



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

**Joint Meeting
Of the**

**LINDMORE IRRIGATION DISTRICT
and the
LINDMORE IRRIGATION DISTRICT FINANCING CORPORATION**

BOARD OF DIRECTORS MEETING

**Tuesday – December 10, 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 November 12, 2019 Board Meeting minutes.
- 5. Ratification of actions taken by the Executive Director on behalf of the Financing Corporation**

There will be no other action before the Board for the Lindmore Irrigation District Financing Corporation. Staff will recommend the Board adjourn the Corporation meeting after this item until December 2020.

6. 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 (action may be taken to approve contracts/spend money etc.)
- Status of WaterSMART Grant submittal and Update on 93.2E Modernization
- Water Recharge 2019 – Report
- Recharge Basin Development – Update and Direction
- Personnel Policies and Employment Agreement (Berglund/Mauritson)
- Job Descriptions – Board to review developed job descriptions
- Recharge Basin Re-naming
- Status of Assessment Collection transfer to County
- Staffing and Office Space

B. New Action Items

- Approve the EKGSA – LID Interagency Management Agreement
- Consider Letter Loan to EKGSA for FY2020 Operations
- Consider Service Agreement with Fieldman/Rolapp (bond refinancing)
- Consider purchase of Tier 4 or Gas Truck (\$40,000-\$50,000)
- 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 – November 2019
- Investment Analysis/Report of Investments
- Affidavit of Reconciliation – November 2019
- Financial reports for the months ending November 30, 2019

7. 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)

8. 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 LEGAL COUNSEL – POTENTIAL LITIGATION:

[Government Code Section 54956.9 (d) (2)] - Number of Potential Cases: One

CONFERENCE WITH LABOR NEGOTIATOR

Rachele Berglund – International Brotherhood of Electrical Workers (AFL-CIO) [Government Code Section 54957.6]

RETURN TO OPEN SESSION – REPORTABLE ACTION

Action to consider approval of the negotiated January 1, 2020 through December 31, 2022 bargaining unit agreement with International Brotherhood of Electrical Workers (AFL-CIO)

9. 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

November 12, 2019

Roll Call and Acknowledgement of Visitors

President Arnold called the meeting to order @ 3:00 p.m.

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

Directors Absent:

Others present: Hagman (GM), Bennett (Senior Analyst), Mauritsen (Counsel), Berglund (Special Counsel), Rocky Day (Landowner)

Approval of the Agenda

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

Motion: To approve the agenda for November 12, 2019 as provided – 1st DePaoli and 2nd Reynolds – Motion passed by unanimous vote of those present

Public Comment

Rocky Day discussed his water usage and annual assessment.

Minutes

The minutes were presented for the October 8, 2019 Regular Board meeting. After discussion, the following action was taken:

Motion: To approve the minutes of the October 8, 2019 Regular Board meeting – 1st Brownfield and 2nd Milanesio – Motion passed by unanimous vote of those present

Closed Session:

- **CONFERENCE WITH LABOR NEGOTIATOR**
Michael Hagman – International Brotherhood of Electrical Workers (AFL-CIO)
[Government Code Section 54957.6]

President Arnold called the Board to closed session at 3:08 pm and out at 3:30 pm. The Board announced there was no reportable action.

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 and noted that deliveries were higher than anticipated for October leaving about 6,200 AF for carryover. After discussion on carryover water, the decision was to hold any carryover that is not used for groundwater recharge.

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). Hagman noted we are now working on 5th Avenue's Junction Box #6 (JB 6) and the costs have been close to \$7,000 to this point. It will be ready to install when the site is ready.

Status of WaterSMART grant: Bennett reported that she filed the first annual performance and financial report that was due October 30, 2019.

Water Recharge 2019: Hagman provided the report for the total program use through October.

Recharge Basin Development: Hagman reported that there was no work done on the well that was to be installed but Sun Pacific has started putting water in a well they constructed.

Personnel Policies and Employment Agreement: Counsel Mauritsen continues to work with Special Counsel Berglund. Special Counsel Berglund discussed with the Board the Employment Agreement in closed session.

Job Descriptions: Hagman noted that he does not yet have job descriptions developed.

Lindmore ID Year End Maintenance and March 1 Start Up Date: Hagman reported he checked with the operations crew on starting District water on February 1st. After discussion, the board asked Hagman to complete winter repairs on the 5th Avenue line as soon as possible and attempt to get it back up by February 1, 2020.

B. New Action Items

Rate Survey: Bennett reviewed the results of the assessment and water rate survey with the Board.

Fall Well Measurements: Hagman reported the groundwater levels have increased substantially and reviewed the ground-water measurements attachment with the board. He remarked that a 10-foot increase in the wells is 27,000 AF added to us as groundwater.

Winter Extra-Ordinary Maintenance Projects: Hagman discussed the upcoming winter extra-ordinary projects and discussed with the Board hiring two or three temporary maintenance workers to assist crew with the projects. He also noted he would need to lease another backhoe. The Board asked Hagman for weekly reports on the status of maintenance and the work being done by the temporary workers.

Discussion and direction on Staffing (Engineer and Analyst): Hagman discussed the need for an analyst and engineer if the inter-agency management agreement with EKGSA is approved. He asked for approval to hire an analyst that is willing to work part-time and has considerable experience. The Board approved hiring the analyst beginning January 1st, 2020. Hagman and the Board discussed good sources for prospective engineers and Hagman will be making contact.

Approve the EKGSA – LID Interagency Management Agreement: Hagman noted the draft agreement was in the packets for Board review. The agreement is being reviewed by the EKGSA attorney and the District attorney and will be at the December board meeting for possible Board approval.

Refinance 2010 Bonds: Discussion and Direction: After discussion, the Board asked Hagman to bring a proposal back that will review the options for refinance the District has now.

Consider Letter Loan to EKGSA for FY2020 Operations: Hagman reviewed the draft note (Loan Agreement) between Lindmore ID and the EKGSA. The District's attorney is reviewing and after

discussion, the Board asked Hagman to wait and return with this item in December. Hagman explained that he will provide a clear discussion on the risk of the investment.

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 (#13775 - 13816) (voided checks #13672 – 13675) October 16, 2019 to November 12, 2019 in the amount of \$289,976.67, and payroll for October 2019 in the amount of \$76,249.97 for a total disbursement of \$366,226.64. - 1st DePaoli and 2nd Brownfield - Motion passed by unanimous vote of those present

D. Financial Reports

Bennett 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 –GM Hagman noted that there was nothing to report. No FWA Board meeting in November.

Friant Power Authority (FPA) – President Arnold reported that the FPA had \$500,000 in revenue checks for September and October.

East Kaweah Groundwater Sustainability Agency (EKGSA) – GM Hagman previously reported on EKGSA activities under the EKGSA Agreement agenda item.

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 LEGAL COUNSEL – POTENTIAL LITIGATION
Government Code Section 54956.9 (d) (2)] - Number of Potential Cases: One

President Arnold called the Board to closed session at 4:25 pm and out at 4:37 pm. The Board announced there was 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 (Brownfield/Milanesio) carried by unanimous vote of those present. Meeting was adjourned at 5:07 pm.

Michael D. Hagman
District Secretary

LINDMORE IRRIGATION DISTRICT

WATER REPORT

Board Meeting - December 10, 2019

Water Delivery Report November 2019

<u>Available Water and Allocation</u>			
Declared Class 1 =	100.00%	33,000	33,000
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
Trans In (C1 City)	100.00%	465	465
Trans Out (C1 SCID)	100.00%	(500)	(500)
Trans In (C2/C1 Exchange)	100.00%	2,750	2,750
Trans Out (C2/C1 Exchange)	100.00%	(5,500)	(5,500)
Available Supply			<u>55,639</u>
		Assessed Acres	25,160
		Allocation Available per acre	2.21
		Board Allocation	1.30 + UcS
		Recommendation	1.30 + UcS

2019 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	9,103	-	9,103	9,372	269	2.96%
September	6,690	-	6,690	6,618	(72)	-1.08%
October	4,962	-	4,962	4,803	(159)	-3.20%
November	3,066	-	3,066	3,175	109	3.56%
Total	50,740	60	50,800	49,460	(1,340)	-2.64%

Total Contract Water Available	55,579
Less USBR Metered	<u>(50,740)</u>
Total Water Remaining	4,839

Available till end of year: **0.186**

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
Trans Out - C1 SCID Nov	<u>(500)</u>
Net Transfer In/(Out)	(3,250)

Year to Date Variance Analysis

Diff to date	1,340
System Charge	(88)
Mitigating Ponds	(627)
Well Recharge	(88)
In Transit	-
Op Losses =	<u>537</u>

OP Variance 1.06%

Metered Recharge (Ireton)

Prior Months	2588.56
Current Month	<u>282.93</u>
Year to Date	2871.49

LINDMORE IRRIGATION DISTRICT

2019 RECHARGE PROGRAM

SCHEDULE OF DELIVERIES

December 3, 2019

				Total	Logged
SUNP	135050 R	88.4-3.3N-3.0N	1 - 1st	490.99	441.89
FLSENT	144800 R	88.4-4.8S-0.5E	1 - 1st	10.66	9.59
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	129.95	116.96
AGRIP	511100 R	93.2W-1.4N-0.2W	5 - 10th W	12.23	11.01
OWEN	857800 R	93.2E-0.1S-1.6S-0.3E-0.15S	8-10th E	8.79	7.91
				674.19	606.77

Agreement for Management and Administrative Services

This Agreement for Management Services (**Agreement**) is made and entered into effective as of the 1st day of January 2020, by and between East Kaweah Groundwater Sustainability Agency, a Joint Powers Authority created pursuant to California Government Code sections 6500, *et seq.*, (**EKGSA**), and Lindmore Irrigation District, an Irrigation District created pursuant to California Water Code sections 20500, *et seq.*, (**LID**), (each individually a “Party” and, collectively, the “Parties”).

