
Trans Out (C2/C1 Exchange)	100.00%	(5,500)	(5,500)
Available Supply			54,024
		Assessed Acres	25,160
		Allocation Available per acre	2.15
		Board Allocation	1.30 + UcS
		Recommendation	1.30 + UcS

2018 Season (Re-cap)

<u>Month</u>	<u>U.S.B.R.</u>	<u>Pumped</u>	<u>Sub Total</u>	<u>Deliv. Per Dist Meters</u>	<u>Quantity Variance</u>	<u>Percent Variance</u>
March	1,157	60	1,217	868	(349)	-28.64%
April	3,763	-	3,763	3,325	(438)	-11.64%
May	4,254	-	4,254	4,273	19	0.45%
June	8,271	-	8,271	8,361	90	1.09%
July	9,474	-	9,474	8,664	(810)	-8.55%
August	-	-	-	-	-	-
September	-	-	-	-	-	-
October	-	-	-	-	-	-
November	-	-	-	-	-	-
Total	26,919	60	26,979	25,491	(1,488)	-5.51%

Total Contract Water Available	53,964
Less Transfers Out	2,750
Less USBR Metered	(26,919)
Total Water Remaining	29,795

Available till end of year: **1.143**

Transfers:

Trans Out - C2 LSID Apr	(1,603)
Trans Out - C2 LSID May	(1,829)
Trans Out - C2 LSID June	(1,600)
Trans Out - C1 LSID July	(468)
Trans In - C1 LSID	2,750
	-
Net Transfer Out/(In)	(2,750)

Year to Date Variance Analysis

Diff to date	1,488
System Charge	(88)
Mitigating Ponds	(400)
Well Recharge	(60)
In Transit	(368)
Op Losses =	572

OP Variance 2.12%

Metered Recharge (Ireton)

Prior Months	1175.11
Current Month	360.81
Year to Date	1535.92

LINDMORE IRRIGATION DISTRICT
LANDOWNER GROUNDWATER RECHARGE POLICY
(Adopted: [date])

In furtherance of the District's purposes to manage surface and groundwater supplies available within the District, the District authorizes the delivery of District water supplies to Landowners for groundwater recharge purposes according to the following principles:

1. The District desires to utilize all available imported surface waters available to it. To promote and optimize all available imported surface water resources, the District desires to encourage landowners to recharge and augment groundwater supplies within the District for later use within the District, when feasible.

2. Subject to the District rules and regulations regarding the availability and pricing of District water supply, and subject to any rules or regulations enacted by the East Kaweah Groundwater Sustainability Agency ("EKGSA"), a Landowner may schedule with the District delivery of water for the purpose of groundwater recharge on its lands located within the District. In order to receive such delivery, the Landowner must specify to the District at the time the water is ordered that the water will be used for the purpose of groundwater recharge.

3. At the sole cost of the Landowner, all water delivered by the District to the Landowner for groundwater recharge shall be measured and recorded with equipment furnished, installed, operated, and maintained by the District at the point or points of delivery approved by the District. Upon delivery, an agent of the District will turn on the water and observe it going into the Landowner's recharge facility. The District shall use the information obtained from the meter to prepare a written statement, bill, and annual report of the water delivered by the District to the Landowner.

4. The Landowner may, at its sole discretion, extract the recharged water from time to time, at its sole expense, as the Landowner may desire for its farming operations or other purposes within the District. To help augment the groundwater supplies and improve conditions within the District and Subbasin, the District will record 90% of the delivery in a District-developed ledger with the Landowner's name on it. The District will report annually how much water was placed in the facility. *Example: If 10 AF go through the meter into a recharge facility, the Landowner will pay for 10 AF and be credited for 9 AF on its ledger.*

5. The amount of water delivered by the District to the Landowner will be dependent upon demand. The District will attempt to deliver the maximum amount of water it can through the relevant turnout. However, subject to District rules and regulations, as well as availability and demand, the minimum quantity to be delivered by the District is the system limited quantity of the turnout (Meter Q).

6. The Landowner, at its sole expense and risk, shall be responsible for the design, construction, operation, maintenance, repair and replacement of any potential groundwater recharge facilities, equipment, appurtenances, and any legal and regulatory compliance of

groundwater recharge activities. For example, a Landowner may choose to construct a pond or other “bermed” property to accomplish recharge.

7. The Landowner shall indemnify and hold harmless the District, its board of directors, officers, employees, agents, assigns on account of damage or claim of damage of any nature whatsoever for which there is legal responsibility, including property damage, personal injury, or death, and including attorneys’ fees and other costs of litigation, arising out of or connected with the control, carriage, handling, use, disposal, or distribution of water for groundwater recharge.

