



## **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 – July 9, 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 June 11, 2019 and June 14, 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
- Job Descriptions – Board to review developed job descriptions
- Water Banking 2019 – Status and Direction (action may be taken to end or extend)

- Dry Well Development
- Staffing – Provide update on two staff positions
- Personnel Policies (Mauritson)
- Resolution 2019-04: Grant to purchase an electric car (Action may be taken to approve the purchase of a vehicle)

**B. New Action Items**

- Friant Power Authority – Signatory on historical documents
- Request Budget Augmentation for additional Staff member
- 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 – June 30, 2019
- Investment Analysis/Report of Investments
- Affidavit of Reconciliation – June 30, 2019
- Financial reports for the months ending June 30, 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**

**June 11, 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:

Others present: Hagman (GM), Bennett (Senior Analyst), Mauritson (Counsel), Hylton (Auditor)

### **Approval of the Agenda**

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

**Motion: To approve the agenda for June 11, 2019 as provided - 1<sup>st</sup> Milanesio and 2<sup>nd</sup> DePaoli - Motion passed by unanimous vote of those present**

### **Public Comment**

No Public comment provided.

### **Minutes**

The minutes were presented for the 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 May 14, 2019 Regular Board meeting and May 21, 2019 Special meeting as corrected - 1<sup>st</sup> Reynolds and 2<sup>nd</sup> Brownfield - Motion passed by unanimous vote of those present**

### **Audit**

Dennis Hylton (Auditor) provided the FY2018 Annual Audit of the District's Financial Statements. He noted no material exceptions. After presenting the audit and highlighting section of the Audit (including his opinion), he took questions from the Board of Directors. After the questions, the following motions was made:

**Motion: To accept the audited Fiscal Year 2018 financial statements as provided by Dennis Hytton, CPA - 1<sup>st</sup> Brownfield and 2<sup>nd</sup> Milanesio - 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. Hagman reported that staff, with the help of Vollmer's crew were able to get a handle on the leaks this year. Approximately \$47,000 was paid to Vollmer for leak repairs.

*Water Supply Report:* Hagman provided the monthly report. He noted that the USBR has announced the extension of uncontrolled season (UcS), to June 30th. The Friant-Kern Canal is currently in a Class 2 Prorate. Which potentially limits the exchange deals with Lindsay-Strathmore ID (Where LSID gets two AF of Lindmore Class 2 water and Lindmore gets one AF of LSID Class 1 this year).

*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 in July 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. This issue came up for the “Friant Fix”. The Board established a policy noting two things: 1. Lindmore views the canal as one contiguous complete system and we should pay for our fair share of the entire operations and maintenance of the canal based upon the District’s deliveries as a share of the total deliveries. 2. The District opposes using District dollars to repair the subsidence of the Friant-Kern Canal due to the actions others have taken to harm the canal elevations (overdraft). At last month’s Board meeting, the Board was presented with an impact analysis and a proposal for participation in the “Friant Fix”. The proposal identified how much more Lindmore would be paying for general administration, operations, and maintenance. The Board modified their policy to reflect that increased cost could be used to offset repair of the canal. This amounted to about \$90 million from Friant Contractors and Lindmore’s position is that it would pay its share of that amount. That opinion was provided at the Friant meeting. Friant’s action was to approve up to \$50 million of Friant membership dollars to repair the canal. This will likely go to offset any shortfall not derived from other agencies participating financially.

*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.

## **B. New Action Items**

*Resolution 2019-04* - Resolution Authorizing the District to Enter into a Funding Agreement with the San Joaquin Valley Air Pollution Control District an Alternative Fueled Vehicle Funding Grant, Designating Authorized Signatory and Agreeing to the Terms of the Grant. After some discussion the following action was taken:

**Motion: To adopt Resolution 2019-04 – As described above – 1<sup>st</sup> DePaoli and 2<sup>nd</sup> Brownfield and Motion passed by unanimous vote of those present**

*Discussion and direction on Water Banking Projects:* The Board received a proposal from GM Hagman regarding a new approach to the dry well. Its cost would be approximately \$25,000. The design is such that a 40-60-foot sixty-inch hole will be bored into the ground without cooling or casing and back filled with rock. A 20-foot 12”-18” pipe sit in the center. Water will be delivered into the pipe and fill the underground hole with the objective of adding about 225 GPM of water into the ground. After considerable discussion, the following action was taken:

**Motion: To authorize GM Hagman to spend up to \$25,000 on a dry well – 1<sup>st</sup> Brownfield and 2<sup>nd</sup> Reynolds 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 (#13548 – 13588) May 15, 2019 to June 11, 2019 in the amount of \$419,022.88, and payroll for May 2019 in the amount of \$76,647.60 for a total disbursement of \$495,670.48. - 1<sup>st</sup> DePaoli and 2<sup>nd</sup> Milanesio - Motion passed by unanimous vote of those present**

#### **D. Financial Reports**

Senior Analyst Bennett presented the financial statements and reports

#### **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 2:32 pm and out at 3:34 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 (DePaoli/Milanesio) carried by unanimous vote of those present. Meeting was adjourned at 3:45 pm.

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Michael D. Hagman  
District Secretary

# **LINDMORE IRRIGATION DISTRICT**

## **MINUTES OF THE SPECIAL BOARD MEETING**

**June 14, 2019**

### **Roll Call and Acknowledgement of Visitors**

President Arnold called the Special meeting to order @ 11:00 a.m.  
Directors Present: Arnold, DePaoli, Brownfield, Milanesio  
Directors Absent: Reynolds  
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 May 21, 2019 as provided - 1<sup>st</sup> DePaoli and 2<sup>nd</sup> Milanesio -**  
**Motion passed by unanimous vote of those present**

### **Public Comment**

No Public comment provided.

### **Called into Closed Session**

Evaluation of General Manager [Government Code Section 549579]

Went into closed session at 11:01 AM. Came out of Closed Session at 1:44 PM.

President Arnold noted no reportable action.

### **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 (Brownfield/DePaoli) carried by unanimous vote of those present. Meeting was adjourned at 1:50 pm.

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Michael D. Hagman  
District Secretary

# LINDMORE IRRIGATION DISTRICT

## 2019 BANKING PROGRAM

### SCHEDULE OF DELIVERIES

July 2, 2019

SUNP	134500 R	88.4-3.3N-1.9W	1 - 1st	79524 6/12/19 - 6/18/19	0	5.67
SUNP	134500 R	88.4-3.3N-1.9W	1 - 1st	79813 6/17/19 - 6/20/19	0	3.37
SUNP	134500 R	88.4-3.3N-1.9W	1 - 1st	80129 6/24/19 - 6/29/19	0	4.77
SUNP	134750 R	88.4-3.3N-2.5N-L	1 - 1st	80058 6/20/19 - 6/30/19	0	28.62
SUNP	135050 R	88.4-3.3N-3.0N	1 - 1st	80059 6/20/19 - 6/30/19	0	42.70
Total delivered						85.13
Program entry for 2019					90.0%	76.62
FLSENT	144800 R	88.4-4.8S-0.5E	1 - 1st	80468 6/26/19 - 6/30/19	0	3.42
Program entry for 2019					90.0%	3.08
GOOD	150700 R	88.4-5.3S-0.2W	1 - 1st	80413 6/25/19 - 6/29/19	0	15.57
Program entry for 2019					90.0%	14.01
MABS	301300 R	90.4-0.8SE-0.7N 4"	3 - 5th	79137 6/5/19 - 6/5/19	0	-
BRAM	321700 R	90.4-2.3N-1.15S	3 - 5th	79986 6/18/19 - 6/21/19	0	0.60
BRAM	321700 R	90.4-2.3N-1.15S	3 - 5th	80340 6/25/19 - 6/28/19	0	2.40
Total delivered						3.00
Program entry for 2019					90.0%	2.70
RESC	321700 R1	90.4-2.3N-1.15S	3 - 5th	79493 6/12/19 - 6/17/19	0	1.00
RESC	321700 R1	90.4-2.3N-1.15S	3 - 5th	80146 6/21/19 - 6/25/19	0	0.80
RESC	321700 R1	90.4-2.3N-1.15S	3 - 5th	80591 6/28/19 - 6/30/19	0	1.20
Total delivered						3.00
Program entry for 2019					90.0%	2.70
MAURIT	335300 R	90.4-3.8S-1.3N	3 - 5th	79581 6/13/19 - 6/30/19	0	23.92
Program entry for 2019					90.0%	21.53
AGRIP	511100 R	93.2W-1.4N-0.2W	5 - 10th W	79151 6/8/19 - 6/10/19	0	1.36
AGRIP	511100 R	93.2W-1.4N-0.2W	5 - 10th W	79528 6/12/19 - 6/14/19	0	1.09
AGRIP	511100 R	93.2W-1.4N-0.2W	5 - 10th W	79818 6/17/19 - 6/18/19	0	0.69
Total delivered						3.14
Program entry for 2019					90.0%	2.83
Program Entry for 2019 (to date)						
Private Bank						123.46
Add to District GW						13.72



LINDMORE IRRIGATION DISTRICT  
LANDOWNER GROUNDWATER RECHARGE/BANKING PROGRAM 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/banking purposes according to the following principles:

1. 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 ("ETGSA"), a Landowner may schedule with the District delivery of water for the purpose of groundwater recharge/banking 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 or banking.