RECITALS

THIS AGREEMENT is entered into with reference to the following facts and circumstances:

- A. EKGSA has elected to become a Groundwater Sustainability Agency (**GSA**) for a portion of the Kaweah Subbasin, pursuant to the Sustainable Groundwater Management Act (**SGMA**);
- B. Pursuant to SGMA, EKGSA must develop Groundwater Sustainability Plan by January 31, 2020,
- C. EKGSA desires to comply with the intent of SGMA by carrying out the plan and as such will implement the submitted GSP;
- D. Successful preparation and implementation of a GSP will require dedicated and competent management and other resources;
- E. LID and its general manager, Michael D. Hagman (**Hagman**), were instrumental in forming and providing initial leadership to EKGSA;
- F. Hagman, through an agreement between EKGSA and LID, has served as EKGSA’s interim Executive Director since EKGSA’s inception;
- G. EKGSA and LID desire to formalize a relationship for the provision of management, administrative, and engineering services by LID to EKGSA pursuant to which Hagman will serve as EKGSA’s Executive Director pursuant to the terms outlined in this Agreement;
- H. This Agreement is limited to executive, administrative, management and engineering services only. Neither LID, nor Hagman, have the authority, ability or obligation to make any policy decisions related to the EKGSA. LID and Hagman pursuant to the terms of this Agreement, agree only provide the services of managing and implementing the GSP and providing Governance support of the EKGSA at the direction of the EKGSA board;
- I. LID, in order to meet the obligations of this agreement, will hire certain staff to cover day-to-day tasks for LID that would, generally, otherwise be covered by Hagman; and
- J. LID, will hire additional staff needed to fulfill the needs of plan implementation and

Board governance’

- K. In order to hire such staff, LID requires at least a two-year commitment from the EKGSA, subject to the termination provisions provided for in Section 3.

TERMS AND CONDITIONS

NOW THEREFORE, in consideration of the promises and covenants provided for in this Agreement, the Parties agree as follows:

Section 1. Services. LID shall provide to EKGSA those services set forth in the attached **Exhibit A (the Services)**, which is incorporated by this reference and made a part of this Agreement as though it were fully set forth herein.

- 1.1 Standard of Performance.** LID shall perform all Services in the manner and according to the standards observed by a competent practitioner of the types of services that LID agrees to provide in the geographical area in which EKGSA operates.
- 1.2 Executive Director.** LID shall assign Hagman to perform, or delegate, all Services as EKGSA’s Executive Director. Hagman shall be made reasonably available to EKGSA to perform such Services. LID shall notify EKGSA of any periods during which Hagman will be unavailable.
- 1.3 Time.** LID shall devote such time to the performance of the Services as may be reasonably necessary to meet the standard of performance described above.
- 1.4 EKGSA Costs.** EKGSA will be responsible for any costs associated with its role as a GSA and governmental agency, including but not limited to, legal costs, engineering costs, state fees, audits, and liability insurance.
- 1.5 Assets.** All assets attained with funds of the EKGSA, including but not limited to furniture, equipment, websites, shall be the sole property of the EKGSA.
- 1.6 Conflicts of Interest.** Neither Hagman nor any persons assigned by LID may engage in any activity that would constitute a conflict of interest with respect to EKGSA and/or violate Government Code sections 87100, *et seq.* LID shall require any persons assigned to EKGSA to disclose any potential conflicts to the EKGSA Board of Directors.

Section 2. Term of Agreement and Termination. The term of this Agreement is January 1, 2020 through December 31, 2021. Following December 31, 2021, this Agreement will continue in force and effect on a month-to-month basis, at the monthly rate described in Section 4 for the second year of this Agreement, until terminated by either party, which termination must be preceded by a 30-day notice to the other party. The Parties may renegotiate any term of this Agreement

at any time, including but not limited to compensation for services rendered by LID.

Section 3. Termination. Notwithstanding any other terms of this Agreement, this Agreement may be terminated immediately by either party for cause within sixty (60) days written notice.

Section 4. Compensation. EKGSA shall pay LID \$350,000 annually by making quarterly payments \$87,500.00 for the first year of this agreement, and \$360,000 annually by making quarterly payments of \$90,000.00 for the second year of this Agreement. Prior to the end of the second year of this Agreement, in December 2021, the Parties shall negotiate the compensation for continued services and either continue services at the rate outlined herein or agree on a different value, which shall be agreed to in writing and considered an addendum of this Agreement. Compensation paid by the EKGSA to LID shall be for the services borne by LID to provide services as outlined in the attached Exhibit A. The compensation does not include services for third party consultants such as engineering firms to prepare a GSP, or legal services.

Section 5. Relationship of Parties—LID’s Management of EKGSA. EKGSA agrees to contract for administrative and management services from LID for EKGSA. Neither LID, nor any of its employees, are employees of EKGSA. LID will provide management services to the EKGSA at the direction of the EKGSA board. LID as a separate agency, shall not make any independent policy decisions regarding the EKGSA.

Section 6. Coordination.

6.1 Inter-Agency Ad Hoc Review Team LID shall both appoint two members of its Board and EKGSA will appoint at least two members, but not more than three from its Board to a Team that will meet at least annually. The purpose of this Team will be to meet and discuss the service performance of this agreement from the perspectives of each Agency. This group shall develop a method of measuring the performance of the agreement and make reports back to their respective Boards of how the agreement performance is doing. The Team will review documentation provided by Agreement’s management lead defining the equity of the relationship. In particular, this report will identify the amount of staffing used to perform the duties of each agency.

Section 7. Indemnification.

EKGSA shall reimburse, indemnify, and hold LID and its officers, directors, employees, and successors, and each of them, free and harmless from and against any claims, demands, liabilities, or causes of action by third parties, including attorney’s fees and expert fees, resulting from LID’s provision of the Services, except to the extent such claims, demands, liabilities, or causes of action are the result of LID’s negligence or willful misconduct.

Section 8. Legal Requirements.

8.1 Compliance with Applicable Laws. LID shall comply with all laws applicable to the performance of the Services.

8.2 Nondiscrimination and Equal Opportunity. LID shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided under this Agreement. LID shall comply with all applicable federal, state, and local laws, policies, rules, and requirements related to equal opportunity and nondiscrimination in employment, contracting, and the provision of any services that are the subject of this Agreement.

Section 9. Keeping and Status of Records.

9.1 Records Created as Part of LID's Performance. All final versions of reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications, records, files, or any other documents or materials, in electronic or any other form, that LID prepares or obtains pursuant to this Agreement and that relate to the matters covered hereunder shall be the property of EKGSA. LID hereby agrees to deliver those documents to EKGSA upon termination of the Agreement, if requested. It is understood and agreed that the documents and other materials, including but not limited to those described above, prepared pursuant to this Agreement are prepared specifically for EKGSA and are not necessarily suitable for any future or other use.

9.2 Confidential Information. LID shall hold any confidential information received from EKGSA in the course of performing this Agreement in trust and confidence and will not reveal such confidential information to any person or entity, either during the term of the Agreement or at any time thereafter. Upon expiration of this Agreement, or termination as provided herein, LID shall return materials which contain any confidential information to EKGSA. For purposes of this paragraph, confidential information is defined as all information disclosed to LID that relates to EKGSA past, present, and future activities, as well as activities under this Agreement, to the extent such information is not otherwise of public record under California law.

Section 10. Non-assignment. This Agreement is not assignable either in whole or in part without the written consent of the other party.

Section 11. Amendments. This Agreement may be amended or modified only by written Agreement signed by both Parties.

Section 12. Validity. The invalidity, in whole or in part, of any provisions of this Agreement shall not void or affect the validity of any other provisions of this Agreement.

Section 13. Governing Law. This Agreement shall be governed by the laws of the State of

California and any suit or action initiated by either party shall be brought in Tulare County, California.

Section 14. Mediation. Should any dispute arise out of this Agreement, the Parties shall meet in mediation and attempt to reach a resolution with the assistance of a mutually acceptable mediator. Neither Party shall be permitted to file legal action without first meeting in mediation and making a good faith attempt to reach a mediated resolution. The costs of the mediator, if any, shall be paid equally by the Parties.

Section 15. Entire Agreement. This Agreement, including the Exhibits, comprises the entire Agreement.

Section 16. Notices. All notices required by this Agreement shall be given to EKGSA and LID in writing, by first class mail, postage prepaid, or by email transmission addressed as follows:

For LID or EKGSA:

Michael D. Hagman
General Manager
P.O. Box 908
Lindsay, CA 93247
mhagman@lidmoreid.com

With copy to:

For LID:

Ruddell Cochran Stanton & Bixler
C/O Aubrey A. Mauritson
1102 N. Chinowth Street
Visalia, CA 93291
amauritson@visalialaw.com

For EKGSA:

Klein DeNatale Goldner
C/O Joseph Hughes
4550 California Avenue, Second Floor
Bakersfield, CA 93309

Notice by email transmission shall be deemed given upon verification of receipt if received before 5:00 p.m. on a regular business day or else on the next business day.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed on the date first written by their respective officers duly authorized on their behalf.

[Signatures on following page]

DATED: _____, 2019

**EAST KAWEAH GROUNDWATER
SUSTAINABILITY AGENCY**

By: _____
Joseph E. Ferrara, Vice Chair

DATED: _____, 2019

LINDMORE IRRIGATION DISTRICT

By: _____
John Arnold, President

APPROVED AS TO FORM:

**KLEIN, DENATALE, GOLDNER, COOPER,
ROSENLIEB, KIMBALL, LLP**

DATED: _____, 2019

By: _____
Joseph Hughes, Attorney for EKGSA

**RUDELL COCHRAN
STANTON & BIXLER, LLP**

DATED: _____, 2019

By: _____
Aubrey A. Mauritsen, Attorney for LID

Exhibit A

Scope of Services

LID shall assign an LID employee or employees to perform the functions as described below, or delegate such functions as appropriate:

- (1) **Administrative Services:** Provide all administrative services necessary and relevant to functions of EKGSA as a Groundwater Sustainability Agency, including but not limited to, office space, office materials, utilities, accounting, billing, reporting, office machines, and website maintenance.
- (2) **Plan Implementation Resource:** Provide all necessary staffing to meet the needs of the EKGSA plan implementation. This includes engineers, analysts, and associated support staff (not related to approved consulting) and their needed resources including but not limited to, office space, office materials, utilities, accounting, billing, reporting, office machines, and website maintenance.
- (3) **Executive Leadership and Basin Coordination:** Provide all necessary executive leadership services and costs related to Coordination of Plan efforts with the Kaweah Sub-basin and bordering groundwater agencies.
- (4) **Board of Directors Meetings:** Prepare agendas for meetings and any committees, attend such meetings, and prepare minutes of those meetings.
- (5) **Consultant Management:** Coordinate and oversee other consultants retained by EKGSA, including legal counsel and firms preparing reports or providing services to implement the GSP.
- (6) **Financial Information:** Oversee EKGSA's finances and provide financial information to the Board of Directors.
- (7) **Financial Records:** LID will maintain financial records on Sage 50 Accounting (or its future version). The software will remain the asset of LID, while the accounting reports and electronic files are the sole property of EKGSA
- (8) **Secure Other Services as Needed:** Secure any other services needed for the continued operation of EKGSA including, for example, insurance. Such costs will be at the expense of the EKGSA.
- (9) **Basin Outreach:** To communicate with residents and landowners within the Kaweah Subbasin, and other interested parties, as the principle point of contact for EKGSA, and to provide for communications to such residents and landowners as directed by the Board of Directors.