8. In the event a Landowner wishes to participate in the groundwater recharge program, the Landowner must first execute the Recharge Agreement attached hereto as **Exhibit A**.

LINDMORE IRRIGATION DISTRICT

2019 RECHARGE PROGRAM

SCHEDULE OF DELIVERIES

August 8, 2019

				Total	Recharged
SUNP	135050 R	88.4-3.3N-3.0N	1 - 1st	155.19	139.67
FLSENT	144800 R	88.4-4.8S-0.5E	1 - 1st	7.04	6.34
GOOD	150700 R	88.4-5.3S-0.2W	1 - 1st	15.57	14.01
MABS	301300 R	90.4-0.8SE-0.7N 4"	3 - 5th	-	-
BRAM	321700 R	90.4-2.3N-1.15S	3 - 5th	3.00	2.70
RESC	321700 R	90.4-2.3N-1.15S	3 - 5th	3.00	2.70
MAURIT	335300 R	90.4-3.8S-1.3N	3 - 5th	66.29	59.66
AGRIP	511100 R	93.2W-1.4N-0.2W	5 - 10th W	3.14	2.83
				253.23	227.91

July 22, 2017

**Memorandum Regarding Future Administration & Management
Ad-Hoc Committee of the EKGSA Board of Directors**

On April 22, 2019, the Board formed a 3-member Ad-Hoc Committee to evaluate options for the future management and administration of the GSA. EKGSA is currently contracted with Lindmore Irrigation District (LID) for these services, and the term of this contract ends on December 31, 2019. The Committee initially set out to evaluate three options for services:

1. Extend and/or expand the contract with LID
2. Hire a full-time manager and/or other staff
3. Hire a consulting firm to provide these services

As part of our evaluation, we consulted with other nearby GSAs which collectively include all three of the configurations listed above, to hear how their current management arrangement is working, the pro's and con's of each type of arrangement, and how that might relate to EKGSA. These discussions included the following GSAs:

- Eastern Tule GSA
- Greater Kaweah GSA
- Kern Groundwater Authority
- Kings River East GSA
- Mid Kaweah GSA

In addition to the above, we considered input from individuals and staff of EKGSA's member agencies. The current arrangement has a couple of notable drawbacks:

- Managing the GSA has evolved into more than a full-time job, and there has been some concern about the level of communication and ability of a part-time manager to meet the ongoing needs of the organization
- A real or perceived conflict of interest could arise by virtue of staff representing both LID and the EKGSA

Our initial reaction to the aforementioned concerns was that the Board may need to consider hiring a full-time manager. However, pursuing this option may also have significant drawbacks, including:

- Difficulty finding a qualified candidate
- Disruption in operations while transitioning to new staff
- Likely to be more expensive

We discussed our findings and concerns at-length with Mr. Hagman and a couple of LID's board members. We believe that for the time being the concerns with the current arrangement can be addressed and that the EKGSA could continue to benefit from a shared-staff model with LID and from continuity of management. **We would recommend that the board consider extending the contract with LID for continued admin/management services, with inclusion of several key provisions:**

- LID will hire another full-time staff member whose time will be primarily focused on the day-to-day operations of the GSA. EKGSA will have the opportunity to participate in the hiring/selection process. With this hire, EKGSA would then have roughly 2.5 full-time equivalent staff, with LID's GM, Senior Analyst and Office Administrator each dedicating roughly 50% time to the GSA and the new staff member dedicating most of their time to the GSA. This should

July 22, 2017

alleviate some of the concern about adequate staffing while allowing both the GSA and LID to share staff expertise. We would suggest allowing 3-6 months to see if one new hire is sufficient, and afterward look to Mr. Hagman to recommend whether a second additional hire is needed.

- An annual review process will be established whereby measurable goals and objectives will be set at least once per year and the performance of the arrangement will be evaluated against those goals and objectives.
- An ad-hoc committee of the EKGSA board and of LID's board will meet at least twice per year to consult each other on performance for their respective agencies and to identify any potential conflicts or concerns.
- Term of the contract will be two years, but EKGSA may terminate the contract with LID with written notice if conflicts of interest arise between the two agencies or if measurable goals and objectives are not being met.

The recommended approach will require an increase in LID's annual contract amount. Attached is a memo from Mr. Hagman with more details on the recommended approach, staffing, services to be provided, and cost.

We look forward to discussing with the Board.