**Commented [AM1]:** Mike – I noted you had pricing in the letter. I think for purposes of the policy, we don't want to list prices. I assume what was listed in the letter falls within the last Prop 218 election you just did?

2. At the sole cost of the Landowner, all water delivered by the District to the Landowner for groundwater recharge/banking 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.

3. 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.

4. For in-District land, 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/banking facility, the Landowner will pay for 10 AF and be credited for 9 AF on its ledger.*

**Commented [AM2]:** Mike – need discussion regarding delivery of water outside the District.

**Commented [AM3]:** Should also discuss with the board.

For water delivered outside the District boundaries, the District will negotiate the amount of credit depending on the rate the Landowner chooses to pay.

**Commented [AM4]:** Again, we should discuss.

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).

5. The Landowner, at its sole expense and risk, shall be responsible for the design, construction, operation, maintenance, repair and replacement of 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.

6. The intent of this program is to encourage recharge/banking. Therefore, Landowners must use all of their District-allocated supply in the year. It must not be transferred to another grower or to the District Pool. Unused allocated supply will be counted against the water taken to the recharge/banking facility. Future use of this supply will be limited to ground within the EKGSA's southern area.

Commented [AM5]: Need to discuss.

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/banking program, the Landowner must first execute the Recharge/Banking Agreement attached hereto as Exhibit A.

## **RECHARGE/BANKING AGREEMENT**

**Landowner:**

I, \_\_\_\_\_, agree to take and pay for Lindmore Irrigation District ("LID") water supply in excess of my allocation and place it into a pond or other similar facility that will take water for the purpose of recharging/banking supply in the ground. I will physically use all of my Contract Year 2019 district water allocation prior to close of the water season. I will not transfer any of my District allocation.

I agree that the price of the excess water purchased pursuant to this Agreement shall be as follows:

<b>Location of Land</b>	<b>Rate</b>
In the District and paying land assessments	\$40 per AF
In the District not paying land assessments	\$55 - \$99 per AF
Out of District	\$55 - \$99 per AF

I also agree to follow the terms and conditions of LID's Landowner Groundwater Recharge/Banking Program.

I will indemnify and hold harmless LID, its board of directors, officers, employees, agents, and assigns on account of any 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, or in any manner otherwise arising from my purchase of excess water pursuant to this Agreement.

**Lindmore Irrigation District:**

LID commits to creating a ledger in the Landowner's name, described above, for the purpose of tracking water placed into a privately-owned recharge/banking facility. For lands within the District, the District will track deliveries through the District meter and record 90% of the metered flow into that ledger for the future benefit of the Landowner. For ground outside the District, the district will record the agreed to share. The District will then advocate for a five-year banking life of the water placed on the ledger in the East Kaweah GSA. However, until guidance is received from the East Kaweah GSA, all water will remain on the books indefinitely.

**Agreed to:**

**Landowner:**

**Lindmore Irrigation District ("LID"):**

\_\_\_\_\_

\_\_\_\_\_

## Estimate

Date	Estimate #
5/22/2019	1423

Customer Name / Address
Michael Browfield

Job Name / Location
65 - AMP Ranch Recharge Well

		P.O. No.	Terms
Description	Qty	Rate	Total
Drill 60" Borehole 80' Labor Hogg Boring		9,000.00	9,000.00
Deliver and Install 1 1/2" Leach Rock			
Materials - 125 Tons Leach Rock		4,375.00	4,375.00T
Labor and equipment	25	105.00	2,625.00
Semi - transfer truck			
Labor to install rock	5	105.00	525.00
Install 20' of 30" Conductor Casing			
Materials - Conductor Casing	20	98.00	1,960.00T
Labor -		250.00	250.00
Prep Casing by welding tabs to attach to concrete			
Weld flat bar on inside of casing to lift			
Welder and torch			
Install 14 yards of 6 Sack Concrete for Annular Seal			
Materials - Concrete		3,200.00	3,200.00T
		<b>Subtotal</b>	\$21,935.00
Contractors State License Board #1007957		<b>Sales Tax (2.75%)</b>	\$262.21
		<b>Total</b>	\$22,197.21

**BEFORE THE BOARD OF DIRECTORS  
OF THE  
LINDMORE IRRIGATION DISTRICT**

**COUNTY OF TULARE, STATE OF CALIFORNIA**

**RESOLUTION AUTHORIZING THE DISTRICT TO ENTER INTO A FUNDING AGREEMENT WITH THE SAN JOAQUIN  
VALLEY AIR POLLUTION CONTROL DISTRICT AN ALTERNATIVE FUELED VEHICLE FUNDING GRANT, DESIGNATING  
AUTHORIZED SIGNATORY AND AGREEING TO THE TERMS OF THE GRANT**

**RESOLUTION NO.: 2019-04**

- WHEREAS,** the **San Joaquin Valley Air Pollution Control District (SJVAPCD)** has announced a funding opportunity to receive SJVAPCD grant money to purchase an Alternative Fuel Vehicle, and
- WHEREAS,** the District has prepared a grant proposal for the purpose of obtaining grant money to complete the purchase of a qualifying vehicle, and
- WHEREAS,** the District desires to receive grant money to assist in the reduction of CO2 in the SJVAPCD service area, and
- WHEREAS,** the District's Board of Directors has reviewed the grant proposal and all supporting documentation and supports the application and desires to receive grant money for the qualifying vehicle, and
- WHEREAS,** the District appoints Michael D. Hagman to agree to and sign all necessary documents to enter into an agreement to effectuate the grant and receive moneys associated with the grant, and
- WHEREAS,** the District agrees to work with the SJVAPCD to meet established deadlines for entering into a grant or cooperative agreement.

**NOW, THEREFORE, BE IT RESOLVED,** that the Board submits the aforementioned SJVAPCD Alternative Fuel Vehicle grant and this supporting resolution as required by the grant application.

Upon motion by **Director XXXXXX** seconded by **Director YYYYYY**, the foregoing Resolution was passed and adopted at the Regular Meeting of the Board of Directors held on June 11, 2019, by the following vote:

**AYES:**  
**NOES:**  
**ABSENT:**  
**ABSTAIN:**

Lindmore Irrigation District

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John A. Arnold, President

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Michael D. Hagman, Secretary

	<b>ZeroNox</b>	<b>Cushman</b>	<b>John Deere</b>	<b>Gem</b>	<b>Polaris</b>
Base Price	\$17,900.00	\$17,415.24	\$12,249.00	\$11,799.00	\$11,899
Series	eTuatara	Hauler PRO X	Gator TE 4x2	GEM eM 1400 LSV	Ranger EV
Vehicle Weight	2,350 lbs	1,513 lbs	1,470 lbs	2,953 lbs	1,762 lbs (dry)
Load Capacity	1,100 lbs	900 lbs	900 lbs	1,400 lbs	1,000 lbs
Battery	72V	72V	48V	48V	48V
MPH (Max)	35 mph	16 mph	15 mph	25 mph	25 mph
HP	13	22.4	6	6.7	30
Miles (Charged)	50 mi	50 mi	50 mi	45 mi	45 mi
Passenger Capacity	2	2	2	2	2
Roof	Fiberglass w/ Rack and LED Light	Poly	Poly	Poly	Poly w/ LED Light
Windshield	Foldable	Foldable	N/A	Solid w/ Wipers	Solid
Back Plate (Cab)	N/A	N/A	N/A	✓	✓
Doors	N/A	N/A	N/A	✓	N/A
Mirrors	✓	N/A	N/A	✓	✓
Lights	✓	✓	✓	✓	✓
Horn	✓	N/A	N/A	✓	N/A
Seatbelt	✓	✓	✓	✓	✓
Tires	High Grip	Turf Tires	Turf Tires	Turf Tires	Turf Tires
Tow Package	✓	✓	✓	N/A	✓
Towing Capacity	2,000 lbs	1,200 lbs	600 lbs	1,250 lbs	1,500 lbs
Bed	Hydraulic	Manual	Electric	Electric	Manual
Bed Load Capacity	1,500 lbs	500 lbs	500 lbs	900 lbs	500 lbs
Charger	110V /72V	72 V	120V	110V	12V
Recharge Time	3.5 Hours	8-10 Hours	12 Hours	6-8 Hours	6-8 Hours
Warranty	2 Years	2 Year	1 Year	2 Years	1 Year
Total	\$17,900.00	\$17,415.24	\$16,922.00	\$16,922.00	\$16,803.91
Tax	\$1,566.25	\$1,610.91	\$1,480.68	\$1,480.67	\$1,470.34
Shipping (Nearest)	Porterville	Bakersfield	Visalia	Tulare	Tulare
Total Price	\$19,466.25	\$19,026.15	\$18,402.68	\$18,402.67	\$18,274.25