- (10) **Other Tasks Required to Comply with SGMA and Implement the GSP:** Any other administrative or executive actions necessary for EKGSA to comply with the various requirements of SGMA or necessary to EKGSA's implementation of a GSP for achieving sustainability.

THIS IS A DRAFT SET OF IDEAS THAT THE COMMITTEE OR BOARDS CAN DEVELOP

EXHIBIT B

This Inter-Agency Agreement (Agreement) should be regularly evaluated to determine and communicate effectiveness of the Agreement to avoid inter-governmental deliverables challenges.

The two agencies will form an Evaluation Committee (EC). This is a committee consisting of two LID board directors and two/three EKGSA board directors. The EC will meet twice a year (early in April and early October) to evaluate the effectiveness of the Agreement using the following tool. The Evaluation Committee will provide their view of the performance on a scale (ranging from 1-10 with 10 being best) on effectiveness of the agreement for each responsibility. Each director will provide the assessment from the perspective of their respective agency.

Governance

Board/Committee Meetings -Deliverable: Prepare Agendas, Minutes, Reports, and analysis for proper Board policy development and compliance with governing a local California public agency.

Poor									Excellent
1	2	3	4	5	6	7	8	9	10

Analysis - Deliverable: Provide analysis to the board that is relevant and a summary of solutions that drives appropriate discourse for resolution by the board.

Poor									Excellent
1	2	3	4	5	6	7	8	9	10

Accessibility - Deliverable: Interface with Board, Committee and the Public in a way that provides those individuals access to resolving concerns, developing opportunities, changing objectives, etc.

Poor									Excellent
1	2	3	4	5	6	7	8	9	10

Fiscal – Deliverable: Treasury/Accounting and provide required reporting, protection of physical and fiscal assets, on-time revenue collection and billing payments, analysis of condition, appropriate actions to ensure compliance, etc.

Poor									Excellent
1	2	3	4	5	6	7	8	9	10

Secretarial – Deliverables are: Maintenance of permanent files of the agency for compliance with the law and clear memorialization of the agency.

Poor									Excellent
1	2	3	4	5	6	7	8	9	10

Engagement – Deliverable: Represent the agency by engaging with other agencies, public/community organizations, relevant associations, governmental officials in a way that meets the objectives of the agency.

Poor									Excellent
1	2	3	4	5	6	7	8	9	10

Implementation of Policy – Deliverable: Implements policy appropriately

Poor									Excellent
1	2	3	4	5	6	7	8	9	10

Agency Program

Planning – Deliverable: Provide forward thinking direction to meet the agency objectives

Poor									Excellent
1	2	3	4	5	6	7	8	9	10

Projects – Deliverable: Within the agencies plan, ensure that all projects are completed on time and within the expectations of the agency

Poor									Excellent
1	2	3	4	5	6	7	8	9	10

Resource Management – Deliverable: The resources provided by the agency are used efficiently and effectively. Including shared services of engineering, analysis, administration, fiscal, secretarial, etc.

Poor									Excellent
1	2	3	4	5	6	7	8	9	10

Other Management - Deliverable: Overall assessment of the Agreement.

Poor									Excellent
1	2	3	4	5	6	7	8	9	10

Specific Agency Negatives:

Specific Agency Positives:



PROPOSAL TO PROVIDE
MUNICIPAL FINANCIAL ADVISORY
SERVICES
LINDMORE IRRIGATION DISTRICT



NOVEMBER 21, 2019

November 21, 2019

Michael Hagman, General Manager
Lindmore Irrigation District
315 E. Lindmore Street
Lindsay, CA 93247
E-mail: mhagman@lindmoreid.com

Dear Michael:

Fieldman, Rolapp & Associates, Inc. ("FRA", or the "Firm") is pleased to submit this proposal to serve as Municipal Advisor to the Lindmore Irrigation District ("District"). We are a leading municipal advisory firm in California with extensive experience in California water-related transactions. Our proposal highlights our experience preparing financial plans for clients, planning the execution of financings; developing credit strategies to optimize credit ratings; and our industry-leading transactional experience.

Our experienced team is comprised of our most experienced utility senior advisor and Practice Sector Head, Robert Porr, J.D. Mr. Porr will be supported by Lora Carpenter, Assistant Vice President. Each are experienced advisors in advanced analytics, financial modeling, debt structuring, and transaction execution.

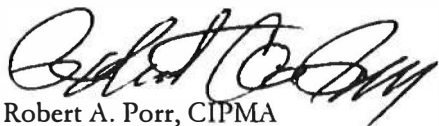
Our proposed advisory service to the District will prioritize the following areas:

- Review and compare quantitative analysis to determine the most advantageous way to refund the District's Revenue Certificates of Participation, Series 2010A ("2010A COPs") and maximize the efficiency of the District's decisions.
- Provide updates on market conditions to support recommended actions.
- Provide support to District staff on the Board's education of debt issuances and effectively manage the project implementation to obtain a successful closing.

Mr. Robert Porr, Executive Vice President is the primary contact for this proposal and Ms. Lora Carpenter is the backup financial advisor. Mr. Porr can be reached via telephone at (949) 660-7323, or e-mail at rporr@fieldman.com. Ms. Carpenter can be reached via telephone at (949) 660-7312, or e-mail at lcarpenter@fieldman.com. Robert and Lora are located at 19900 MacArthur Boulevard, Suite 1100, in Irvine, California.

This proposal is subject to the Regulatory Disclaimer in Appendix B.

Sincerely,
FIELDMAN, ROLAPP & ASSOCIATES, INC.



Robert A. Porr, CIPMA
Executive Vice President
(949) 660-7323 direct, (949) 751-8445 cell
rporr@fieldman.com



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SECTION 1 – RELEVANT EXPERIENCE OF KEY PERSONNEL

The team assigned to the District for this engagement is led by our senior most utility practice individual who has completed the vast majority of our utility engagements since 2005.

Mr. Robert A. Porr, Executive Vice President, will serve as the Engagement Manager and will be the day-to-day direct point of contact for the District. Robert will be primarily responsible for understanding and implementing the District's objectives and coordinating the Firm's and other team members' service delivery. Mr. Porr is the head of the Firm's Utility Practice sector, with nearly 33 years of relevant experience. Robert is a member of the New York Bar and was an investment banker for more than eight years. His legal education and banking experience provide insights into legal, structuring and tax matters which benefit his clients. Additionally, his experience as an investment banker makes him especially effective in understanding market dynamics and the pricing of debt.

Ms. Lora Carpenter, Assistant Vice President, will serve in a quantitative, credit and overall project support role. Lora possesses a Bachelor's degree in Mathematics from Bucknell University and has gained more than 5 ½ years of experience as a financial advisor in the California water sector. During her five years of experience, Ms. Carpenter has worked on fifty-eight utility transactions for our California clients.

Engagement Manager



ROBERT A. PORR
CIPMA

949.660.7323 direct
949.751.8445 cell
rporr@fieldman.com

Mr. Robert A. Porr, Executive Vice President, returned to the firm in May 2005 after spending eight years as a public finance investment banker. Since re-joining the firm, he has focused on serving the firm's utility clients. He has been advisor to Silicon Valley Clean Water, Rancho California Water District, Orange County Water District, Western Municipal Water District, Mesa Consolidated Water District, Santa Clarita Valley Water Agency (formerly Castaic Lake Water Agency), Azusa Light & Water, Westlands Water District, and Olivenhain Municipal Water District. Mr. Porr leads the swap advisory practice at the Firm and has served as swap advisor to Riverside County Transportation Commission, Eastern Municipal Water District, Santa Clarita Valley Water Agency (formerly Castaic Lake Water Agency), the County of Riverside, Hemet Unified School District, and Western Municipal Water District.

Mr. Porr has completed more than \$7.6 billion in water revenue financings during his career; approximately \$1 billion has been in connection with variable-rate bonds. He has structured commercial paper programs for Santa Clarita Valley Water Agency (formerly Castaic Lake Water Agency) and assisted the finance team for Riverside County Transportation Commission with that CP Program; he also structured a credit facility for Merced Irrigation District and is currently working on a structured note program that offers the flexibility of CP, but with greater flexibility at a lower cost. Mr. Porr has structured and completed approximately \$400 million of GO Bonds for water district clients in his career.

His experience as an investment banker includes working with numerous local agencies in connection with the issuance of more than \$1.2 billion in debt. Mr. Porr has assisted issuers with the structure and sale of many forms of debt including general obligation, special tax, assessment, revenue and lease backed debt. He structured nearly \$100 million of complex tax-backed refunding debt for the County of Riverside and developed a novel lease revenue bond structure for the Alaska Industrial Development and Export Authority.

Mr. Porr worked as a finance/marketing representative for Lockheed Martin



Finance Corporation. During his time with LMFC, Mr. Porr worked on developing financing structures to support turnkey delivery programs for communication satellites, aircraft and proprietary technology products. Mr. Porr was involved in projects for the People's Republic of China, valued at approximately \$1 billion, and for a consortium of Asian telephony entities valued at nearly \$500 million.

Mr. Porr earned his undergraduate degree in Psychology from Pace University in New York, NY and his Juris Doctorate from New York Law School in New York, NY.

Mr. Porr holds the Series 50 License CIPMA designation as a Certified Independent Professional and is admitted to practice law in the State of New York.

Project Manager



LORA CARPENTER

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949.892.8617 cell
lcarpenter@fieldman.com

Ms. Lora Carpenter, Assistant Vice President, joined the firm in March 2014. Since joining the firm, Ms. Carpenter has been active with the firm's water and wastewater utility clients. She has worked on a variety of transactions which include both Revenue Bonds and Certificates of Participation. She has worked with many of our large water utility clients, including Silicon Valley Clean Water, Orange County Water District, Rancho California Water District and Santa Clarita Valley Water Agency (formerly Castaic Lake Water Agency) conducting credit analysis, preparing credit presentations and analyzing structuring alternatives. She has provided assistance on swap terminations and variable-rate bond structures. Her Mathematics and analytics background provides the essential skill sets when preparing quantitative analyses to support transaction structures and researching relevant market conditions and events.