LINDMORE IRRIGATION DISTRICT

MEMORANDUM TO THE BOARD

TO: LID Reps – John Arnold, Michael Brownfield
EKGSA Reps – Rod Burkett, Michael George, and Timothy Gobler

FROM: Michael D. Hagman, General Manager

DATE: July 10, 2019

SUBJECT: Structure of Shared Staff Resource Agreement (SSRA)

Objective: The objective of Shared Staff Resource Agreement (SSRA) is based on efficiently sizing resources to needs. This method utilizes resources that individually would be in excess of need by flex labor demand between the agencies. Labor services are measured in Full-Time equivalents (FTEs) which describes how many full time employees are provided.

Deliverable:

Governance and Plan Development Phase: Lindmore ID has provided the Executive Leadership and Administrative services for the EKGSA since August 2016. The EKGSA began paying an hourly rate to LID for this service in October 2016. Effective January 2018, EKGSA set a fixed price for these services and LID hired a Senior Analyst (0.80 FTE). Much of LID/EKGSA's day to day is handled by the Senior Analyst including Brown Act compliance (agenda, minutes, notices, record maintenance, etc), web services, accounting/fiscal services, and other tasks as needed. Administrative Services (payroll, A/P, A/R, county filings, etc.) for LID/EKGSA are handled by the Office Administrator (1.00 FTE). Prior to LID/EKGSA SSRA, LID only two FTE's (GM and Office Administrator).

Implementation Phase: Additional staffing will be needed to manage implementation of the Ground Water Sustainability Plan. A continuing SSRA with between the two agencies would require LID to hire additional staffing to cover the increased labor needs. Knowing the level of staffing needed for the EKGSA is not yet clear, but it is anticipated that the services of executive leadership, engineering, analysis and administrative services will be needed. If the EKGSA were to go out and hire staff for these needs is could potentially result in overstaffing. Hiring consulting services on an as needed basis is generally very expensive.

LID has additional support needs that are currently handled with consulting services. Combining the needs of the two agencies will create efficiencies and Lindmore could eliminate or greatly reduce consulting services. The following matrix identifies how LID anticipates filling the needed staffing of the two agencies based on an SSRA continuing.

Labor disciplines needed at LID and EKGSA:

Business Need	Available Resources	Available Labor Demand (hours)
Executive Leadership	LID GM	40+ hours/week (exempt flex hours as needed)
Administration	LID Staff	40 hours/week

Senior Analyst	LID Staff	32 hours/week
Engineering	LID Engineer (New)	40 hours/week
Analyst	LID Analyst (New)	40 hours/week
		Max Available Labor Capacity: 192+ hours per week (~5.00 FTE's)

Essentially, LID would be adding three FTE's to meet the needs of the EKGSA and the existing outsourced needs of the LID.

Benefits of the SSRA:

- EKGSA is a resource management agency much the same as LID is a resource management agency. Very defined correlation between the two deliverables. In both agencies, all Board provided assets are developed and managed by the Executive Leader to meet the needs of each agency's deliverables.
- The Executive Director can flex the positions between needs of the agencies to maximize the use of their time and skills (what skills are needed when and where). This reduces the need for EKGSA or LID to hire a full employee when it only needs a part of that discipline at any given time.
- Shared staffing model provides 5.00 Full-time Equivalent (FTE's) employees available to the EKGSA and LID. Before the staff sharing agreement, LID's FTE was 2.00. This means there is an increase of 3 FTEs.
- No need to purchase or lease other required administrative services or support infrastructure (office space, office machines, supplies, utilities, vehicles, storage facilities, records management, payroll, accounting, web site and computer services, etc.)
- No transition challenges
- Known commodity (historical delivery of services from LID's staff). All of LID's staff live in the area of influence for EKGSA. They have all worked in a resource agency for many years. Eastern Tule GSA just lost their GM to burn out. KDWCD wants to reduce or eliminate its role in GKGSA's efforts. I don't know how long the three member agencies will continue to provide their services in the MKGSA. In this model, all of that know commodity is valued and local.
- All labor burdens are placed on LID. EKGSA's human resource management would be observation of deliverables by LID only.
- Flexible agreement (three-year agreement with a jump out clause for either agency). If it isn't working well enough, the agency can choose to get out.
- One payment for these services to LID (Estimated at \$350,000 for FY2020). The other two GSAs in the Kaweah Sub-basin are spending nearly that on just the executive leadership, administrative services, and office infrastructure.

Comparison of Models in the Sub-basin: MKGSA and GKGSA uses hired staff for the executive leadership demands. Other agencies provide them the necessary administrative services and office infrastructure.

Below is a matrix for comparing the amount of FTE's available to deliver current and future needs.