# **FRIANT POWER AUTHORITY**

## **AMENDED JOINT POWERS AGREEMENT**

### **ADDENDUM NO. 1**

THIS ADDENDUM NO. 1 is made and entered into this 21<sup>st</sup> day of November, 2001, by and between TERRA BELLA IRRIGATION DISTRICT ("TERRA BELLA"); LINDSAY-STRATHMORE IRRIGATION DISTRICT ("LINDSAY-STRATHMORE"); DELANO-EARLIMART IRRIGATION DISTRICT ("DELANO-EARLIMART"); LINDMORE IRRIGATION DISTRICT ("LINDMORE"); SOUTHERN SAN JOAQUIN MUNICIPAL UTILITY DISTRICT ("SOUTHERN SAN JOAQUIN"); CHOWCHILLA WATER DISTRICT ("CHOWCHILLA"); MADERA IRRIGATION DISTRICT ("MADERA"); and ORANGE COVE IRRIGATION DISTRICT ("ORANGE COVE").

#### **RECITALS:**

This Addendum No. 1 is made with reference to the following facts:

1. In 1983, the Friant Power Authority ("Authority") issued its 1983 Hydroelectric Revenue Bonds (the "Bonds") pursuant to its Resolution No. 83-13, as amended and supplemented (the "Resolutions"). The proceeds of the Bonds were used to finance construction of a hydroelectric project known as the Friant Hydroelectric Project.

2. Due to a lack of generation caused by continuing drought conditions within the watershed of the Upper San Joaquin River, the revenues from the Friant Hydroelectric Project were insufficient to support debt service on the Bond, and, beginning in 1992, the Authority defaulted on the payment of principal and interest on the Bonds due to lack of adequate revenues. On October 6, 1993, pursuant to the Resolutions referred above, the insurer on the Bonds, Industrial Indemnity ("Industrial"), declared all principal and accrued interest on the Bond due and payable immediately. Thereafter, Industrial made a payment in accordance with the insurance policy it issued on the Bonds and received an assignment of all the outstanding Bonds

in exchange for such payment to the then existing bondholders.

3. On January 11, 1996, Ida-West Energy Company, an Idaho corporation, purchased all of Industrial Indemnity's right, title and interest in the bonds and all rights pertaining thereto under the Resolutions. All interest and principal on said Bonds remains immediately due and payable pursuant to the declaration of Industrial described above.

4. On or about March 18, 1997, the Authority and Ida-West entered into an agreement providing for modification of certain terms and conditions of the outstanding Bonds, a copy of which agreement is attached hereto as Exhibit "A."

5. On or about November 4, 1997, Friant Power Authority issued its Resolution No. 97-5, supplementing Resolution No. 83-13, as amended.

6. Since the adoption of Resolution No. 97-5, Friant Hydroelectric Project operations have continued and due to above average precipitation, the outstanding debt owed to Ida-West in accordance with the documents referenced above has been reduced.

7. The undersigned agree that it is appropriate, and in the best interest of Friant Power Authority, and the undersigned as individual members thereof, to retire the outstanding Bonds in accordance with the provisions of Resolution 97-5 and to pay off the remaining principal and any interest accrued thereon, without prepayment, penalty or additional interest, and redeem all outstanding Bonds of Friant Power Authority.

8. Friant Power Authority does not possess adequate reserves and revenues in order to undertake the redemption of said bonds and therefore the members thereof, as set forth hereinafter, have agreed to make an advance of their funds to Friant Power Authority for purposes of retirement of the outstanding Bonds.

9. Lindsay-Strathmore Irrigation District, while supporting said prepayment of the outstanding debt to Friant Power Authority, has determined that it will not be in a position to advance funds, at this time, to assist in such early retirement. The other members of Friant Power Authority (hereafter the "Funding Districts"), not including LSID, agree that they shall, as part of their advance of funds, advance, in a pro rata fashion, the share of LSID allocable to each



of them under their respective Participation Percentages in order to permit a total retirement of the Bonds.

10. As and for consideration to the Funding Districts advancing funds on behalf of LSID, LSID agrees to authorize, on a temporary basis, that net revenue payable to it under its right under Article VI of the Amended Joint Powers Agreement to receive a share of the net revenues of Friant Power Project shall be payable instead to the Funding Districts until they have received, from net revenues of the Project, and from no other source, an amount sufficient to represent each Funding District's allocable portion of LSID's share of said debt retirement, plus accrued interest at 9.5 percent, as it would otherwise accrue to said Bonds under Resolution 97-5. Notwithstanding the foregoing, LSID would, at any time, and without premium or penalty, be entitled to pay to the Authority, for distribution to the Funding Districts, all or any portion of the remaining balance, plus accrued interest of its allocable share of amount advanced by the Funding District to retire same bonds.

11. In addition to the foregoing, the undersigned agree that appropriate modification should be made to the Joint Powers Agreement to, as necessary, and only until such time as power generation revenues have adequately funded a reserve for repair and rehabilitation, provide that funds necessary for needed repair, maintenance, and rehabilitation (but not expansion or enhancement) of Friant Power Project should be made in accordance with the provisions of the Joint Powers Agreement providing for a call for funds. Prior to the distribution of funds to any member, all net revenues received will be allocated to an O&M Fund until such O&M Fund reaches \$1.0 million.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions hereinabove referenced and hereinafter set forth, it is agreed by and among the parties hereto as follows:

**AGREEMENT FOR EARLY RETIREMENT  
AND INTERIM FUNDING OF OPERATION AND MAINTENANCE**

1. Terra Bella Irrigation District; Delano-Earlimart Irrigation District; Lindmore

Irrigation District; Southern San Joaquin Municipal Utility District; Chowchilla Water District; Madera Irrigation District; and Orange Cove Irrigation District hereby agree that, within five (5) days of the call therefore from Friant Power Authority's General Manager, they shall each deposit an allocable share of the total outstanding debt of Friant Power Authority on the Bonds, plus interest accrued thereon, up to the agreed date of closing, currently established as December 5, 2001, sufficient to retire all principal and accrued interest on the Bonds, all of which remain immediately due and payable in accordance with the declaration of acceleration made by Industrial Indemnity Company on October 6, 1993. Said funds, upon receipt by Friant Power Authority, shall be paid over to the Trustee for said Bonds for payment to Ida-West at such times as it delivers all of the outstanding Bonds.

The advance of funds referred to in Paragraph No.1 above shall be made based on each Funding District's Participation Percentage, set forth in Article III, Section 3.03 (c), of the Amended Joint Powers Agreement of the Authority. And in addition thereto, each of the Funding Districts shall advance a share of said debt attributable to LSID's Participation Percentage which shall be allocated amongst the Funding Districts in accordance with their respective Participation Percentages. The respective share of each of the Funding District's advance of funds shall be referred to as the Debt Retirement Participation Percentage. The Debt Retirement Participation Percentage shall be the Participation Percentage divided by 0.8475, which calculation results in the following:

Delano-Earlimart Irrigation District	17.9941%
Lindmore Irrigation District	17.9941%
Southern San Joaquin Municipal Utility District	17.9941%
Terra Bella Irrigation District	17.9941%
Chowchilla Water District	10.91445%
Madera Irrigation District	10.91445%
<u>Orange Cove Irrigation District</u>	<u>6.1947%</u>

TOTAL:

100.0000%

2. As and for consideration for the advance by the Funding Districts of LSID's allocation of said outstanding debt of Friant Power Authority, LSID does agree, on a temporary basis, to authorize Friant Power Authority's Treasurer to distribute LSID's share of net revenues payable to LSID in accordance with Article VI, Section 6.03, subsection (3), of the Amended Joint Powers Agreement, which provides for the distribution of the net proceeds of Friant Power Authority to the Member entities, to the Funding Districts according to their respective Debt Retirement Participation Percentages. Said authorization by LSID shall continue until such time as the Funding Districts have received reimbursement of all funds advanced on behalf of LSID in accordance with their respective Debt Retirement Participation Percentage plus interest at the rate of 9.5 percent per annum on their pro rata shares of their advance on behalf of LSID. Calculation and accrual of interest shall be done in the same manner as interest was calculated and accrued on the Bonds in accordance with Resolution 97-5.