Ms. Carpenter has previously worked with Cucamonga Valley Water District, Merced Irrigation District, Marina Coast Water District, Olivenhain Municipal Water District, Delano-Earlimart Irrigation District, Dublin San Ramon Services District and Westlands Water District. She manages the technical aspects, transaction flow and implementation of financing strategies and credit analysis.

Ms. Carpenter has familiarity with the organization of Joint Powers Authorities from her work on structuring bond financings for Silicon Valley Clean Water, Santa Rosa Regional Resources Authority, Chino Basin Desalter Authority and Central Coast Water Authority.

Ms. Carpenter also provides non-transactional based financial advisory services to support Firm recommendations, including: financial modeling, long-term financial planning and policy review.

Ms. Carpenter received her Bachelor of Science degree in Mathematics from Bucknell University. She is a registered municipal advisor representative (Series 50 qualified).



SECTION 2 – FIRM EXPERIENCE

About Our Firm

FRA is a California headquartered, full service, independent, financial advisor focused on the municipal sector in California. Our headquarters location is at 19900 MacArthur Boulevard, Suite 1100, in Irvine, California. FRA is a registered Municipal Advisor with the Municipal Securities Rulemaking Board (MSRB Registration #K0276) and the U.S. Securities and Exchange Commission (SEC Registration #867-00175). As an independent advisor, FRA neither underwrites debt nor has a relationship, direct or otherwise, with any municipal bond underwriter, broker/dealer or financial institution. We represent only public sector agencies and non-profit organizations.

FRA is a California corporation. The Firm was established in 1966, and incorporated in California on November 21, 1974. During our more than 52 years in business, we have successfully guided our clients through numerous economic cycles. As an independent advisor, the needs of our clients are our priority and, as a fiduciary, we guard their short-term and long-term interests.

The Firm has an Employee Stock Ownership Program ("ESOP"). Each of the consultants assigned to the FRA team to serve the District is either a direct shareholder or owns shares of the Firm through the ESOP. As beneficial owners of the Firm, all firm employees have the opportunity to participate in the financial success of the firm, creating an incentive to ensure responsive service on every assignment.

FRA has 15 employees (10 registered municipal advisor representatives). According to Refinitiv, we completed more water/wastewater financings over the past 10 years (2008-2018) than any other top ten, (when ranked by par), municipal advisory firm.

Over the last ten years Fieldman, Rolapp & Associates, Inc. has completed 169 utility financings for our California utility clients. The combined par amount for these transactions exceeds \$5.25 billion. The number of transactions we have completed, and the diversity of our clients, has provided our consultants with a unique understanding of the business side of the municipal utility industries. It is this understanding which permits us to approach challenges with practicality which, when added to our financial expertise, yields unparalleled advice for our clients.

The table below shows Refinitiv rankings of the top ten financial advisors (based on par amount) experience with California water and wastewater bond issues over the past ten years. Of that group of advisors, FRA ranks first in the number of transactions completed.



TOP 10 FINANCIAL ADVISORS IN CALIFORNIA Water & Wastewater Financings, 2008 - 2018*		
FINANCIAL ADVISOR	# of Issues	Par Amount (US\$ mil)
1 Fieldman Rolapp & Associates	169	\$5,257
2 Public Resources Advisory Group	137	\$14,921
3 PFM Financial Advisors LLC	114	\$7,701
4 Montague DeRose & Associates LLC	108	\$14,475
5 KNN Public Finance	43	\$3,329
6 Backstrom McCarley Berry & Co	32	\$3,054
7 Bartle Wells Associates	26	\$871
8 Hilltop Securities	20	\$1,378
9 Kitahata & Company	13	\$1,294
10 Frasca & Associates	9	\$1,095
TOP TEN TOTALS	671	\$53,375

* Source: *Refinitiv, the Financial & Risk Business of Thomson Reuters as of May 16, 2019.*
Includes sole advisory roles only.

SECTION 3 – PROPOSED WORK PLAN

FRA shall assume primary responsibility for assisting the District in coordinating the planning and execution of the proposed refunding of Series 2010A COPs. The overall coordination of the financing shall be to minimize the costs of the transaction while maintaining or improving credit ratings and optimizing the District's financing flexibility and capital market access.

FRA shall analyze and compare the refunding options available to the District for its 2010A COPs and outline the steps required to achieve efficient market access. Due to the potential size of the issuance and the costs involved in issuing debt in the public market, a private placement refunding is recommended. The following steps outline our process for the issuance of new bonds.

1. Develop the Financing Timetable.

FRA shall take the lead role in preparing a schedule and detailed description of the interconnected responsibilities of each team member and update this schedule, with refinements, as necessary, as the work progresses.

2. Monitor the Transaction Process.

FRA shall have primary responsibility for the successful implementation of the financing strategy and timetable that is adopted for the debt issue. FRA shall coordinate (and assist, where appropriate) in the preparation of the legal and disclosure documents and shall monitor the progress of all activities leading to the sale of debt. FRA shall prepare the timetables and work schedules necessary to achieve this end in a timely, efficient and cost-effective manner and will coordinate and monitor the activities of all parties engaged in the financing transaction.



3. Review the Official Statement.

If needed and upon direction of the District, FRA shall review the official statement for each debt issue relating to the Project to insure that the District's official statement is compiled in a manner consistent with industry standards.

4. Procure and Coordinate Additional Service Providers.

FRA will work with staff to determine the method of sale, based upon our experience we believe a private placement will be preferable. We will draft and distribute, with staff's approval, request for proposals. FRA will review all proposals and make its own recommendation. Additionally, we will collaborate with Staff to present a joint recommendation to the Board for the selection of a placement agent following a procurement process.

FRA may act as the District's representative in procuring the services of financial printers for the official statement and related documents, and for the printing of any securities. In addition, FRA may act as the District's representative in procuring the services of trustees, paying agents, fiscal agents, feasibility consultants, redevelopment consultants, or escrow verification agents or other professionals.

5. Provide Financial Advice to the District Relating to Financing Documents.

Simultaneous with the review of official statements for the debt issue, FRA shall assist the managing underwriters or placement agents, bond counsel and/or other legal advisors in the drafting of the respective financing resolutions, notices and other legal documents. In this regard, FRA shall monitor document preparation for a consistent and accurate presentation of the recommended business terms and financing structure of the debt issue, it being specifically understood however that FRA's services shall in no manner be construed as FRA engaging in the practice of law.

6. Compute Sizing and Design Structure of Debt Issue.

FRA shall work with the District's staff to design a financing structure for the debt issue that is consistent with the District's objectives and savings targets, that coordinates each transaction with outstanding issues and that reflects current conditions in the capital markets.

7. Plan and Schedule Rating Agency Presentation and Investor Briefings.

FRA shall develop a plan for presenting the financing program to the rating agencies and the investor community, if needed. FRA shall schedule rating agency visits, if appropriate, to assure the appropriate and most knowledgeable rating agency personnel are available for the presentation and will develop presentation materials and assist the District officials in preparing for the presentations.

8. Conduct Credit Enhancement Evaluation and Procurement.

Upon the District's direction, FRA will initiate discussions with bond insurers, letter of credit providers and vendors of other forms of credit enhancements to determine the availability of and cost benefit of securing financing credit support.



9. Recommend Award of Debt Issuance.

Based upon activities outlined in Section 3, FRA will recommend accepting or rejecting offers to purchase the debt issue. If the District elects to award the debt issue, FRA will instruct all parties and help facilitate the actions required to formally consummate the award.

10. Provide Pre-Closing and Closing Activities.

FRA shall assist in arranging for the closing of each financing. FRA shall assist counsel in assuming responsibility for such arrangements as they are required, including arranging for or monitoring the progress of bond printing, qualification of issues for book-entry status, signing and final delivery of the securities and settlement of the costs of issuance.

Although each activity can be addressed individually, our approach views each of our consulting activities as an integral component of a global strategy. Our advice addresses every aspect of a client's financial status. By concentrating on a client's global strategy, the Firm provides practical and cost-effective advice in every aspect of the capital process. As the most active transactional advisor to California water agencies, FRA has been able to guide our clients through numerous changes in the municipal bond market over our 52-year history.

SECTION 4 – AFFILIATION WITH BROKER-DEALER

The Firm nor its personnel have any relationship or affiliation with any broker-dealer.

SECTION 5 – MARKET AND PRICING INFORMATION

Our market data and technical resources include a live Bloomberg Professional terminal and a subscription to The Municipal Market Monitor website (TM3) that provides us with the most up-to-date market events and data. Each of these allows us to gather and analyze the fixed-income markets for use in debt pricing, spread negotiations and forecasting economic conditions. These sources are ideal for research and have been utilized in several customized models.

Historic Data Analysis. We have numerous charts and databases which track various key interest rates over time, including municipal bond specific rates such as the Revenue Bond Index and the floating rate SIFMA index. We provide our clients customized information out of this data to assist in decision-making.

Bond Sizing Software and Customized Refunding Analysis. We run DBC Finance software for bond sizing and to analyze refunding opportunities. Within the software framework, we generate customized reports for the needs of our clients. In particular, we have developed a framework for analysis of refunding opportunities which includes detailed reports on interest rate sensitivity and differing scenarios.

Our service to the District will emphasize:

- **Helping the District achieve the most efficient debt structure to control interest expense.** We propose that this type of work would be the focus of our engagement to the District.
- **Providing rigorous, objective quantitative analysis.** In connection with financial issues facing the District, we are prepared to evaluate market information and focus on relevant matters to provide objective quantitative analysis and advice to enhance the decision-making process.



- **Offering our expertise as a market leader.** We provide services to different clients who have a wide variety of needs. We can guide the District on debt issuance matters such as planning the timing of the offering and analyzing the impacts of different call features.

Our approach will be focused, first and foremost, on giving the District expert financial analysis and recommendations. We believe the key value we bring to the District will be in providing advice on key financial structuring matters; matters for which we will have real-world experience. This will begin with a thorough analysis of the District's options to achieve the lowest cost of capital without undue risk to secure annual savings to rate payers. We would also focus on making recommendations to the District as to timing and key structuring elements, such as credit rating approach, if needed, and costs or benefits of funding a bond reserve fund. Once the District has determined a course of action, we will facilitate its efficient completion.