GSA ORGANIZATIONAL MODEL – FTE AND COST COMPARISON MATRIX			
Entity	FTE	Other Required Costs	Total Cost
EKGSA/LID SSRA	5.00	N/A	\$350,000
MKGSA and GKGSA – Hired Staff Model	1.00	Administration/Infrastructure, Engineering, Admin Support, Analysis	\$325k-\$350k as currently formed, additional services via consultants or hiring would substantially increase their costs

In other words, for the same price as the other two agencies in the Kaweah Sub-basin, this proposed SSRA will provide all of what their model plus all the additional staffing needed to meet the Implementation Phase demands for the EKGSA and raise LID's access to in house labor.

Let me know if you have any questions.

Lindmore Irrigation District

Treasurer's Cash Report July 31, 2019

August 5, 2019

Beginning Cash *	<i>June 30, 2019</i>	5,017,207.43
Deposits		
Bank of the Sierra Checking	542,395.84	
Wells Fargo Bond Res.	3,500.49	
LAIF	1,761.49	
NFS (Cantella)	283,323.74	
Total Deposits		830,981.56
Withdrawals		
Bank of the Sierra Checking	(790,559.67)	
Wells Fargo Bond Reserve	-	
LAIF	-	
NFS (Cantella)	(247,005.65)	
Total Withdrawals		(1,037,565.32)
Net Increase/(reduction)		(206,583.76)
Ending Cash Balance	<i>July 31, 2019</i>	4,810,623.67

Balance by Account:

Bof Sierra General Checking	344,933.70	
Wells Fargo Bond Reserve	940,741.80	
LAIF	194,249.43	
NFS (Cantella at Face Value)	3,330,148.74	
Petty Cash	550.00	
Ending Cash Balance	<i>July 31, 2019</i>	4,810,623.67

* Beginning cash may be adjusted compared to prior Board meeting report

FOR MANAGEMENT PURPOSES ONLY

Lindmore Irrigation District

Investment Comparative Analysis LID vs LAIF
August 5, 2019

	Managed LID	LAIF
0-6 mos.	846,504.08	65.80%
6 m. > 1 yr	-	18.50%
1 yr > 2 yr	305,000.00	13.30%
2 yr > 3 yr	625,000.00	2.40%
3 yr > 4 yr	1,520,000.00	0.00%
4 yr > 5 yr	832,000.00	0.00%
Total	4,128,504.08	100.00%
LAIF		
Daily Yield LID Invested	2.370%	
Difference	3.403%	
	1.033%	

Benchmark Comparison	
LAIF vs District	
LID Managed	
Investments	\$ 4,128,504.08
Daily Yield Investments	3.403%
Est Investment Payments	\$140,506
LAIF	
Investments	\$ 4,128,504.08
Annualized Rate of Return	2.370%
Est Investment Payments	\$97,846
Annualized difference:	\$42,660

PORTFOLIO STATISTICS			
Investment Type	Dollars	%age	State Code Limit
Agency (Back by Govt Agency)	\$	0.00%	None
Corporate (Not Insured)	2,305,000.00	47.00%	None
Certificates of Deposit (FDIC Insured)	977,000.00	19.92%	None
Money (NFS - Not Insured)	141,814.65	2.89%	None
LAIF (Mostly Insured or Backed)	194,249.43	3.96%	None
Banks (FDIC Insured)	510,440.00	10.41%	None
Operating Cash (Banks FDIC)	775,785.50	15.82%	None
Total	4,904,289.58	100.00%	
Annualized ROR:			
ROR All Cash			2.632%
ROR Invested Assets			3.403%
ROR LAIF			2.370%
Days to Maturity			
LID Managed			829.40
LAIF Managed			183.00

August 5, 2019

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LINDMORE IRRIGATION DISTRICT

MEMORANDUM TO THE BOARD

TO: Board of Directors
FROM: Kathryn Bennett
DATE: August 2, 2019
SUBJECT: Affidavit of Reconciliation

I inspected and reconciled the cash accounts of the Lindmore Irrigation District. The Lindmore Irrigation District maintains five cash/investment accounts. For the month of **July 2019**, the district had the following accounts open and with balances:

Working Accounts –

- General Checking (Bank of the Sierra)
- LAIF Investments
- National Financial Services (Cantella – Securities)
- Wells Fargo Bond Accounts

During my reconciliation, I have found the following:

Working Accounts –

- No Variances.

After my reconciliation and inspection of the books, it is my opinion that the cash registers reflect the cash activity of the Lindmore Irrigation District. Lindmore staff allowed me full access to the cash registers and ledgers of the District. The actual reconciling documents are stored in the District vault and can be viewed or copied upon request.