3. In no event will the actions of the Funding Districts hereunder constitute a loan to LSID, nor will this agreement by LSID constitute a general debt or obligation or undertaking by LSID. The Funding Districts shall have no interest in any funds, assets, or interest of LSID to secure repayment of their respective advances except LSID's share of Authority revenues. Save and except for its authorization to relinquish its share of the net revenues of Friant Power Authority to be paid to the Funding District, LSID shall have no other obligation in connection with the undertaking by the Funding Districts, and said undertaking by said Funding Districts shall not constitute a debt or obligation of LSID except as set forth herein and except to the extent of repayment from LSID's share of the revenues of the Friant Power Project.

4. The Treasurer of Friant Power Authority shall maintain records and accounts of said distributions and repayments and at such time as funds advanced by the Funding Districts on behalf of LSID have been distributed to the Funding Districts by the Authority, with interest, in accordance herewith, LSID's authorization to pay over said funds to the Funding Districts shall lapse and distribution of net revenues shall immediately return to that formula as set forth in the

provisions of Article VI, Section 6.03 (3), of the Amended Joint Powers Agreement.

5. Notwithstanding any provision of this Addendum No. 1, LSID shall have the right to pay off the outstanding balance of its share of the Bond retirement, including accrued interest, by payment to the Authority of such balance at any time, without premium, penalty or notice.

6. The undersigned agree, that Article IV, Section 4.05 of said Amended Joint Powers Agreement is further amended to provide that, in those circumstances where Board Members representing Member Entities holding a majority of Participation Percentages determine that the Project cannot be properly operated and maintained without a specific financial contribution from the Member Entities as a whole, then notice to that effect shall be sent to each Member Entity. Each Member Entity shall have the option of either participating in accordance with its Participation Percentage in such increased contribution to fund necessary operation and maintenance or ceasing to be a party to this Agreement. To the extent of said funding obligations, the provisions of said Section 4.05 of Article 4 shall apply. It is expressly agreed hereunder that the applicability of Section 4.05 of Article 4 to operation and maintenance requirements shall only exist at such time as the then current available revenue plus the funds deposited in an operation, repair, maintenance and replacement fund, to be established by Friant Power Authority, at a level determined to be necessary by unanimous vote of the Board of Directors, total less than the amount necessary to operate, maintain or repair Project facilities.

7. In order to minimize the risk that a call for funds under the preceding Paragraph 6 shall be required, the undersigned agree, and hereby direct, the Treasurer of the Authority to deposit all available revenue of the Project, less current expenses of operation and maintenance, into an O&M Fund until such Fund reaches \$1.0 million, prior to any distribution of net proceeds to Funding Districts.

In all other respect, except as specifically authorized hereby, the Amended Joint Powers Agreement dated February 12, 1982, shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum No. 1 the effect of the day and year first above written.

**TERRA BELLA IRRIGATION DISTRICT**

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

**LINDSAY-STRATHMORE IRRIGATION DISTRICT**

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

**DELANO-EARLIMART IRRIGATION DISTRICT**

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

**LINDMORE IRRIGATION DISTRICT**

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

**SOUTHERN SAN JOAQUIN MUNICIPAL  
UTILITY DISTRICT**

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

**CHOWCHILLA WATER DISTRICT**

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

**MADERA IRRIGATION DISTRICT**

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

**ORANGE COVE IRRIGATION DISTRICT**

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

# Friant Power Authority

October 23, 2012

## **PROJECT AGREEMENT GOVERNING FINANCING AND CONSTRUCTION OF QUINTEN LUALLEN POWER PLANT**

### **BACKGROUND**

On February 12, 1982, the AMENDED JOINT POWERS AGREEMENT-FRIANT POWER AUTHORITY, was made and entered into by and between the following districts: Terra Bella Irrigation District (TBID), Lindsay-Strathmore Irrigation District (LSID), Delano-Earlimart Irrigation District (DEID), Lindmore Irrigation District (LID), Southern San Joaquin Municipal Utility District (SSJMUD), Chowchilla Water District (CWD), Madera Irrigation District (MID), and Orange Cove Irrigation District (OCID), establishing the FRIANT POWER AUTHORITY (FPA). These districts shall, collectively, be referred to hereafter as “the Member Agencies.” The FPA proceeded to plan, finance, and construct a hydroelectric project known as the Friant Power Project, consisting of a 15 MW (nameplate) power plant on the Friant-Kern Canal, an 8 MW (nameplate) power plant on the Madera Canal, and a 2 MW (nameplate) power plant on the outlet from Friant Dam into the San Joaquin River. The Friant Power Project shall hereafter be referred to as the “Friant No. 1 Power Project.”

The Member Agencies subsequently, on March 25, 1986, adopted the “SUPPLEMENTAL JOINT POWERS AGREEMENT-FRIANT POWER AUTHORITY” providing for the feasibility evaluation, licensing and financing, and construction of the following projects: (a) the Friant-Kern Power Plant No. 2; (b) the Fish Release Power Plant; (c) the Little Dry Creek Siphon Power Plant; and, (d) “other plants” that may be determined to be

feasible. The Member Agencies now agree that a project known as the Quinten Luallen Power Plant, located at the base of Friant Dam, may be feasible for development as an “other plant.” The Member Agencies further agree that each of them wish to participate in the project, and that they will contribute to FPA their respective share of the cost of development, including construction costs, in cash.

On November 21, 2001, the Member Agencies entered into the AMENDED JOINT POWERS AGREEMENT-ADDENDUM NO.1, under which they agreed to the terms under which they would retire all outstanding bonds used to finance the construction of the Friant No. 1 Power Project. The “AMENDED JOINT POWERS AGREEMENT-FRIANT POWER AUTHORITY”, the “SUPPLEMENTAL JOINT POWERS AGREEMENT-FRIANT POWER AUTHORITY”, and the AMENDED JOINT POWERS AGREEMENT-ADDENDUM NO.1, shall be collectively referred to hereafter as the “Amended Joint Powers Agreement”.

The Parties hereto<sup>1</sup> wish to enter into this “ADDENDUM NO. 2 TO THE AMENDED JOINT POWERS AGREEMENT” in order to establish the terms and conditions for financing and construction of the Quinten Luallen Power Plant.

This Agreement shall hereafter be titled the QUINTEN LUALLEN POWER PLANT PROJECT AGREEMENT, or ADDENDUM NO.2 TO THE AMENDED JOINT POWERS AGREEMENT, and may be referred to herein as Addendum No. 2 or “Agreement.” The Quinten Luallen Power Plant shall be referred to herein as the “QLPP.”

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<sup>1</sup> Chowchilla Water District, Delano-Earlimart Irrigation District, Lindmore Irrigation District, Lindsay-Strathmore Irrigation District, Madera Irrigation District, Orange Cove Irrigation District, Southern San Joaquin Municipal Utility District, Terra Bella Irrigation District.



## **ARTICLE I**

### **RESTATEMENT OF AMENDED JOINT POWERS AGREEMENT**

The Amended Joint Powers Agreement of the FPA, made and entered into on February 12, 1982, including the SUPPLEMENTAL JOINT POWERS AGREEMENT-FRIANT POWER AUTHORITY dated March 25, 1986 and as amended by ADDENDUM NO. 1 TO THE AMENDED JOINT POWERS AGREEMENT, dated November 21, 2001, shall remain in full force and effect.

## **ARTICLE II**

### **PARTICIPATION PERCENTAGES**

In accordance with the AMENDED JOINT POWERS AGREEMENT, the Participation Percentage of each Participant in the QLPP shall be equal for each Participant. If all Member Agencies of FPA participate, the Participation Percentage shall be 12 ½ percent for each Participant. If less than all Member Agencies participate, their respective interest shall be equal, but greater than 12.5%. The Member Agencies that participate in the QLPP shall be referred to as the "QLPP Participants." As of the date of execution hereof, all Member Agencies are QLPP Participants. All votes, decisions and actions of the Board of Directors of FPA, as to this Agreement and the development of the QLPP, including the approval of the power sales agreement for the sale of energy from the QLPP, and operation, maintenance, and distribution of net revenue from the QLPP, shall be based on said equal percentage, except as otherwise provided in Article VII of this Project Agreement.

### **ARTICLE III**

#### **DEVELOPMENT OF THE QUINTEN LUALLEN POWER PLANT PROJECT**

The QLPP is being developed in three Phases, described as follows:

##### **A. Phase I - Feasibility.**

It is understood and agreed that Phase I tasks, consisting of preliminary feasibility determinations, permanent applications to regulatory authorities, and feasibility studies necessary to ascertain whether the QLPP can be designed, financed, acquired, constructed and operated and maintained have been conducted and completed. The Member Agencies agree that the QLPP is feasible. It is further understood and agreed that Phase I has been financed equally by all QLPP Participants through direct billing from FPA and payment to FPA from the QLPP Participants, with paying 12.5%. The Parties hereto waive notice, with respect to calls for funds, for funding the cost of Phase I, and further hereby confirm that they have been provided with an accounting of the costs incurred by FPA, and the undersigned hereby consent to the expenditure of said funds expended by FPA for Phase I in an amount of approximately \$1,051,996.75. It is further agreed that all amounts called for from QLPP Participants for reimbursement of expenses for Phase I have been paid in full.