SECTION 6 - FEE PROPOSAL

Transaction Based Fees

FRA proposes to serve as municipal advisor to the District on debt issuance transactions to refund prior debt on a contingent basis. FRA is proposing a fixed fee based upon a private placement refunding of \$17,500. We propose to be reimbursed from issuance proceeds for our out-of-pocket costs.

Hourly Compensation

FRA proposes to be compensated on an hourly basis for any additional services proposed by the District. The table below reflects the rates currently in effect. The rates provided in the table below shall increase by \$5.00, effective January 1, 2020.

Schedule of Fees	
Personnel	Hourly Rate
Executive Officer	\$365
Principal	\$335
Executive Vice President	\$320
Vice President	\$265
Assistant Vice President	\$225
Senior Associate	\$190
Associate	\$170
Analyst	\$105
Administrative Assistant	\$80
Clerical	\$50

Expenses

In addition to the fees above, for expenses related to any transaction we will bill for expense reimbursement for usual and customary out-of-pocket expenses directly incurred in connection with the project, including conference calls, any necessary airfare, IRS-permitted mileage, lodging, etc. Expense reimbursement shall also be due and payable upon the completion of the financing.



APPENDIX A

Transactional Experience

Fieldman, Rolapp & Associates, Inc.
All Utility Financings
January 1, 2014 to Present

AGENCY	DESCRIPTION	PARAMOUNT	DATE OF SALE	TYPE OF FINANCING
Rancho California Water District Financing Authority	Tax-Exempt Fixed Rate Refunding Revenue Bonds, Series of 2019A	\$118,090,000	09/17/2019	Revenue Bonds RB
Eastern Municipal Water District	Community Facilities District No. 2014-66 (Meadow Creek) 2019 Special Tax Bonds	\$1,275,000	10/31/2019	Community Facilities District CFD
Silicon Valley Clean Water	Wastewater Revenue Notes, Series 2019A	\$209,300,000	07/30/2019	Revenue Bonds RB
Stockton East Water District	2019 Installment Purchase Agreement (Private Placement)	\$38,527,000	07/17/2019	Revenue Bonds RB
Orange County Water District	Revenue Certificates of Participation (Refunding Obligations) Series 2019B	\$6,505,000	06/27/2019	Certificates of Participation COP
Orange County Water District	Revenue Certificates of Participation (Interim Obligations), Series 2019A	\$135,000,000	06/27/2019	Certificates of Participation COP
Eastern Municipal Water District	Community Facilities District No. 2013-64 (Atherton and Terracina) 2019 Special Tax Bonds	\$8,995,000	04/04/2019	Community Facilities District CFD
Twentynine Palms Water District	AMR and AMI Project	\$2,000,000	03/21/2019	Revenue Bonds RB
Eastern Municipal Water District	Community Facilities District No. 2014-67 (TR. 30422-3/TR. 36437) Improvement Area A 2019 Special Tax Bonds	\$2,140,000	03/05/2019	Community Facilities District CFD
South Coast Water District Financing Authority	Revenue Bonds, Series 2019A	\$41,680,000	02/06/2019	Revenue Bonds RB
Eastern Municipal Water District	Community Facilities District No. 2005-43 (Kona Road/Holiday) Improvement Area B 2018 Special Tax Bonds Private Placement	\$2,415,000	12/21/2018	Community Facilities District CFD
Central Basin Municipal Water District	Refunding Revenue Bonds, Series 2018A	\$12,870,000	11/15/2018	Revenue Bonds RB
Central Basin Municipal Water District	Refunding Revenue Bonds, Series 2018B (Taxable)	\$6,520,000	11/15/2018	Revenue Bonds RB
East Orange County Water District	Community Development Financing No. 2018-1 (Vista del Lago) 2018A Special Tax Bonds	\$598,023	08/16/2018	Community Facilities District CFD
East Orange County Water District	Community Development Financing No. 2018-1 (Vista del Lago) 2018B Special Tax Bonds (Taxable)	\$22,809	08/16/2018	Community Facilities District CFD
Olivehurst Public Utility District	Plumas Lake Community Facilities District No. 2002-1, Special Tax Refunding Bonds	\$7,704,900	07/24/2018	Community Facilities District CFD
Borrego Water District	2018 Installment Purchase Agreement	\$5,586,000	07/10/2018	Revenue Bonds RB
Borrego Water District	2018A Loan Agreement	\$2,294,000	07/10/2018	Revenue Bonds RB
Borrego Water District	2018B Loan Agreement	\$863,535	07/10/2018	Revenue Bonds RB
Eastern Municipal Water District	Community Facilities District No. 2003-25 (Pacific Communities) Improvement Area B 2018 Special Tax Bonds Private Placement	\$2,425,000	06/28/2018	Community Facilities District CFD
Valley County Water District Financing Authority	Revenue Bonds, Series 2018A	\$22,845,000	06/27/2018	Revenue Bonds RB
Valley Center Municipal Water District	Assessment District No. 2012-1, Limited Obligation Improvement Bonds, Series 2018	\$4,035,000	06/27/2018	1915 Act AD

AGENCY	DESCRIPTION	PAR AMOUNT	DATE OF SALE	TYPE OF FINANCING
Olivenhain Municipal Water District Financing Authority	Revenue Bonds, Series 2018A	\$5,500,000	06/26/2018	Revenue Bonds RB
Cucamonga Valley Water District Financing Authority	Water Revenue Bonds, Series 2018A	\$9,710,000	05/03/2018	Revenue Bonds RB
Cucamonga Valley Water District Financing Authority	Water Revenue Refunding Bonds, Series 2018B (Federally Taxable)	\$63,745,000	05/03/2018	Revenue Bonds RB
Sacramento Suburban Water District	Refunding Revenue Bonds, Series 2018A (Taxable)	\$19,615,000	05/02/2018	Revenue Bonds RB
Eastern Municipal Water District	Community Facilities District No. 2003-20 (Corman Leigh Communities) Improvement Area D, 2018 Special Tax Bonds	\$2,435,000	03/08/2018	Community Facilities District CFD
Rio Linda / Elverta Community Water District	2018 Installment Sale Agreement (Private Placement)	\$3,870,000	03/01/2018	Revenue Bonds RB
Silicon Valley Clean Water	2018 Wastewater Revenue Bonds	\$140,955,000	02/08/2018	Revenue Bonds RB
Upper Santa Clara Valley Joint Powers Authority(Santa Clarita Valley Water Agency)	Revenue Bonds, Taxable Series 2018A	\$26,735,000	01/23/2018	Revenue Bonds RB
Dublin San Ramon Services District	2017 Water Revenue Refunding Bonds	\$33,590,000	12/13/2017	Revenue Bonds RB
Sweetwater Authority	Water Revenue Bonds, Series 2017A	\$21,830,000	11/28/2017	Revenue Bonds RB
Rancho California Water District Financing Authority	Taxable Fixed Rate Refunding Revenue Bonds, Series of 2017B	\$2,445,000	11/16/2017	Revenue Bonds RB
Rancho California Water District Financing Authority	Tax-Exempt Fixed Rate Revenue Bonds, Series of 2017A	\$38,725,000	11/16/2017	Revenue Bonds RB
Eastern Municipal Water District	Community Facilities District No. 2014-67 (TR.30422-3/TR.36437) Improvement Area B 2017 Special Tax Bonds	\$3,005,000	10/31/2017	Community Facilities District CFD
Eastern Municipal Water District	Community Facilities District No. 2014-67 (TR.30422-3/TR.36437) Improvement Area A 2017 Special Tax Bonds	\$2,120,000	10/31/2017	Community Facilities District CFD
Upper Santa Clara Valley Joint Powers Authority (Castaic Lake Water Agency)	Refunding Revenue Bonds, Series 2017A	\$50,745,000	09/11/2017	Revenue Bonds RB
Santa Rosa Regional Resources Authority	Tax-Exempt Fixed Rate Revenue Bonds, Series of 2017A (Facilities Acquisition and Improvement Projects)	\$24,040,000	07/27/2017	Revenue Bonds RB
Santa Rosa Regional Resources Authority	Federally Taxable Fixed Rate Revenue Bonds, Series of 2017B (Facilities Acquisition and Improvement Projects)	\$31,190,000	07/27/2017	Revenue Bonds RB
Merced Irrigation District Financing Authority	Electric System Revenue Bonds, Series 2017A	\$19,820,000	07/26/2017	Revenue Bonds RB
Mojave Water Agency	Refunding Revenue Bonds, Series 2017A	\$31,245,000	06/29/2017	Revenue Bonds RB
San Elijo Joint Powers Authority	2017 Revenue Bonds (Clean Water Projects)	\$22,115,000	06/21/2017	Revenue Bonds RB
Padre Dam Municipal Water District	Certificates of Participation (2017 Capital Improvement and Refunding Project), Series A	\$53,195,000	06/01/2017	Certificates of Participation COP
Mesa Water District	2017 Revenue Certificates of Participation	\$29,295,000	05/31/2017	Certificates of Participation COP
Yorba Linda Water District Financing Authority	Revenue Bonds, Series 2017A	\$29,335,000	04/26/2017	Revenue Bonds RB
Montecito Sanitary District	2017 Sewer Refunding Revenue Bonds	\$10,020,000	04/19/2017	Revenue Bonds RB