Kathryn Bennett

**Lindmore Irrigation District
Income Statement
Compared with Budget
For the Seven Months Ending July 31, 2019**

	Current Month Actual	Year to Date Actual	Annual Budget	% of Annual Budget
Revenues				
Water Sales - Irrigation	\$ 462,166.56	\$ 868,634.96	\$ 1,795,889.00	48.37%
Water Sales-Out of District	0.00	0.00	0.00	0.00%
Penalties on Delinquent Accts	293.10	1,075.86	5,000.00	21.52%
Em Call Outs/Fines Charge	0.00	351.74	500.00	70.35%
Stand-By Charge Revenues	0.00	2,462,901.67	2,469,638.00	99.73%
Stand-By Chg Penalty Revenue	6,083.84	5,859.52	4,000.00	146.49%
2018 WaterSmart Grant	0.00	0.00	75,000.00	0.00%
Interest Revenue - NFS	9,569.33	66,331.68	100,000.00	66.33%
Recognize adj to FMV	(3,551.44)	88,738.32	0.00	0.00%
Interest Revenue - Misc	5,261.98	21,239.51	5,500.00	386.17%
Adjustment to FMV Bond Reserve	0.00	0.00	0.00	0.00%
Interest on Unpaid Lien	0.00	0.00	5,000.00	0.00%
Other Misc Revenue	1,656.92	5,720.96	100,000.00	5.72%
Misc Rentals	0.00	0.00	0.00	0.00%
Gain or Loss on Fix Assets	0.00	0.00	0.00	0.00%
Reimburse - EKGSA	12,916.67	90,416.69	157,500.00	57.41%
FPA Power Revenue	263,824.41	1,015,221.21	775,000.00	131.00%
Total Revenues	758,221.37	4,626,492.12	5,493,027.00	84.22%
Cost of Sales				
Irrigation Water	98,916.56	265,082.03	1,044,000.00	25.39%
T.P.U.D. Charges (Water)	2,157.60	7,455.90	9,840.00	75.77%
Full Cost 205(a)(3)	0.00	0.00	0.00	0.00%
M&I Water Used	0.00	0.00	2,001.00	0.00%
CVPIA Restoration Fee	76,450.96	264,187.39	370,946.00	71.22%
Transfer In Water Expense	6,012.49	193,757.49	0.00	0.00%
Friant Surcharge	50,344.00	173,971.00	229,593.00	75.77%
FWA O&M Costs	29,965.00	209,755.00	375,000.00	55.93%
Exch Cont O&M Cost	25,772.15	465,911.91	550,000.00	84.71%
SWRCB Fees	0.00	0.00	47,500.00	0.00%
Water Quality Monitoring	0.00	0.00	1,000.00	0.00%

**Lindmore Irrigation District
Income Statement
Compared with Budget
For the Seven Months Ending July 31, 2019**

	Current Month Actual	Year to Date Actual	Annual Budget	% of Annual Budget
Water Legal	2,481.38	9,347.82	50,000.00	18.70%
Water FWA - Gen Member	43,925.11	131,775.33	200,000.00	65.89%
Water Mgmt Plan	0.00	0.00	1,000.00	0.00%
USBR Penalties/Other Charges	0.00	7,677.75	0.00	0.00%
Debt Service 2010A Bond	0.00	16,903.13	210,000.00	8.05%
Water-Engineering	0.00	7,560.70	5,000.00	151.21% P&P
Total Cost of Sales	336,025.25	1,753,385.45	3,095,880.00	56.64%
Gross Profit	422,196.12	2,873,106.67	2,397,147.00	119.86%
Expenses				
FPA Legal Fees	0.00	0.00	0.00	0.00%
Pumping-Power	9,519.72	24,480.07	60,000.00	40.80%
Pumping- Tele/Communic	176.71	14,774.79	27,500.00	53.73%
Pumping - Maint/Struct/Impr	0.00	34.94	240,000.00	0.01%
O&M Salary Costs	26,225.13	180,425.56	308,748.00	58.44%
O&M OT/PT Labor Cost	5,545.32	17,264.04	25,000.00	69.06%
Trans/Dist of Mat/Supply	0.00	0.00	12,500.00	0.00%
Trans Electronic Techn	0.00	0.00	2,500.00	0.00%
Stenciling	0.00	0.00	500.00	0.00%
Power (non-pumping)	275.15	2,440.46	7,500.00	32.54%
Meter Rep Supply/Services	0.00	17,920.36	7,500.00	238.94%
Valve Rep - Supply/Service	0.00	7,038.88	12,500.00	56.31%
Moss Screen - Repair Sup/Serv	0.00	0.00	2,500.00	0.00%
Pipe Line Repair - Sup/Serv	1,829.13	135,822.95	47,500.00	285.94% Vollmer
Above Surf Repair - Sup/Serv	0.00	0.00	5,000.00	0.00%
Reservoir Repair - Sup/Serv	0.00	0.00	2,500.00	0.00%
Misc - Sup/Serv	0.00	0.00	0.00	0.00%
Admin/General Salary Costs	17,110.28	116,783.00	180,014.00	64.87%
Admin OT/PT Labor Cost	0.00	0.00	10,000.00	0.00%
General Manager (Lindmore)	16,283.92	113,987.44	196,170.00	58.11%
General Manager (GSA)	3,587.50	25,112.50	43,218.00	58.11%
Director Per Diem	3,800.00	3,800.00	7,500.00	50.67%