##### **B. Phase II – Design and Selected Equipment.**

It is understood and agreed that Phase II for the proposed QLPP has been undertaken but is not yet completed and, as with Phase I, it has been and continues to be funded by equal contributions of funds from the QLPP Participants. The Parties hereto waive further notice, with respect to the call(s) for funds, for the funding of Phase II from the commencement of the QLPP to the date hereof and the Parties hereto consent to the expenditure of funds paid to date for

Phase II in an amount of approximately \$539,895.51.

**B. Phase III - Construction.**

Construction activities of the QLPP have not been undertaken and, therefore, Phase III has not commenced. It is the purpose of this Project Agreement to provide for the funding of Phase III and the terms and condition upon which said funding will be repaid.

**C. Phase IV - Operation.**

All post-construction activities, including generation transmission, consumption and sale of electric power and operation and maintenance of the QLPP has not yet begun and will be addressed in this Project Agreement.

**ARTICLE IV**

**FINANCING**

**A. Initial Cash Contribution.**

In accordance with Section 2.05c of the SUPPLEMENTAL JOINT POWERS AGREEMENT, the Parties agree that they will contribute, at a minimum, an equal pro rata share, of 12 ½ percent per QLPP Participant, toward an amount which will complete Phases II and III. The pro rata share from each QLPP Participant for Phases II and III will be provided through cash contributions, as the QLPP is developed and constructed, submitted promptly within the time established by the respective call for funds from FPA, through and until completion of Phase III. This amount will hereafter be referred to as “the QLPP Participant Contribution.” The QLPP Participant Contribution is composed of an initial cash contribution (ICC), and a construction cash contribution. The amount of the ICC, by each Member Agency, is it’s pro rata share of a total amount estimated to be \$6,000,000 or equivalently, an amount equal to

approximately \$750,000 for each QLPP Participant. The ICC is a minimum cash requirement and includes estimated Phase II and some Phase III costs. It will be subject to review and increase as the estimate of the total project development cost is refined. It is understood and agreed that up to \$1,591,892.26 of this ICC has been expended prior to the execution hereof in order to finance the costs incurred to the date of this Agreement for Phase I and Phase II. By execution of this Agreement QLPP Participants acknowledge that the Board of FPA has made a call for funds of the full balance of the Initial Cash Contribution, payable in monthly installments by the QLPP Participants, without necessity of a further call for funds, to meet the costs of development as they are incurred by FPA. Such costs include the purchase of the turbine generator, valves and other mechanical equipment. Any QLPP Participant that does not pay any installment billing from FPA, within thirty (30) days of FPA's billing will be considered to have withdrawn from the QLPP in accordance with and subject to the terms of the Amended Joint Powers Agreement, and the remaining QLPP Participants shall determine whether the Project will proceed and adjust their Participation Percentages accordingly to maintain an equal interest in the QLPP.

**B. Cash Funding of Balance.**

After deduction of the sum of the ICCs from the total costs of the QLPP, the remaining costs of Phase III ("Construction Costs") shall be financed by FPA from cash payments (the "Construction Payment") to be made by each QLPP Participant. Each QLPP Participant has provided its written commitment to FPA that it will fund its obligation in cash to be paid to FPA on a timely basis in response to calls for funds and in reliance on those commitments, FPA will not secure any external financing to pay such costs.

It is understood and agreed that the QLPP Participants will fund all of their respective shares of the Construction Costs, with cash, to be secured by each of them from reserves or through each QLPP's own external financing. FPA shall adopt a schedule for the call(s) for funds required to complete construction, and will update it periodically as the construction schedule, costs, or other factors change. The schedule shall be advisory only, it being understood that FPA must receive the cash contributions of the QLPP Participants in response to each call for funds to allow timely payment of construction costs. Therefore, a call for funds by FPA, whether or not specified in, or consistent with, the then current schedule, shall be binding upon each QLPP Participant, and shall be honored, and enforced, in accordance with the Amended Joint Powers Agreement.

C. Timely Payment/Default.

The Construction Payment of each QLPP Participant shall be 12 ½ percent (or such higher percentage as is established if the final number of QLPP Participants is less than 8) of the estimated Construction Costs for which a call for payment is made, including contingencies. All Construction Payments, which shall be subject to proportional increase for each QLPP Participant on a basis equivalent to the increase in final construction costs, shall be made to FPA no later than the date specified in the call for funds.

Should a QLPP Participant default on its obligation to timely deposit the full amount of its Cash Contribution, then due and payable with FPA that, QLPP Participant shall be in default hereof and it shall be considered as having withdrawn from the QLPP under the Amended Joint Powers Agreement. It is understood that failure of one or more QLPP Participant to meet its timely payment obligation shall expose FPA to additional costs and potential damages from its

contractors and suppliers, and therefore a defaulting QLPP Participant shall be individually responsible for all costs and damages incurred by FPA from said default, direct and indirect, including claims of contractors and suppliers, costs and damages of consultants, and attorneys' fees and it shall indemnify FPA from all such costs, claims and demands.

**D. Relief From Default.**

Without limitation on the remedies available to FPA in the event of a default by a QLPP Participant, the defaulting QLPP Participant and the remaining QLPP Participants, individually or collectively, may agree to such terms and conditions as are reasonably necessary to cover the defaulting QLPP Participant's obligation, in which event, provided FPA receives the funds resulting from such agreement within the time specified in the call for funds, the failure of the defaulting QLPP Participant to make its Construction Payment with its own funds shall not be considered a default requiring withdrawal from the FPA.

**ARTICLE V**

**OPERATION AND MAINTENANCE FUNDING AND RESERVES**

Notwithstanding the foregoing, revenues otherwise payable by FPA to QLPP Participants shall be subordinated to FPA's obligation to maintain adequate operation and maintenance funds, including an operation and maintenance reserve, reasonably, necessarily and customarily required, for the reliable operation and maintenance of the QLPP. The determination of the reasonableness of such reserves shall be within the sole discretion of the Board of FPA, with the voting weight being proportional to the Participating Percentage of the QLPP Participants. All QLPP Participants, through FPA, shall participate equally in the funding of necessary operation and maintenance expenses, including the funding of adequate operation and maintenance

reserves.

**ARTICLE VI**  
**ALLOCATION OF ADMINISTRATIVE, GENERAL, OVERHEAD AND**  
**OPERATION AND MAINTENANCE COST**

**A. Source of Funds.**

FPA shall maintain separate accountings for the QLPP in order to assure that revenues derived from hydroelectric energy sold from the QLPP shall be used solely for purposes of meeting its expenses, and in addition thereto, such portion of common overhead and administrative cost common to all of FPA's generating units as may be properly allocable to it. No revenues from the Friant No.1 Power Project shall be used for the operation and maintenance of the QLPP, but FPA's Board may authorize short term, interfund, borrowing, for a term of less than one year, of funds derived either from QLPP or the Friant No.1 Power Project, respectively, if needed for extraordinary operation and maintenance expenses of the other project, provided reasonable provision is made for repayment. The obligation of the QLPP revenues to meet the administrative, general, and overhead expenses of FPA that is common to all the power plants and which cannot be readily allocated to a particular project or power plant, including without limitation management, accounting, legal, engineering, other consultants, insurance and other overhead, shall be based on its proportionate share of such expenses with its estimated average year QLPP generation as a numerator over the total combined average year generation of the Friant No. 1 Power Project and the QLPP, as the denominator.

**B. Allocation of Operation and Maintenance Costs.**

FPA shall keep and maintain separate accounts of the costs of Operation and Maintenance of

the QLPP, consistent with those accounts maintained for the Friant No. 1 Power Project, and all expenses of operating, maintaining, repair, and replacement of the QLPP, and consultant and overhead costs that can be readily identified as allocable to the QLPP, shall be charged only to the QLPP, and shared equally by the QLPP Participants.