AGENCY	DESCRIPTION	PAR AMOUNT	DATE OF SALE	TYPE OF FINANCING
Western Riverside Water and Wastewater Financing Authority	Local Agency Revenue Bonds, 2017 Series A	\$8,035,000	03/28/2017	Community Facilities District CFD
Orange County Water District	Revenue Refunding Bonds, Series 2017A	\$89,735,000	01/11/2017	Revenue Bonds RB
Orange County Water District	Revenue Refunding Bonds, Series 2017B (Taxable)	\$25,265,000	01/11/2017	Revenue Bonds RB
Westlands Water District	Refunding Revenue Bonds, Series 2016A	\$51,280,000	11/03/2016	Revenue Bonds RB
Amador Water Agency	Water Revenue Refunding Bonds, Series 2016A	\$28,475,000	11/03/2016	Revenue Bonds RB
Central Basin Municipal Water District	Refunding Revenue Bonds, Series 2016A	\$7,240,000	10/13/2016	Revenue Bonds RB
Olivenhain Municipal Water District	Water System Refunding Revenue Bonds, Series 2016A	\$15,990,000	09/28/2016	Revenue Bonds RB
South Coast Water District	Refunding Revenue Bonds, Series 2016A	\$13,325,000	09/27/2016	Revenue Bonds RB
Rancho California Water District Financing Authority	Tax-Exempt Fixed Rate, Refunding Revenue Bonds, Series 2016B	\$37,970,000	09/26/2016	Revenue Bonds RB
Rancho California Water District Financing Authority	Taxable Fixed Rate, Refunding Revenue Bonds, Series 2016C	\$35,905,000	09/26/2016	Revenue Bonds RB
Rancho California Water District Financing Authority	Tax-Exempt Fixed Rate, Revenue Bonds, Series 2016A	\$30,635,000	09/26/2016	Revenue Bonds RB
El Dorado Irrigation District	Refunding Revenue Bonds, Series 2016C	\$85,195,000	09/20/2016	Revenue Bonds RB
Lake Arrowhead Community Services District	Water and Wastewater Refunding Revenue Bonds, Series 2016	\$20,390,000	08/31/2016	Revenue Bonds RB
Mojave Water Agency	Improvement District M, General Obligation Bonds (Morongo Basin Pipeline Project) Election 1990, Refunding Series 2016	\$15,025,000	08/24/2016	General Obligation GO
Eastern Municipal Water District	Community Facilities District No. 2004-35 (Mountain Gate) Improvement Area A, 2016 Special Tax Bonds	\$1,825,000	07/28/2016	Community Facilities District CFD
El Dorado Irrigation District	Refunding Revenue Bonds, Series 2016A	\$17,405,000	07/12/2016	Revenue Bonds RB
El Dorado Irrigation District	Revenue Certificates of Participation, Series 2016B	\$38,600,000	07/12/2016	Certificates of Participation COP
Eastern Municipal Water District	2016 Limited Obligation Refunding Bonds, Assessment District No. 19-A, (Rancho Glenoaks Water System)	\$3,642,402	07/07/2016	1915 Act AD
Sweetwater Authority	Water Revenue Bonds, Series 2016A	\$16,755,000	07/07/2016	Revenue Bonds RB
Central Coast Water Authority	Refunding Revenue Bonds (State Water Project Regional Facilities), Series 2016A	\$45,470,000	06/28/2016	Revenue Bonds RB
Elsinore Valley Municipal Water District	Community Facilities District No. 2004-1 (Woodmoor) Special Tax Refunding Bonds, 2016 Series	\$1,461,000	06/22/2016	Community Facilities District CFD
Elsinore Valley Municipal Water District	Community Facilities District No. 99-1 (La Gonda) Special Tax Refunding Bonds, 2016 Series	\$2,673,000	06/22/2016	Community Facilities District CFD
Chino Basin Desalter Authority	Desalter Revenue Refunding Bonds, Series 2016A	\$67,105,000	06/22/2016	Revenue Bonds RB
Western Riverside Water and Wastewater Financing Authority (Eastern Municipal Water District)	Local Agency Revenue Refunding Bonds, 2016 Series A	\$39,435,000	05/26/2016	Community Facilities District CFD

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>PAR AMOUNT</u>	<u>DATE OF SALE</u>	<u>TYPE OF FINANCING</u>
Carpinteria Valley Water District	Refunding Revenue Bonds, Series 2016A	\$8,765,000	04/13/2016	Revenue Bonds RB
Upper Santa Clara Valley Joint Powers Authority (Castaic Lake Water Agency)	Revenue Bonds, Series 2016A	\$56,395,000	04/12/2016	Revenue Bonds RB
Nevada Irrigation District Joint Powers Authority	(Nevada and Placer Counties, California) Revenue Bonds, Series 2016A	\$20,210,000	04/05/2016	Revenue Bonds RB
Elsinore Valley Municipal Water District Financing Authority	Refunding Water Revenue Bonds, Series 2016A	\$71,660,000	03/15/2016	Revenue Bonds RB
Cucamonga Valley Water District Financing Authority	Water Revenue Refunding Bonds, Series 2016	\$19,940,000	01/28/2016	Revenue Bonds RB
Eastern Municipal Water District	Community Facilities District No. 2005-43 (Kona Road/Holiday) Improvement Area B, 2016 Special Tax Bonds	\$945,000	01/12/2016	Community Facilities District CFD
Eastern Municipal Water District	Community Facilities District No. 2003-20 (Corman Leigh Communities), Improvement Area C 2015 Special Tax Refunding Bonds	\$951,821	12/10/2015	Community Facilities District CFD
Olivenhain Municipal Water District	Water System Refunding Revenue Bonds, Series 2015A	\$23,455,000	08/04/2015	Revenue Bonds RB
Rancho California Water District Financing Authority	2015 Special Tax Revenue Refunding Bonds	\$8,145,000	07/30/2015	Community Facilities District CFD
Eastern Municipal Water District	Assessment District No. 20, Limited Obligation Refunding Bonds	\$4,995,000	07/29/2015	1915 Act AD
City of Azusa	Water System Refunding Revenue Bonds, Series 2015	\$47,740,000	07/23/2015	Revenue Bonds RB
Marina Coast Water District	2015 Senior Lien Enterprise Revenue Refunding Bonds, Tax-Exempt Series A	\$29,840,000	06/30/2015	Revenue Bonds RB
Marina Coast Water District	2015 Senior Lien Enterprise Revenue Refunding Bonds, Federally Taxable Series B	\$1,115,000	06/30/2015	Revenue Bonds RB
Vallecitos Water District	Water and Wastewater Enterprise 2015 Refunding Revenue Bonds	\$45,315,000	06/11/2015	Revenue Bonds RB
Eastern Municipal Water District	Community Facilities District No. 2005-44 (Vista Del Valle/Calder Ranch) 2015 Special Tax Bonds	\$1,325,000	06/02/2015	Community Facilities District CFD
Indio Water Authority	Water Revenue Refunding Bonds, Series 2015B (Taxable)	\$9,150,000	05/20/2015	Revenue Bonds RB
Indio Water Authority	Water Revenue Refunding Bonds, Series 2015A	\$51,065,000	05/20/2015	Revenue Bonds RB
Merced Irrigation District	Electric System Refunding Revenue Bonds, Series 2015A	\$59,010,000	05/06/2015	Revenue Bonds RB
Upper Santa Clara Valley Joint Powers Authority (Castaic Lake Water Agency)	Revenue Bonds, Series 2015A	\$64,000,000	04/15/2015	Revenue Bonds RB
Eastern Municipal Water District	CFD No. 2006-56 (Rancho Diamante) 2015 Special Tax Bonds	\$4,955,000	04/09/2015	Community Facilities District CFD
Western Riverside Water and Wastewater Financing Authority (Eastern Municipal Water District)	Local Agency Revenue Refunding Bonds, 2015 Series A	\$19,976,000	02/13/2015	Community Facilities District CFD
Yucaipa Valley Water District	Water System Refunding Revenue Bonds, Series 2015A	\$30,810,000	02/12/2015	Revenue Bonds RB
Eastern Municipal Water District	CFD No. 2001-01 (French Valley) Improvement Area A 2015 Special Tax Refunding Bonds	\$11,320,000	02/03/2015	Community Facilities District CFD
San Dieguito Water District	Water Revenue Refunding Bonds, Series 2014 (Bank Qualified)	\$5,870,000	09/18/2014	Revenue Bonds RB

AGENCY	DESCRIPTION	PAR AMOUNT	DATE OF SALE	TYPE OF FINANCING
Merced Irrigation District	Water and Hydroelectric System Refunding Bonds, Series 2014B (Taxable)	\$725,000	08/13/2014	Revenue Bonds RB
Merced Irrigation District	Water and Hydroelectric System Refunding Bonds, Series 2014A	\$30,685,000	08/13/2014	Revenue Bonds RB
Eastern Municipal Water District	Community Facilities District No. 2005-47 (The Lakes) Improvement Area A 2014 Special Tax Bonds	\$4,595,000	08/06/2014	Community Facilities District CFD
Cucamonga Valley Water District Financing Authority	Water Revenue Bonds, Series 2014	\$12,150,000	06/17/2014	Revenue Bonds RB
Castaic Lake Water Agency	Refunding Revenue Bonds, Series 2014A	\$16,750,000	06/04/2014	Revenue Bonds RB
Eastern Municipal Water District	Community Facilities District No. 2002-06 (Morgan Hill), Improvement Area C 2014 Special Tax Bonds	\$5,920,000	06/04/2014	Community Facilities District CFD
Eastern Municipal Water District	Community Facilities District No. 2002-06 (Morgan Hill) Improvement Area B 2014 Special Tax Refunding Bonds	\$9,009,000	05/29/2014	Community Facilities District CFD
Mojave Water Agency	Refunding Revenue Bonds, Series 2014A	\$13,155,000	05/21/2014	Revenue Bonds RB
Ramona Municipal Water District	San Vicente Road Pipeline Relocation Project	\$4,808,000	05/08/2014	Revenue Bonds RB
Elsinore Valley Municipal Water District	Special Tax Revenue Bonds, Series 2014A	\$6,792,000	02/20/2014	Community Facilities District CFD
El Dorado Irrigation District	Refunding Revenue Bonds, Series 2014A	\$121,190,000	02/13/2014	Revenue Bonds RB
Goleta Water District	Refunding Revenue Certificates of Participation, Series 2014A	\$19,050,000	01/14/2014	Revenue Bonds RB

TOTAL TRANSACTIONS: 106
TOTAL PAR: \$2,847,589,490



APPENDIX B

Regulatory Disclaimer



Standard Proposal Regulatory Disclaimer

FRA is a SEC-registered Municipal Advisor. When formally engaged by public agency clients, we undertake a fiduciary duty with respect to advice provided on financial matters.

PROPOSAL DOES NOT CONSTITUTE “ADVICE” OR MUNICIPAL ADVISORY RELATIONSHIP

These materials are delivered to you for the purpose of obtaining an engagement as your municipal advisor, and we wish to clarify the nature of our relationship. We are providing the information contained in these materials for informational purposes only. The information provided in these materials does not create or imply any fiduciary relationship, and is being provided solely for the purpose of marketing our services to you as a prospective client of FRA. The information provided to you is not be construed as “advice” within the meaning of Section 15B of the Securities and Exchange Act of 1934, or relied upon by you as advice in determining a course of action in connection with any current or prospective undertakings relative to any municipal securities issuance or municipal financial product. Any information contained in these materials has been prepared without taking into account your circumstances, financial or otherwise, and is not intended to replace or supplement any advice you may have already received internally or externally from any other professional.