**Lindmore Irrigation District
Income Statement
Compared with Budget
For the Seven Months Ending July 31, 2019**

	Current Month Actual	Year to Date Actual	Annual Budget	% of Annual Budget
Travel Expense	164.79	1,647.70	2,500.00	65.91%
Legal Exp - General	2,156.75	5,806.00	18,000.00	32.26%
Auditing Costs	0.00	0.00	11,750.00	0.00%
Communication	555.28	5,646.97	8,000.00	70.59%
Utilities - Office	798.75	3,688.33	8,000.00	46.10%
Supplies - Office	1,026.05	8,136.32	9,500.00	85.65%
Pstge/Pinting - Office	900.54	7,650.67	8,500.00	90.01%
Dues/Subscriptions/Contr	1,183.13	13,877.78	12,500.00	111.02%
Legal Advertisement	443.65	443.65	400.00	110.91%
Record Assessment Expense	0.00	176.00	500.00	35.20%
Misc Office Expense	0.00	2,967.29	0.00	0.00%
Payroll Service Expense	102.40	973.89	1,500.00	64.93%
Computer Supplies/Services	1,519.95	18,886.12	14,000.00	134.90% VOIP phones/laptop
Bank Charges	5.65	112.80	500.00	22.56%
Bond Costs	0.00	0.00	0.00	0.00%
Prop/Liab Insurance	0.00	34,346.00	37,500.00	91.59%
Workers' Comp Insurance Exp	0.00	18,519.29	27,500.00	67.34%
Fidelity Bonds	0.00	0.00	0.00	0.00%
Social Security Expense	5,227.14	34,556.67	50,687.00	68.18%
Health Insurance Exp	1,406.05	54,100.45	92,899.00	58.24%
Retirement Contribution Exp	4,598.39	31,925.95	60,166.00	53.06%
Dental Insurance Exp	377.20	2,705.45	5,500.00	49.19%
Vision Insurance Exp	72.10	517.31	1,200.00	43.11%
Life Insurance Expense	0.00	1,297.93	2,400.00	54.08%
Office Building Maintenance	0.00	0.00	7,500.00	0.00%
Grounds	0.00	0.00	2,500.00	0.00%
Office Furniture Exp	0.00	0.00	2,500.00	0.00%
Auto Maintenance Exp	368.34	13,068.01	18,000.00	72.60%
Radio Exp	0.00	0.00	0.00	0.00%
Small Tool Exp	0.00	2,438.64	3,500.00	69.68%
Shop & Maint Equip Rep Exp	47.76	2,455.90	5,000.00	49.12%
Misc Exp	0.00	25.36	0.00	0.00%
Shop Bldg Maint	0.00	7,452.93	3,500.00	212.94% Vollmer-old office slab
Fuel and Oil	4,167.42	24,597.82	30,000.00	81.99%

**Lindmore Irrigation District
Income Statement
Compared with Budget
For the Seven Months Ending July 31, 2019**

	Current Month Actual	Year to Date Actual	Annual Budget	% of Annual Budget
Backhoe & Diesel	450.10	2,528.17	2,750.00	91.93%
Misc Shop Exp	0.00	0.00	0.00	0.00%
Engineering - General	0.00	200.15	5,000.00	4.00%
Engineering - System	0.00	0.00	5,000.00	0.00%
Engineering - Groundwater	0.00	0.00	0.00	0.00%
Engineering- w/City of Lindsay	0.00	0.00	0.00	0.00%
Engineering - Prop 218	0.00	0.00	0.00	0.00%
Engineering - Temp Flat Study	0.00	0.00	0.00	0.00%
Recharge - Ireton Pond	0.00	2,127.65	0.00	0.00%
Recharge - Drywell	0.00	0.00	0.00	0.00%
SGMA - Governance	7,857.14	23,571.42	30,000.00	78.57%
SGMA - Plan	0.00	28,511.39	75,000.00	38.02%
SGMA - Implementation	0.00	0.00	0.00	0.00%
Safety Compliance	0.00	3,165.32	15,000.00	21.10%
Well Measurement Supplies	0.00	0.00	500.00	0.00%
Crop Report	0.00	0.00	250.00	0.00%
Easement	1,347.55	3,870.63	750.00	516.08% chemicals/mowing
Depreciation Expense - System	0.00	0.00	155,000.00	0.00%
Depreciation Expense - Other	0.00	0.00	68,500.00	0.00%
Office Building Construction	0.00	0.00	0.00	0.00%
Capital Purchase - FPA QLPP	0.00	0.00	0.00	0.00%
93.2E Modernization (Grant)	0.00	0.00	97,000.00	0.00%
Uncollectable Lien Expense	0.00	0.00	0.00	0.00%
Total Expenses	119,128.99	1,021,880.95	2,099,402.00	48.67%
Net Income	\$ 303,067.13	\$ 1,851,225.72	\$ 297,745.00	621.75%