## **ARTICLE VII**

### **RIVER OUTLET POWER PLANT-REVENUE NEUTRALITY**

Due to their proximity and source of water, the QLPP and the FPA's 2 MW River Outlet Power Plant (constructed as one unit of the FPA No. 1 Power Project), hereafter referred to as the "ROPP", will have the capability to operate in parallel and each power plant will have the potential to use water that could be beneficially used in the other. Neither power plant shall be "base loaded" ahead of the other as a practice, but the operations of the QLPP will be coordinated with the operation of the ROPP to assure the largest amount of generation is obtained with available water from the more efficient unit. In this regard, operation of the QLPP to its full capacity, depending on the available hydraulic head and flow, prior to operation of the ROPP, will result in larger generation, and resulting higher revenues, than operating the ROPP to its full capacity prior to operation of the QLPP. However, the Member Entities have differing Participation Percentages in the net revenues of the ROPP than in those net revenues of the QLPP. Moreover, some Member Entities may withdraw as QLPP Participants during the course of development which will further modify the distribution of net revenues from the QLPP. Therefore, following commencement of commercial operation of the QLPP, net revenues shall be distributed so that the operation of the QLPP does not adversely affect the distribution of net revenues from the ROPP that would have occurred if the QLPP had not been built. Therefore,



and provided that the ROPP is available to generate at its full load for the then existing head and flow conditions, it shall be assumed that the generation derived from the first two megawatts of capacity, whether from the ROPP or the QLPP, shall be considered as generation from the ROPP and the net revenues derived therefrom, after subtraction of costs allocated to the ROPP, shall be divided in accordance with the FPA No. 1 Power Project Participation Percentages. The manager of FPA shall provide for such accounting to be separately maintained on a monthly basis, and the net revenues for energy, and capacity, calculated at then current values under the FPA No. 1 Power Project Power Purchase Agreement, shall be paid to Member Entities based on the Participation Percentages for the FPA No. 1 Power Project.

Similarly, all generation above the 2 MW will be considered to have been generated by the QLPP and the manager of FPA shall provide that accounting for payment from this increment of generation shall be separately maintained on a monthly basis, and the net revenues for energy, and capacity, calculated at the then current value under the QLPP Power Purchase Agreement, shall be paid to the QLPP Participants in accordance with the Participation Percentages for the QLPP.

Signatures:

Chowchilla Water District

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Lindmore Irrigation District

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Madera Irrigation District

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Delano-Earlimart Irrigation District

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Lindsay-Strathmore Irrigation District

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Orange Cove Irrigation District

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Southern San Joaquin M. U. D.

Terra Bella Irrigation District

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Above signatures dated September \_\_, 2012.

11/13/2001

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The Personnel Committee recommended a 3% Cost of Living raise for FWUA employees.

Also discussed at the FWUA was recovery facilities of Kern County.

FPA:

President Luallen and Mr. Baranek updated the Board.

The FPA Board held a Special Meeting October 31, 2001, to take action on the Proposed Purchase of the Bonds. Ida West has agreed and the buyout should be completed by December 5<sup>th</sup>.

LSID has agreed to pay the 9 ½% interest plus reimburse their share from the net revenue, to those that participate in contributing their share of money. They do not have the funds to participate in the Bonds Purchase.

Meetings to Attend:

Mr. Baranek handed out a list of future meetings to attend.

Correspondence:

A letter, dated October 3, 2001, was received from So. California Edison Co. stating that they are changing our meter to a "Time of Use Meter."

A letter, dated October 15, 2001, was received from ACWA regarding our dues. They are \$3,100.00 for 2002.

A letter, dated October 18, 2001, was received from James A. Bjorsen, Manager, USBR Ratesetting Services Business Resources Center regarding Fiscal Year 2001 Water Deliveries and Revenue for CVP Water.

A letter, dated October 19, 2001, was received from James A Bjorsen, USBR Manager, Ratesetting Services Business Resources Center regarding Statement of CVP Cumulative Irrigation Operations for the Fiscal Year ending September 30, 2000. Our Capital Deficit on that date was \$9,281,247.00.

A letter, dated October 24, 2001, was received from James a Bjorsen, USBR, regarding Refinement of Annually Projected Irrigation and Municipal and Industrial Water Marketing Ratesetting Calculations.

A Memorandum was received from Dan Fults, General Manager of FWUA with Notice of a Special FWUA Meeting to be held on November 6, 2001.

The District received a Certificate of Achievement for three consecutive Satisfactory Ratings since May 1, 1997 from the DMV.

A letter, dated November 2, 2001, was received from Elizabeth Cordova-Harrison, USBR Deputy Director, and Office of Policy with Revised Summary of District Responsibilities.

12/11/2001

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Meetings Attended:

The FWUA Budget & Audit Committee met in Lindsay, November 19, 2001. President Luallen attended.

The ACWA Fall Conference was held in San Diego November 28-30, 2001. Mr. Baranek attended.

E.I.S. & San Joaquin Initiative Related to Long Term Contract:

President Luallen and Mr. Baranek updated the Board.

Attorney Sexton is on the NRDC V. Patterson Negotiating Committee and had sent a status report to the group.

FWUA:

President Luallen and Mr. Baranek updated the Board.

The December Board Meeting will be held on Friday.

FPA:

President Luallen and Mr. Baranek updated the Board.

The Bonds were retired with IDA West on December 5, 2001, for \$8,908,298.75. Seven Districts funded their share and Lindsay Strathmore Irrigation District's share. Lindsay Strathmore Irrigation District will pay 9-½% interest until their share is paid. With our portion of LSID's share Lindmore Irrigation District's amount was 17.9941%

Our share, 15.25% of the Project, was \$1,358,515.58. Our amount funded for LSID's share was \$244,452.61, making the total that we paid \$1,602,968.19.

All earnings will first go to accumulate a \$1,000,000.00 Reserve in FPA and to fund on O&M expenses in order to have working capital without having to have individual District's fund expenditures each month or period.

After that the balance of earnings will be distributed to Districts according to their percentage funded.

Ratify Amendment to FPA Joint Powers Agreement:

A motion was made by Director Brownfield to Ratify the Amendment to FPA Joint Powers Agreement and authorized the President and Secretary to sign it. Director Oxford seconded the motion and it was unanimously carried.

Meetings to Attend:

Mr. Baranek handed out a list of future meetings to attend.

# Lindmore Irrigation District

## Treasurer's Cash Report June 30, 2019

July 2, 2019

<b>Beginning Cash *</b>	<i>May 31, 2019</i>	<b>4,862,575.00</b>
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### Deposits

Bank of the Sierra Checking	691,710.29	
Wells Fargo Bond Res.	728.89	
LAIF	-	
NFS (Cantella)	703,666.45	
<b>Total Deposits</b>		<b>1,396,105.63</b>

### Withdrawals

Bank of the Sierra Checking	(541,369.77)	
Wells Fargo Bond Reserve	-	
LAIF	-	
NFS (Cantella)	(700,103.43)	
<b>Total Withdrawals</b>		<b>(1,241,473.20)</b>

<b>Net Increase/(reduction)</b>	<b>154,632.43</b>
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<b>Ending Cash Balance</b>	<i>June 30, 2019</i>	<b>5,017,207.43</b>
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### Balance by Account:

Bof Sierra General Checking	593,097.53	
Wells Fargo Bond Reserve	937,241.31	
LAIF	192,487.94	
NFS (Cantella at Face Value)	3,293,830.65	
Petty Cash	550.00	
<b>Ending Cash Balance</b>	<i>June 30, 2019</i>	<b>5,017,207.43</b>

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

**FOR MANAGEMENT PURPOSES ONLY**

## Lindmore Irrigation District

Investment Comparative Analysis LID vs LAIF

July 2, 2019

		Managed LID	LAIF
0-6 mos.	813,975.94	19.88%	65.80%
6 m. > 1 yr	-	0.00%	18.50%
1 yr > 2 yr	-	0.00%	13.30%
2 yr > 3 yr	930,000.00	22.72%	2.40%
3 yr > 4 yr	1,205,000.00	29.43%	0.00%
4 yr > 5 yr	<u>1,145,000.00</u>	<u>27.97%</u>	<u>0.00%</u>
<b>Total</b>	<b>4,093,975.94</b>	<b>100.00%</b>	<b>100.00%</b>
<b>LAIF</b>		2.410%	
<b>Daily Yield LID Invested</b>		3.526%	
<b>Difference</b>		1.116%	

<b>Benchmark Comparison</b>	
LAIF vs District	
<b>LID Managed</b>	
Investments	\$ 4,093,975.94
Daily Yield Investments	3.526%
Est Investment Payments	<b>\$144,364</b>
<b>LAIF</b>	
Investments	\$ 4,093,975.94
Annualized Rate of Return	2.410%
Est Investment Payments	<b>\$98,665</b>
<b>Annualized difference:</b>	<b>\$45,699</b>

<b>PORTFOLIO STATISTICS</b>					
Investment Type	Dollars	%age	State Code Limit	Annualized ROR:	
Agency (Back by Govt Agency)	\$ -	0.00%	None	ROR All Cash	2.586%
Corporate (Not Insured)	2,305,000.00	45.07%	None	ROR Invested Assets	3.526%
Certificates of Deposit (FDIC Insured)	975,000.00	19.06%	None	ROR LAIF	2.410%
Money (NFS - Not Insured)	111,048.00	2.17%	None	<b>Days to Maturity</b>	
LAIF (Mostly Insured or Backed)	192,487.94	3.76%	None	LID Managed	853.79
Banks (FDIC Insured)	510,440.00	9.98%	None	LAIF Managed	183.00
Operating Cash (Banks FDIC)	<u>1,020,448.84</u>	<u>19.95%</u>	None		
<b>Total</b>	<b>5,114,424.78</b>	<b>100.00%</b>			

Investment Portfolio & Analysis  
July 2, 201943

# LINDMORE IRRIGATION DISTRICT

## MEMORANDUM TO THE BOARD

**TO:** Board of Directors  
**FROM:** Kathryn Bennett  
**DATE:** July 1, 2019  
**SUBJECT:** Affidavit of Reconciliation

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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 **June 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.