Potential for Limitation of Advisory Scope Disclosure

At the explicit direction of the District, our scope of services may be limited to the implementation of a pre-determined financial transaction or strategy. In such instances, a complete review of all feasible and suitable financial alternatives will not be undertaken as part of our engagement. We would otherwise operate under a fiduciary duty to consider all feasible and suitable alternatives to accomplish a given objective.

Potential Conflict of Interest Disclosure

Compensation contingent on the completion of a financing or project is customary for municipal financial advisors. To the extent that our compensation for the proposed engagement is contingent on successful completion of any transactions, a potential conflict of interest exists as we would have a potential incentive to recommend the completion of a transaction that might not be optimal for the District. However, as noted earlier, FRA undertakes a fiduciary duty in advising public agencies regardless of compensation structure.

Lindmore Irrigation District

Treasurer's Cash Report November 30, 2019

December 3, 2019

Beginning Cash * *October 31, 2019* **5,334,454.88**

Deposits

Bank of the Sierra Checking	875,382.08	
Wells Fargo Bond Res.	52.19	
LAIF	1,000,000.00	
NFS (Cantella)	3.48	
Total Deposits		1,875,437.75

Withdrawals

Bank of the Sierra Checking	(1,383,876.41)	
Wells Fargo Bond Reserve	-	
LAIF	-	
NFS (Cantella)	-	
Total Withdrawals		(1,383,876.41)

Net Increase/(reduction) **491,561.34**

Ending Cash Balance *November 30, 2019* **5,826,016.22**

Balance by Account:

Bof Sierra General Checking	756,543.83	
Wells Fargo Bond Reserve	538,146.32	
LAIF	1,195,445.45	
NFS (Cantella at Face Value)	3,335,330.62	
Petty Cash	550.00	
Ending Cash Balance <i>November 30, 2019</i>		<u>5,826,016.22</u>

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

FOR MANAGEMENT PURPOSES ONLY

Lindmore Irrigation District

Investment Comparative Analysis LID vs LAIF

December 4, 2019

		Managed LID	LAIF
0-6 mos.	1,830,812.82	35.48%	65.80%
6 m. > 1 yr	-	0.00%	18.50%
1 yr > 2 yr	305,000.00	5.91%	13.30%
2 yr > 3 yr	625,000.00	12.11%	2.40%
3 yr > 4 yr	1,520,000.00	29.45%	0.00%
4 yr > 5 yr	880,000.00	17.05%	0.00%
Total	5,160,812.82	100.00%	100.00%
LAIF		2.080%	
Daily Yield LID Invested		3.724%	
Difference		1.644%	

Benchmark Comparison	
LAIF vs District	
LID Managed	
Investments	\$ 5,160,812.82
Daily Yield Investments	3.724%
Est Investment Payments	\$192,196
LAIF	
Investments	\$ 5,160,812.82
Annualized Rate of Return	2.080%
Est Investment Payments	\$107,345
Annualized difference:	\$84,851

PORTFOLIO STATISTICS					
Investment Type	Dollars	%age	State Code Limit	Annualized ROR:	
Agency (Back by Govt Agency)	\$ -	0.00%	None	ROR All Cash	2.545%
Corporate (Not Insured)	2,600,000.00	43.73%	None	ROR Invested Assets	3.724%
Certificates of Deposit (FDIC Insured)	730,000.00	12.28%	None	ROR LAIF	2.080%
Money (NFS - Not Insured)	124,927.37	2.10%	None	Days to Maturity	
LAIF (Mostly Insured or Backed)	1,195,445.45	20.11%	None	LID Managed	743.13
Banks (FDIC Insured)	510,440.00	8.59%	None	LAIF Managed	183.00
Operating Cash (Banks FDIC)	784,800.15	13.20%	None		
Total	5,945,612.97	100.00%			

Investment Portfolio & Analysis
December 4, 2019

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LINDMORE IRRIGATION DISTRICT

MEMORANDUM TO THE BOARD

TO: Board of Directors
FROM: Kathryn Bennett
DATE: December 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 **November 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
Balance Sheet
November 30, 2019

ASSETS

Current Assets

Sierra Checking #0302190470	\$ 756,543.83
Wells Fargo Bank Bond Reserve	538,146.32
Petty Cash	550.00
LAIF 90-54-016 (02010)	1,195,445.45
Securities - NFS A7T-514144	3,335,330.62
Adjustment to FMV	119,596.75
Bond Res. Capital Appreciation	(8,694.40)
H2O Sales Receivable	232,152.33
Stand-by Receivable	1,785,902.05
Liens - Amount Sold	58,608.19
Liens - Accumulated Int Due	3,698.80
Pre-Paid Water - USBR	104,474.01
Pre-Paid Ins & Misc	54,038.01
Interest Accrued - NFS	40,549.25
Interest Accrued-Bond Res	<u>4,416.90</u>

Total Current Assets **8,220,758.11**

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	<u>(6,054,297.96)</u>

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	<u>29,108.18</u>

Total Other Assets **12,234,819.20**

Total Assets **\$ 23,202,730.17**

Lindmore Irrigation District
Balance Sheet
November 30, 2019

LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable	\$ 246,768.78
Account Due - Keller	43,883.57
Employee Accruals Payable	84,312.41
Deferred Stand-By Chg	2,421,803.06
Customer Project	18,850.20
Emp Health Ins Deductions	<u>84.66</u>

Total Current Liabilities **2,815,702.68**

Long-Term Liabilities

Series 2010A Bond	<u>4,285,000.00</u>
-------------------	---------------------

Total Long-Term Liabilities **4,285,000.00**

Total Liabilities **7,100,702.68**

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>2,055,825.81</u>

Total Capital **16,102,027.49**

Total Liabilities & Capital **\$ 23,202,730.17**

Lindmore Irrigation District
Income Statement
Compared with Budget
For the Eleven Months Ending November 30, 2019

	Current Month Actual	Year to Date Actual	Annual Budget	% of Annual Budget
Revenues				
Water Sales - Irrigation	\$ 161,947.08	\$ 2,132,965.36	\$ 1,795,889.00	118.77%
Water Sales-Out of District	50,000.00	50,000.00	0.00	0.00%
Penalties on Delinquent Accts	614.51	3,063.14	5,000.00	61.26%
Em Call Outs/Fines Charge	0.00	401.74	500.00	80.35%
Stand-By Charge Revenues	0.00	2,462,901.67	2,469,638.00	99.73%
Stand-By Chg Penalty Revenue	0.00	5,859.52	4,000.00	146.49%
2018 WaterSmart Grant	0.00	0.00	75,000.00	0.00%
Interest Revenue - NFS	9,512.45	104,341.60	100,000.00	104.34%
Recognize adj to FMV	(8,396.35)	112,137.66	0.00	0.00%
Interest Revenue - Misc	52.19	26,258.80	5,500.00	477.43%
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	38.00	6,170.55	100,000.00	6.17%
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	0.00	129,166.70	157,500.00	82.01%
FPA Power Revenue	0.00	1,900,292.65	775,000.00	245.20%
Total Revenues	213,767.88	6,933,559.39	5,493,027.00	126.22%
Cost of Sales				
Irrigation Water	66,950.59	778,816.08	1,044,000.00	74.60%
T.P.U.D. Charges (Water)	930.30	15,286.40	9,840.00	155.35%
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	33,831.91	519,385.88	370,946.00	140.02%
Transfer In Water Expense	46,500.00	240,257.49	0.00	0.00%
Friant Surcharge	21,707.00	340,536.00	229,593.00	148.32%
FWA O&M Costs	50,539.00	391,337.00	375,000.00	104.36%
Exch Cont O&M Cost	0.00	521,326.96	550,000.00	94.79%
SWRCB Fees	29,074.22	29,074.22	47,500.00	61.21%
Water Quality Monitoring	0.00	0.00	1,000.00	0.00%
Water Legal	2,367.71	12,537.74	50,000.00	25.08%
Water FWA - Gen Member	0.00	163,263.36	200,000.00	81.63%
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	118,321.88	210,000.00	56.34%
Water-Engineering	0.00	0.00	5,000.00	0.00%
Total Cost of Sales	251,900.73	3,137,820.76	3,095,880.00	101.35%
Gross Profit	(38,132.85)	3,795,738.63	2,397,147.00	158.34%
Expenses				
FPA Legal Fees	0.00	0.00	0.00	0.00%
Pumping-Power	7,333.91	70,463.38	60,000.00	117.44%
Pumping-Tele/Communic	0.00	0.00	27,500.00	0.00%
Pumping - Maint/Struct/Impr	16,850.00	181,890.50	240,000.00	75.79%
O&M Salary Costs	26,740.19	291,344.67	308,748.00	94.36%
O&M OT/PT Labor Cost	4,368.62	35,554.11	25,000.00	142.22%
Trans/Dist of Mat/Supply	0.00	0.00	12,500.00	0.00%
Trans Electronic Techn	495.00	15,844.92	2,500.00	633.80%
Stenciling	0.00	0.00	500.00	0.00%
Power (non-pumping)	265.53	3,551.11	7,500.00	47.35%
Meter Rep Supply/Services	0.00	20,721.62	7,500.00	276.29%
Valve Rep - Supply/Service	0.00	9,898.45	12,500.00	79.19%
Moss Screen - Repair Sup/Serv	0.00	0.00	2,500.00	0.00%

Lindmore Irrigation District
Income Statement
Compared with Budget
For the Eleven Months Ending November 30, 2019