Lindmore Irrigation District**Balance Sheet****July 31, 2019****ASSETS****Current Assets**

Sierra Checking #0302190470	\$	344,933.70
Wells Fargo Bank Bond Reserve		940,741.80
Petty Cash		550.00
LAIF 90-54-016 (02010)		194,249.43
Securities - NFS A7T-514144		3,330,148.74
Adjustment to FMV		93,665.91
Bond Res. Capital Appreciation		(8,694.40)
H2O Sales Receivable		431,971.59
Stand-by Receivable		61,954.64
Misc Accts Receivable		12,916.67
Liens - Amount Sold		16,886.51
Liens - Accumulated Int Due		4,534.50
Pre-Paid Water - USBR		398,335.50
Pre-Paid Ins & Misc		24,963.80
Interest Accrued - NFS		10,264.01
Interest Accrued-Bond Res		4,416.90

Total Current Assets**5,861,839.30****Property and Equipment**

Property/Land/Easements	463,003.40
Distribution System	7,177,406.31
Furniture/Fixtures/Computers	184,123.59
Equipment	188,400.12
Vehicles/Trailers/Other	318,423.43
Buildings/Grounds	470,093.97
Accumulated Depreciation	(6,054,297.96)

Total Property and Equipment**2,747,152.86****Other Assets**

Perpetual Right to Water	7,076,835.00
Inv in Friant Power Authority	5,128,876.02
Inv in USJRWPA	29,108.18

Total Other Assets**12,234,819.20****Total Assets****\$ 20,843,811.36**

Lindmore Irrigation District
Balance Sheet
July 31, 2019

LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable	\$ 209,253.12
Account Due - Keller	43,883.57
Employee Accruals Payable	84,312.41
Customer Project	18,850.20
Emp Health Ins Deductions	84.66
	<u> </u>

Total Current Liabilities	356,383.96
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Long-Term Liabilities

Series 2010A Bond	4,590,000.00
	<u> </u>

Total Long-Term Liabilities	<u>4,590,000.00</u>
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Total Liabilities	4,946,383.96
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Capital

Inv In Utility Plant	2,810,231.81
Inv in Property	159,368.43
FB - Unappropriated	3,116,315.39
FB -Operating	1,053,334.42
FB -Water Purchases	1,500,000.00
FB -EOM&R Dist System	3,881,712.01
FB - Unemp Res	25,000.00
FB - Multi Lia Ins (Deduct.)	50,000.00
FB - Power Dev Reserve	800,000.00
FB - Reserve for SLDMWA/FWA	500,000.00
FB - Vehicle Replacement Reser	150,239.62
Net Income	1,851,225.72
	<u> </u>

Total Capital	<u>15,897,427.40</u>
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Total Liabilities & Capital	<u><u>\$ 20,843,811.36</u></u>
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LINDMORE IRRIGATION DISTRICT

MEMORANDUM TO THE BOARD

TO: Board of Directors

FROM: Michael D. Hagman, General Manager

DATE: August 5, 2019

SUBJECT: Manager's Report for the August 13, 2019 Regular Board Meeting

PRIOR ITEMS

Operations and Maintenance:

- As of the date of this memo, we don't have any laterals down.
- Currently there are about twelve acre-feet a day going into Ireton Ponds. Total inflow into Ireton (since development of the ponds in March of 2017) is nearly 3,550 AF. In addition, each day we place about 80,000 gallons of water into each of our two mini basins (160,000 total a day). That equates to about 60 AF placed into the aquifer already this year by the two wells consuming 50 square feet of real estate. Compared to 1,536 AF placed on 1,265,000 square feet of real estate. As a matter of efficiency, the mini basins can add 436 AF a day per acre as opposed to 0.40 AF a day per acre.
- After reviewing 20 or so applicants with Vice-President DePaoli, Kathy and I interviewed four applicants. From those four interviewees I hired Juan Gonzalez. He began on August 1. He rode with Robert on the eastside on August 2, 5 and 6 and then moved to work with Gary Vail on the 10th West. He is on leak crew but beginning next week he will be driving each line and finding and checking meters. He will be used on leak crew most of the remaining season.