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Kathryn Bennett



**Lindmore Irrigation District  
Income Statement  
Compared with Budget  
For the Six Months Ending June 30, 2019**

	<b>Current Month Actual</b>	<b>Year to Date Actual</b>	<b>Annual Budget</b>	<b>% of Annual Budget</b>
<b>Revenues</b>				
Water Sales - Irrigation	\$ 209,282.95	\$ 406,468.40	\$ 1,795,889.00	22.63%
Water Sales-Out of District	0.00	0.00	0.00	0.00%
Penalties on Delinquent Accts	194.92	782.76	5,000.00	15.66%
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	(49.73)	(224.32)	4,000.00	-5.61%
2018 WaterSmart Grant	0.00	0.00	75,000.00	0.00%
Interest Revenue - NFS	9,589.69	56,762.35	100,000.00	56.76%
Recognize adj to FMV	19,326.55	92,289.76	0.00	0.00%
Interest Revenue - Misc	728.89	15,977.53	5,500.00	290.50%
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	1,317.59	4,064.04	100,000.00	4.06%
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	77,500.02	157,500.00	49.21%
FPA Power Revenue	133,259.10	751,396.80	775,000.00	96.95%
<b>Total Revenues</b>	<b>386,566.63</b>	<b>3,868,270.75</b>	<b>5,493,027.00</b>	<b>70.42%</b>
<b>Cost of Sales</b>				
Irrigation Water	0.00	106,759.11	1,044,000.00	10.23%
T.P.U.D. Charges (Water)	0.00	3,861.90	9,840.00	39.25%
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	0.00	136,839.99	370,946.00	36.89%
Transfer In Water Expense	7,160.00	187,745.00	0.00	0.00%
Friant Surcharge	0.00	90,111.00	229,593.00	39.25%
FWA O&M Costs	29,965.00	179,790.00	375,000.00	47.94%
Exch Cont O&M Cost	93,597.23	440,139.76	550,000.00	80.03%
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 Six Months Ending June 30, 2019**

	<b>Current Month</b>	<b>Year to Date</b>	<b>Annual</b>	<b>% of Annual</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
Water Legal	1,464.49	6,866.44	50,000.00	13.73%
Water FWA - Gen Member	0.00	87,850.22	200,000.00	43.93%
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	5,195.70	5,000.00	103.91% P&P
<b>Total Cost of Sales</b>	<b>132,186.72</b>	<b>1,269,740.00</b>	<b>3,095,880.00</b>	<b>41.01%</b>
<b>Gross Profit</b>	<b>254,379.91</b>	<b>2,598,530.75</b>	<b>2,397,147.00</b>	<b>108.40%</b>
<b>Expenses</b>				
FPA Legal Fees	0.00	0.00	0.00	0.00
Pumping-Power	5,438.56	14,960.35	60,000.00	24.93%
Pumping-Tele/Communic	10,016.71	14,598.08	27,500.00	53.08%
Pumping - Maint/Struct/Impr	0.00	34.94	240,000.00	0.01%
O&M Salary Costs	22,804.46	154,200.43	308,748.00	49.94%
O&M OT/PT Labor Cost	3,878.91	11,718.72	25,000.00	46.87%
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)	257.96	2,165.31	7,500.00	28.87%
Meter Rep Supply/Services	1,156.02	17,920.36	7,500.00	238.94% TechnoFlo Systems
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	71,395.96	133,993.82	47,500.00	282.09% 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	16,740.28	99,672.72	180,014.00	55.37%
Admin OT/PT Labor Cost	0.00	0.00	10,000.00	0.00%
General Manager (Lindmore)	16,283.92	97,703.52	196,170.00	49.81%
General Manager (GSA)	3,587.50	21,525.00	43,218.00	49.81%
Director Per Diem	0.00	0.00	7,500.00	0.00%

**Lindmore Irrigation District  
Income Statement  
Compared with Budget  
For the Six Months Ending June 30, 2019**

	<b>Current Month</b>	<b>Year to Date</b>	<b>Annual</b>	<b>% of Annual</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
Travel Expense	212.74	1,482.91	2,500.00	59.32%
Legal Exp - General	2,624.25	3,649.25	18,000.00	20.27%
Auditing Costs	0.00	0.00	11,750.00	0.00%
Communication	547.41	5,091.69	8,000.00	63.65%
Utilities - Office	437.00	2,889.58	8,000.00	36.12%
Supplies - Office	1,752.12	7,110.27	9,500.00	74.84%
Pstge/Pinting - Office	2,073.80	6,750.13	8,500.00	79.41%
Dues/Subscriptions/Contr	0.00	12,694.65	12,500.00	101.56%
Legal Advertisement	0.00	0.00	400.00	0.00%
Record Assessment Expense	157.00	176.00	500.00	35.20%
Misc Office Expense	183.62	2,967.29	0.00	0.00%
Payroll Service Expense	155.88	871.49	1,500.00	58.10%
Computer Supplies/Services	259.95	17,366.17	14,000.00	124.04% VOIP phones/laptop
Bank Charges	11.30	107.15	500.00	21.43%
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	4,809.65	29,329.53	50,687.00	57.86%
Health Insurance Exp	14,398.67	52,694.40	92,899.00	56.72%
Retirement Contribution Exp	4,209.16	27,327.56	60,166.00	45.42%
Dental Insurance Exp	394.97	2,328.25	5,500.00	42.33%
Vision Insurance Exp	73.43	445.21	1,200.00	37.10%
Life Insurance Expense	358.98	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	4,802.28	12,699.67	18,000.00	70.55%
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	0.00	2,408.14	5,000.00	48.16%
Misc Exp	0.00	25.36	0.00	0.00%
Shop Bldg Maint	0.00	7,452.93	3,500.00	212.94%
Fuel and Oil	4,206.22	20,430.40	30,000.00	68.10%

**Lindmore Irrigation District  
Income Statement  
Compared with Budget  
For the Six Months Ending June 30, 2019**

	<b>Current Month</b>	<b>Year to Date</b>	<b>Annual</b>	<b>% of Annual</b>
	<b>Actual</b>	<b>Actual</b>	<b>Budget</b>	<b>Budget</b>
Backhoe & Diesel	0.00	2,078.07	2,750.00	75.57%
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	0.00	15,714.28	30,000.00	52.38%
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	1,017.74	2,523.08	750.00	336.41%
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%
<b>Total Expenses</b>	<b>194,246.45</b>	<b>902,751.96</b>	<b>2,099,402.00</b>	<b>43.00%</b>
<b>Net Income</b>	<b>\$ 60,133.46</b>	<b>\$ 1,695,778.79</b>	<b>\$ 297,745.00</b>	<b>569.54%</b>

**Lindmore Irrigation District**  
**Balance Sheet**  
**June 30, 2019**

**ASSETS**

**Current Assets**

Sierra Checking #0302190470	\$ 593,097.53
Wells Fargo Bank Bond Reserve	937,241.31
Petty Cash	550.00
LAIF 90-54-016 (02010)	192,487.94
Securities - NFS A7T-514144	3,293,830.65
Adjustment to FMV	97,217.35
Bond Res. Capital Appreciation	(8,694.40)
H2O Sales Receivable	164,203.13
Stand-by Receivable	124,797.14
Misc Accts Receivable	12,916.67
Liens - Amount Sold	17,024.01
Liens - Accumulated Int Due	4,557.20
Pre-Paid Water - USBR	183,709.56
Pre-Paid Ins & Misc	24,963.80
Interest Accrued - NFS	37,018.42
Interest Accrued-Bond Res	4,416.90

<b>Total Current Assets</b>	<b>5,679,337.21</b>
-----------------------------	---------------------

**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)

<b>Total Property and Equipment</b>	<b>2,747,152.86</b>
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**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

<b>Total Other Assets</b>	<b>12,234,819.20</b>
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<b>Total Assets</b>	<b>\$ 20,661,309.27</b>
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**Lindmore Irrigation District**  
**Balance Sheet**  
**June 30, 2019**

**LIABILITIES AND CAPITAL**

**Current Liabilities**

Accounts Payable	\$ 183,497.96
Account Due - Keller	43,883.57
Employee Accruals Payable	84,312.41
Customer Project	18,850.20
Emp Health Ins Deductions	<u>(1,215.34)</u>