	Current Month	Year to Date	Annual	% of Annual
	Actual	Actual	Budget	Budget
Pipe Line Repair - Sup/Serv	1,044.73	143,404.95	47,500.00	301.91% Vollmer
Above Surf Repair - Sup/Serv	0.00	17,674.46	5,000.00	353.49% Sanli Eng-5th Ave JB
Reservoir Repair - Sup/Serv	0.00	29.58	2,500.00	1.18%
Misc - Sup/Serv	0.00	0.00	0.00	0.00%
Admin/General Salary Costs	13,450.28	173,984.12	180,014.00	96.65%
Admin OT/PT Labor Cost	0.00	0.00	10,000.00	0.00%
General Manager (Lindmore)	16,283.92	179,123.12	196,170.00	91.31%
General Manager (GSA)	3,587.50	39,462.50	43,218.00	91.31%
Director Per Diem	0.00	3,800.00	7,500.00	50.67%
Travel Expense	82.62	2,024.62	2,500.00	80.98%
Legal Exp - General	0.00	9,987.50	18,000.00	55.49%
Auditing Costs	0.00	0.00	11,750.00	0.00%
Communication	0.00	7,086.67	8,000.00	88.58%
Utilities - Office	431.45	6,320.72	8,000.00	79.01%
Supplies - Office	1,925.82	11,911.37	9,500.00	125.38%
Pstge/Pinting - Office	1,916.26	11,324.71	8,500.00	133.23%
Dues/Subscriptions/Contr	159.00	21,148.78	12,500.00	169.19%
Legal Advertisement	0.00	510.33	400.00	127.58%
Record Assessment Expense	0.00	176.00	500.00	35.20%
Misc Office Expense	500.00	3,467.29	0.00	0.00%
Payroll Service Expense	106.40	1,394.65	1,500.00	92.98%
Computer Supplies/Services	839.95	22,337.85	14,000.00	159.56% VOIP phones/laptop
Bank Charges	27.50	151.60	500.00	30.32%
Bond Costs	1,500.00	1,500.00	0.00	0.00%
Prop/Liab Insurance	0.00	34,346.00	37,500.00	91.59%
Workers' Comp Insurance Exp	0.00	22,588.85	27,500.00	82.14%
Fidelity Bonds	0.00	0.00	0.00	0.00%
Social Security Expense	3,752.74	50,382.83	50,687.00	99.40%
Health Insurance Exp	7,520.36	85,097.44	92,899.00	91.60%
Retirement Contribution Exp	4,338.89	49,679.59	60,166.00	82.57%
Dental Insurance Exp	377.20	4,214.25	5,500.00	76.62%
Vision Insurance Exp	72.10	805.71	1,200.00	67.14%
Life Insurance Expense	164.97	1,986.85	2,400.00	82.79%
Office Building Maintenance	0.00	183.06	7,500.00	2.44%
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	277.42	20,116.12	18,000.00	111.76%
Radio Exp	0.00	0.00	0.00	0.00%
Small Tool Exp	0.00	2,452.77	3,500.00	70.08%
Shop & Maint Equip Rep Exp	1,116.63	3,955.27	5,000.00	79.11%
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	2,610.47	39,743.84	30,000.00	132.48%
Backhoe & Diesel	0.00	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	15,990.13	5,000.00	319.80% P&P JB
Engineering - Groundwater	0.00	5,860.59	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	31,714.27	30,000.00	105.71%

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

	Current Month	Year to Date	Annual	% of Annual
	Actual	Actual	Budget	Budget
SGMA - Plan	0.00	37,635.03	75,000.00	50.18%
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	0.00	5,290.06	750.00	705.34% 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)	24,000.00	24,000.00	97,000.00	24.74%
Uncollectable Lien Expense	0.00	2,281.00	0.00	0.00%
Total Expenses	142,139.46	1,739,912.82	2,099,402.00	82.88%
Net Income	(\$ 180,272.31)	\$ 2,055,825.81	\$ 297,745.00	690.47%

LINDMORE IRRIGATION DISTRICT

MEMORANDUM TO THE BOARD

TO: Board of Directors

FROM: Michael D. Hagman, General Manager

DATE: December 6, 2019

SUBJECT: Manager's Report for the December 10, 2019 Regular Board Meeting

Report on 2019 Actions for the Finance Corporation by Executive Director Hagman

PRIOR ITEMS

Operations and Maintenance:

- All lines are offline. We have begun winter maintenance.
- Waiting on SCE to de-energize the pumping plant for the Modernization Project.
- We have evacuated the 5th Avenue line and opened JB#6 for the engineer and contractor to get measurements. The Stand is fabricated and waiting galvanizing. Pelham is constructing the connection on the return that he designed, and Calvin signed off on. Estimation is the line will be up on February 1.

Water Supply Report:

- No adjustments to allocation by the USBR since the last Board meeting.
- Deliveries in November were substantially higher than expected (1,250 AF estimated, and 3,066 AF delivered).
- We moved 500 AF to SCID at \$100 per acre foot.
- We purchased 465 AF from the City of Lindsay for \$100 AF.
- Scheduled to carryover (subject to adjustments) will be 4,839 AF into WY2020. This is roughly 0.20 AF per assessed acre.
- We placed about 290 AF in the ground in November (Ireton = 283 AF, and Wells = 7 AF).

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 JBs (Engineering Budget: \$354,000, Spent \$137,024). Working on 5th Avenue's JB#6 replacement and box refresh. This has cost us about \$7,000 so far 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: Work has begun on the plant. Current challenge is SCE not willing to de-energize until we have identified all that will be pulled out. Ness is working on that with them.

Recharge Policy: We will have discussion on it at the meeting.

Recharge Basin Development: The Board authorized \$25,000 for a well to be installed for recharge. No action this month. However, Sun Pacific has reported that they are putting water in their well. Their well is taking about 100 GPM.

Personnel Policies and Procedures: 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.

Recharge Basin Name – Report: Staff will be developing everything and have it ready for next February.

Status of Assessment Collection using Tulare County Tax Rolls: County is willing. We are working out what it would take for us to have them do that. One of the challenges we are going to have is how we work out getting a property paid for that has an agreement for transfer of allocation. Cass Cook says that will add some challenges. However, his statement was that it is a private matter, the property owner and the lessee could agree to hand the bill to the lessee and then the lessee could pay it. They don't have all the little sub-agreements that we do.

Staffing and Office Space – We have ordered some used furniture and two computers. We will be picking up two additional phones. The furniture, computers and phones will cost about \$5,500. We will probably have to spend about \$500 on adding Cat5 ports to the workspaces. As discussed at a prior Board meeting we will convert the Board Room into the additional office space. If we ever get out of this arrangement or downsize staffing, the furniture is moveable. Essentially, we will not be constructing in the Board room. All of this is underway and will be complete by about mid-December. I have secured the Analyst. I am still working on an Engineer. I am also now working on a site for Board meetings. I want to get a completed agreement with the EKGSA before I recommend spending any more money. I think at least temporarily, we can use the City of Lindsay's Executive Board Room (not the Council Chambers).

NEW ACTION ITEMS

Inter-Agency Management Agreement: Consider approval of the agreement. The document will be forthcoming. However, attached is what I will call an "Exhibit B" for lack of a better term. Exhibit B describes how and what to measure regarding performance. It also describes the makeup of the two agencies policies "ad hoc" committee meetings and what to expect from those meetings. The EKGSA will consider approving the agreement at its December 16 Special Meeting.

Consider Letter Loan to EKGSA for FY2020 Operations:

EKGSA Funding options:

Governance – \$220,000 total for FY2020. This 100% funded by member agency dues (Call for Funds). This will cost Lindmore about \$31,500 in FY2020.

Plan Implementation – \$860,000 total for FY2020. EKGSA proposal is to borrow from the member agencies. County is having challenges with participation. Absent another agency (or agencies) picking up the County share of the loan, the entire amount will be collected on a “Call for Funds” (CFF) basis. This means no payback to the member agencies. LID’s share of a CFF for this cost center would be \$196,000.

First Year Monitoring Systems – \$1,640,000 total for FY2020. EKGSA proposal is to borrow from the member agencies. County is having challenges with participation. Absent another agency (or agencies) picking up the County share of the loan, the entire amount will be collected on a CFF basis. LID’s share of a CFF for this cost center would be about \$375,000. These monitoring systems will provide EKGSA with tools to measure water extraction and assign water charges. This is essential for developing a Water Rate and billing on it. It will also provide necessary and accurate water supply information (demands, inflow, etc.).

Loan Terms: 3.50% interest. Five annual payments of interest and principal. The first payment will be made on or about June 30, 2021. Interest will accrue from the date of investment and will be capitalized into the loan. On the member agency side of the activity, it can consider an investment in “Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency: (Government Code 53601(e)) .”

Challenges: I was asked what happens to the loan payoffs if the GSA/GSP/SGMA falls apart or there is lawsuit after lawsuit.

First we have to consider the question “Will SGMA go away”. Given a liberal penchant for government, my answer is that SGMA going away is as likely as the California Legislature and Governor shifting completely to the right.

The second question we need to consider is the impact of lawsuit after lawsuit. SGMA protects GSA’s from the lawsuit in a couple of ways. SGMA requires agencies to regulate groundwater in a way that makes the basin sustainable. A lawsuit would have to be applied against SGMA. The regulation of water supply is given to the GSA. There could be governance exposure. However, the EKGSA carries its own insurance against this liability.

Additionally, EKGSA Counsel has noted that lawsuits that could occur would likely occur against SGMA law, even if directly naming a particular agency, as the State is the agency approving demanding the implementation of a plan and they are approving the plan. A lawsuit would likely push the sub-basin into adjudication. This is not to say risk does not exist. But what I am saying is that the risk of a lawsuit prevailing, and costing member agencies directly is highly unlikely especially if the EKGSA has developed a revenue mechanism.

A third thought is that, the first five years of the GSA are likely going to be a wait and see by most water users. EKGSA (as well as the other two in the subbasin) are approaching projects over actions to reduce extraction of groundwater. This is one of the reasons we want it done in five years.

Recommendation: If a CFF is authorized by the EKGSA, the District will be obligated to pay about \$570,000 and the District gets nothing in return. Essentially that means a 100% loss of \$570,000.

Further, I recommend the District authorize an investment of up to \$1,250,000 to avoid going to a CFF. The District doesn't need to say it will invest \$1.25 million. It can wait for EKGSA to make the CFF and then let the other agencies consider their options as well and hopefully, they see it the same way.

Consider Service agreement with Fieldman/Rolapp:

The District's notes will be callable in June 2020. Fieldman/Rolapp (FR) helped the District with its original 2010 Bond effort. There is 100% chance of getting a lower rate and a lower cost of debt. Two agencies have provided both public offering and private placement options showing substantial savings.

FR will provide a professional look at options, offers, and give us guidance in the process of calling these bonds. Their proposed charge is \$17,500. I have provided FR's proposal. We will discuss further at the meeting.