Water Supply Report: The USBR shut off Uncontrolled Season at the end of the day on July 15, 2019 (11:59:59 PM). The allocation has been adjusted to eliminate residual Class 2 and reduces the Class 1 to 95% of contract supply. The SJR reservoirs are full and flood releases have ceased. There will now be a steady decline in the reservoir elevations.

District Improvement Projects:

Groundwater Recharge – Deliverable includes developing a map of the District rating recharge zones, recharge site identification, design of recharge basins, etc. (Engineering Budget: \$77,500; Spent \$57,027) Board abandoned large recharge basin effort and changed direction to Ireton Pond and Micro-basins. **No activity**

JB Rehab – Design and supervision on all the District's JB's (Engineering Budget: \$354,000, Spent \$122,024). We anticipate replacing JB#6 on 5th Avenue this year. Plans have been developed by P&P and costs are being developed as we speak. Dan Pelham will be doing the work again on the surface structure. We anticipate about \$30,000 for the surface structure and about \$20,000 for the valve and box work. We will not be using a construction manager which added about \$40,000 to the last projects

(about \$13,000 a site). In the end, the structure, box and valve will be slightly more expensive (a function of materials and labor price increase), but it will be more than offset with the savings on not using the construction manager. We anticipate moving right on to that project at the end of operations this year. ***No other cost activity***

City of Lindsay – Project was to study opportunities for recharge and exchanges between the City and the District. City remains interested. We are waiting on SGMA information to develop this activity. ***No activity***

WaterSMART Grant and 93.2E Modernization

USBR lives up to its name. In particular the word “bureau”. The bureaucracy of getting this \$75,000 grant is massive. Just to get in their payment system Kathy had to jump through fire rings. Then we met with the USBR on the phone and they added a bunch of “clarification” to our plate. We got through that and then we also noticed that the USBR will be doing an environmental report which will be charged against the grant proceeds. \$10,000! Holy cow. In any regards, we think we have cleared all the hoops but there is still a chance they balk on us. Its is getting pretty frustrating. Material has been ordered. I can’t pay for the material yet because it is the primary basis of the grant and they don’t pre-award this grant. Craziness.

Friant Water Authority – Cost Recovery Methodology (CRM)

FWA Board approved the “Hagman” Methodology with two tweaks (starts next year, if a project will cost 50% or more than the entire OM&R budget the Board needs to review it for another potential allocation methodology). Requested tweaks were denied (AEWSD Centric Tweaks Program – I just made that up, but that is who wanted the tweaks because it made their condition better at the expense of everyone else). They kept the 25-year analysis and the USBR’s A-13 reported values.

Recharge Policy

Attached is a vetted version of the recharge policy. We will have discussion on it at the meeting.

2019 Water Recharge – Report

Of the thirteen agreements there were only three moving water in the program during July. A total of 116.05 AF was recharged crediting those landowners 104.44 AF.

Dry Well Development

The Board authorized \$25,000 for a well to be installed for banking. Sun Pacific is interested in developing a well for their grapes off Spruce. It is a good spot to put water because it is in the Lewis Creek fan. They are going to do it themselves. But want to know the rules around it regarding Federal Supply, GSA, County, etc. I can answer most of their questions (both satisfactorily and not so satisfactorily). One of the questions requires input from the county and possibly the state. I will work through it. They are questions we will have to eventually answer as a district as well.

Personnel Policies and Procedures

Legal Counsel was tasked with engaging Special Counsel (Rachele Berglund) to assist in several Human Resource related issues. Counsel will provide an update on that effort.

Job Descriptions – Report

These are likely going to be developed after the heaviest part of the season. Currently staff that can work on them are busy nearly all day with operations and front desk.

NEW ACTION ITEMS

Shared Resources Agreement – Update and Direction

The EKGSA Board of Directors approved an extension to the Shared Resources Agreement with Lindmore ID. This means Lindmore will provide all necessary staffing to meet the objectives of the EKGSA and still meet the objective of Lindmore ID.

The EKGSA Ad Hoc Committee met with President Arnold and Director Brownfield. The five of them reviewed the proposal I had developed for this Shared Resource Model and from that discussion, their recommendation to the EKGSA Board was to continue with Lindmore ID providing the leadership and staffing. Attached is their recommendation and my proposal.

We will now need to decide on what resources I need to accomplish this task.

Recharge Reservoir Name

Board to hear a staff recommendation for naming the recharge reservoirs.

Kathy will provide her reports in the packet and appropriate individuals will provide verbal reports for external meetings