**Total Current Liabilities** **329,328.80**

**Long-Term Liabilities**

Series 2010A Bond	<u>4,590,000.00</u>
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**Total Long-Term Liabilities** **4,590,000.00**

**Total Liabilities** **4,919,328.80**

**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	<u>1,695,778.79</u>


**Total Capital** **15,741,980.47**

**Total Liabilities & Capital** **\$ 20,661,309.27**

# LINDMORE IRRIGATION DISTRICT

## MEMORANDUM TO THE BOARD

**TO:** Board of Directors

**FROM:** Michael D. Hagman, General Manager 

**DATE:** July 2, 2019

**SUBJECT:** Manager's Report for the July 9, 2019 Regular Board Meeting

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### PRIOR ITEMS

#### *Operations and Maintenance:*

- Behind this memo is the list of current laterals that are down (as of July 3).
- We spent roughly \$47,000 in help from a local contractor to help us solve our leak issues. The costs of these repairs were substantially higher than if the District's employees were to do the work because we are required by the State to pay the "prevailing wage" on all contractual work. However, we would not have caught up so quickly had we not used them.
- We spent a little over \$70,000 replacing or adding six meters in the District with the help of Lyle's Construction. This means it cost us about \$11,500 per meter. Typically, this we spend about \$6,000-\$8,000 if the District does the work. As noted above there is roughly a 40% increase in labor costs when we use contract labor due to the prevailing wage requirement.
- 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 2,600 AF. In addition, each day we place 57,600 gallons of water into each of our two drywells. That equates to about 20 AF placed into the aquifer already this year by the two wells. While it may not seem like a large amount, that water is placed into a 30" hole in the ground taking up 16 square feet of licensed earth. As a comparison, on an acre, there could be 2723 of these wells.

*Water Supply Report:* I wrote this on July 2 and would be out until Monday July 8. So this water supply information will likely be updated at the Board meeting. There will be a Water Ops call with the USBR on the 3<sup>rd</sup> and I will be on that call. Current Uncontrolled Season will likely end on July 4, 2019. We have stopped all banking water at this time. Per my attached USBR schedule (which, along with all the other contractor schedules, will be used to look at Millerton Operations and determine UcS), there may be about 6,000 acre feet of carryover into next year. We delivered 205 CFS on one day last month (Thursday the 20<sup>th</sup>). Our prior maximum delivery in a day (since I have been here) was nearly 300 CFS in late July 2010. We might see that next month given we are already at 205 in June.

#### *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 5<sup>th</sup> Avenue this year. We met with the engineer and the fabricator at the office and a site visit. We anticipate moving right on to that at the end of operations. *No other cost activity*

City of Lindsay – Project was to study opportunities for recharge and exchanges between the City and the District. *No activity*

#### *WaterSMART Grant and 93.2E Modernization*

We have been awarded this grant. USBR has informed us we will have an award meeting on July 18, 2019. Materials have been ordered. The lag time for the materials has been an issue. We believe by the end of July we will have all the materials in and the box construction will begin.

#### *Friant Water Authority – Cost Recovery Methodology (CRM)*

The FWA Board approved an increase from \$6.8 million for Stantec services to \$12.0 million. Included in that was FWA members paying \$5,000,000. This actually a “CRM”, but has a significant relationship to it because they are using the CRM to allocate the \$5,000,000.

#### *Job Descriptions*

We have not completed the job descriptions. The primary reason is we placed the Intern on front office operations. We commit to having them prior to the end of summer. This issue will remain on the agenda until we do. Thanks for your patience.

#### *2019 Water Banking Program – Implementation Update*

There have been 13 banking contracts submitted. We established separate water accounts in WDM to account for those projects on an operational basis. We have developed a spreadsheet to track all this effort. Attached are the results of those efforts. There were an additional 137 AF added to the District in the 45 days. Growers get to count 90% in their bank the balance goes to the District as a whole. So for this year, the total delivered to “projects” is 123.46 AF and the District gets to count 13.72 AF banked collectively.

#### *Dry Well Development*

The Board authorized \$25,000 for a well to be installed for banking. I was tasked with finding a grower willing to do that and getting it done. This means I need to select both a grower and a vendor to do the wells. Please direct me on how you want me to proceed.

#### *Current Staffing and Request for additional funding*

With the passing of Kenny Hirabayashi, I have placed Jason Baranek in operations and maintenance (O&M) till the close of the irrigation season. This water season is mounting up to be potentially one of the District’s highest delivery years and the district needs experienced staff in the field. I have also moved the District intern into Jason’s position to cover the front office. However, this employee will be



leaving on or before November 20, 2019. In addition to water operations tasks, this employee has also been tasked with developing several human resource training plans and job descriptions for existing District jobs.

When this season ends this temporary employee will leave. Jason will then be tasked with lead in taking down the existing pumping plant and preparing for the installation of the new plant. The new plant install will be performed by our current control systems engineer, Jason, and other staff as needed. With the season down, Marv and Kathy can manage the office (we can be down an employee in the office).

The Board directed me to recruit an Operation and Maintenance Trainee. I placed a help wanted advertisement in the Porterville Recorder for this position. As of this date, I have fifteen applicants. The Board will need to direct me on the amount of additional budget you want to authorize for this position. The Trainee Position is new. So, we can set a rate not currently on the approved schedule (current range is 16.69 hour to 21.08 hour for our lowest range). Are the benefits associated with this position? Depending on the direction the Board gives me on this, the costs could range from \$18.50 (no benefits) – \$22.53 (with benefits) using the lowest rate on the Union Scale right now. Annually that would be \$38,400 to \$46,863. Later in the meeting we have a “New Item” on the agenda that will request an amount of money to augment the current budget for this position.

This position appears to be under the scope of representation of the IBEW Local 1245 represented classifications. I am working on a Letter of Understanding with the Union Representative. We are trying to have that ready by Tuesday for the Board meeting.

#### *Personnel Policies and Procedures*

Legal Counsel was tasked with engaging Special Counsel to assist in several Human Resource related issues. Counsel will provide an update on that effort. I have signed an engagement letter with Rachele Berglund (Herr, Pederson & Berglund) for those services. I have provided required documentation as requested by Special Counsel as well. In addition, I have asked Ms. Berglund to consider a way for the represented employees to be covered in the Policies and Procedures as well.

#### *Resolution 2019-04*

The Board authorized Resolution 2019-04. Agreeing to the terms of a funding agreement with the San Joaquin Valley Air Pollution Control District at its June 11 regular meeting. After the meeting the Board requested options on what vehicle can be purchased with the grant. I have tasked Scott with looking for options. Attached are the results of that research.

### **NEW ACTION ITEMS**

#### *Friant Power Authority – Signatory on Historical Documents*

At Friant Power Authority’s (FPA) recent Board meeting, General Manager Quinley asked the FPA directors to sign two documents that FPA does not have executed copies of (attached). One was is an amendment to the original JPA (circa. 2001) and titled “Addendum No. 1” and the other is a letter agreement for financing QLPP (circa. 2012) and titled “Project Agreement Governing Financing and Construction of Quinten Luallen Power Plant”. President Arnold asked me to research the minutes and resolutions to see if there was any direction given by the Board to anyone at the District to agree to the terms and sign documents.

**Amendment 1:** I could not find any minutes or resolutions directing anyone from Lindmore to sign the amendment. I did find in two meetings (11/13/2001 and 12/11/2001) the Board discussed terms and appear to be good with the terms or at least raise no objections. We are 18 years down the road from that Addendum and LSID has paid off their debt and are receiving full funding as authorized in the Addendum.

**Letter Agreement – “Project Agreement Governing Financing and Construction of Quinten Luallen Power Plant”:**

In several meetings from 2009-2012 the Board is apprised of the happenings of the FPA effort to construct QLPP. Several minutes indicate that President Luallen and Hagman noted the FPA Advisory Committee is developing the terms of agreement for financing the construction of QLPP. In September 2012 it notes that Hagman signed the agreement as directed by an earlier action. I can not find any other action telling Hagman to sign the agreement.

Clearly the Board knew we were cash funding the construction of QLPP. Beginning in December 2012, the District began making payments to FPA based on the agreement as provided. Significant payments followed up until the final payments being made now. All District's have abided by the terms of the agreement, but it appears no action. If I recall correctly, all the managers were in a room and the old GM at FPA came in and asked the GM's to sign the agreement committing the District's to cash finance QLPP construction.

My recommendation is to formally authorize a signatory to Addendum No. 1 and the “Project Agreement Governing Financing and Construction of Quinten Luallen Power Plant”.

*Request Budget Augmentation for additional Staff member*

Recommendation for an augmentation to the currently adopted FY2019 Budget. Amount to be discussed and direction given for filling the vacancy.

**I will provide verbal staff reports for all the external meetings at the Board meeting**