



OFFICERS

JOHN A. ARNOLD
President

MICHAEL R. BROWNFIELD
Vice-President

MICHAEL D. HAGMAN
Assessor-Collector

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

MICHAEL D. HAGMAN
General Manager/Treasurer/Secretary

DIRECTORS

Division 1 – Michael R. Brownfield

Division 2 – Scott Reynolds

Division 3 – Ed Milanesio

Division 4 – Ismael Gutierrez

Division 5 – John Arnold

NOTICE

LINDMORE IRRIGATION DISTRICT

BOARD OF DIRECTORS MEETING

Tuesday – August 13, 2024 - 2:00 p.m.

Lindmore ID Board Room – 240 West Lindmore Street, 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

- a. Review and consider adoption of the minutes for the July 9, 2024 – Regular Lindmore Irrigation District Board meeting.

5. Closed Session (Estimated time is 30 minutes – may be taken at different time to accommodate Legal Counsel time):

EMPLOYEE EVALUATION – GENERAL MANAGER

[Government Code Section 54957.9]

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.

RETURN TO OPEN SESSION – REPORTABLE ACTION

6. Prior/New Action Items

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

- Report: Operation and Maintenance Report – Board may take Action to address the policy needs of O&M including additional purchases, labor, or service contracts, etc.
- Water Supply Report – Action may be taken to set/modify an allocation, discuss water purchases, use of recharge facilities, year-round operation of district lines, water transfers, in district water management/development opportunities, and any other matter relative to water supply needs in the district.
- District Water Recharge Projects: Lewis Creek
- SCADA System Upgrades update/status
- Kaweah Subbasin Water Purchasing Effort

B. New Action Items

- Resolution 2024-02: Approve the amended Designated Positions - Biennial Notice on Conflict-of-Interest Code
- Reserves for Unpaid USBR Construction Costs (direction may be given to staff to create a reserve and collect revenue for the reserve)
- Friant Drought Pool
- LID Groundwater Recharge Programs / Recharge Credits
- Administrative Issues (Direction may be given to staff regarding administrative issues).

C. Finance Issues

- Payments – Consider ratifying payments made to pay for District obligations since prior Board action.
- Treasurer's Cash Report – July 31, 2024
- Investment Analysis/Report of Investments
- Affidavit of Reconciliation – July 2024
- Financial reports for the months ending July 31, 2024

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)
- Reports on Other Meetings Attended
- Review upcoming Meetings Calendar (Arnold)

8. Correspondence

- Miscellaneous pertinent information

9. 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)

10. Adjournment

LINDMORE IRRIGATION DISTRICT

MINUTES OF THE BOARD MEETING

July 09, 2024

Roll Call and Acknowledgement of Visitors

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

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

Directors Absent:

Others present: Hagman (GM), Hunter (AGM),

Approval of the Agenda

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

Motion: To approve the agenda for July 9, 2024, 1st Reynolds and 2nd Gutierrez – Motion passed by unanimous vote of those present.

Public Comment

No public comment.

Minutes

- a. Staff presented the minutes for the June 11, 2024 – Regular Lindmore Irrigation District Board meeting and the following action was taken:

Motion: To approve the minutes of the June 11, 2024, Regular Board meeting, 1st Milanesio and 2nd Reynolds – Motion passed by unanimous vote of those present.

CLOSED SESSION:

- EMPLOYEE EVALUATION – GENERAL MANAGER
[Government Code Section 54957.9]
- 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 into closed session at 2:05 pm and the Board came out of closed session at 2:30 pm noting that there was no reportable action.

Prior/New Action Items

A. Report on Prior Board actions / discussions

Operation and Maintenance Report: AGM Hunter reported the system was fully operational with ongoing leak repairs needed. Deliveries were 8,862 acre-feet in June, and through July 10th, July deliveries are 2,762 acre-feet.

Water Supply Report: GM Hagman reviewed the June 2024 water report, and the Bureau of Reclamation's handling of uncontrolled season for the districts. Hagman noted that Friant had asked for 80% and 90% Class 1 allocation schedules as the Bureau works through the determination of the remaining allocation from the uncontrolled season.

Motion: For AY 2024, Board directs Hagman to define a “pool shut off” date of August 31, 2024. Landowners are required to turn allocated water into the “pool” by August 31, 2024, or use that supply by February 28, 2025. Any unused water will be billed to the landowner in March.

District Water Recharge Projects: AGM Hunter reported that Lewis Creek delivered 1,297-acre feet in May and June. Construction will be completed in August, and a final project completion report will be filled with DWR with request for grant reimbursement.

Kaweah Subbasin surface water purchasing effort (discussion and direction): GM Hagman reported that a new effort has gained traction that involves our CVP partners in the Kaweah subbasin and Delta View. Hagman noted that the process is in the early stages and will report details once actionable items are available.

B. New Action Items

SCADA System Upgrade: AG Hagman provided a history of Lindmore's SCADA system which was purchased in 2010, noting that no significant updates had been made since the original design. AGM Hunter relayed that due to current limitations in the system, not all staff can access the SCADA system when needed to deliver water. In addition, a review of the hardware and software platform is warranted.

Motion: To allocate up to \$75,000.00 for the purposes of SCADA upgrades. - 1st Brownfield and 2nd Gutierrez - Motion passed by unanimous vote of those present.

C. Finance Issues

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 (#16959 – 17013) June 12, 2024 to July 9, 2024 in the amount of \$826,961.01 and payroll for June 2024 in the amount of \$124,259.07 for a total disbursement of \$951,220.08 - 1st Reynolds and 2nd Milanesio - Motion passed by unanimous vote of those present.

GM Hagman reviewed the financial statements and reports.

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

Friant Water Authority (FWA) – FWA report was provided by Hagman / Hunter.

Friant Power Authority (FPA) – FPA report was provided by Hagman.

East Kaweah Groundwater Sustainability Agency (EKGSA) – AGM Hunter provided an update, noting the historical month that June was for the Kaweah Subbasin and EKGSA. The Amended GSP was released for public comment, the Kaweah Subbasin Mitigation Program and each GSA's Mitigation Plan were completed, online webinar and in person public presentations with the SWRCB staff and managers of the GSA were held, in person and online webinar with SWRCB were held, and the GSA provided two tours the SWRCB of the Kaweah Subbasin which highlighted the efforts taken to meet SGMA sustainability goals.

Review upcoming Meetings Calendar: All upcoming meetings are covered.

Correspondence Report:

Nothing to report.

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

No action taken.

Return to Closed Session

President Arnold returned the Board into closed session at 3:57 pm and the Board came out of closed session at 4:20 pm noting that there was no reportable action.

Adjourn

There being no further business to come before the Board, President Arnold adjourned the meeting at 4:20 pm.

Michael D. Hagman
District Secretary

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

COUNTY OF TULARE, STATE OF CALIFORNIA

RESOLUTION ADOPTING THE BIENNIAL NOTICE ON CONFLICT OF INTEREST CODE

RESOLUTION NO.: 2024-02

WHEREAS, the Board has heretofore adopted the Agency's Conflict of Interest Code (the "Code") pursuant to Government Code section 87300; and

WHEREAS, Government Code section 87306 authorizes the Board to amend the Code when change is necessitated by changed circumstances; and

WHEREAS, the Board desires to amend and restate the Code because circumstances have changed;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of LINDMORE IRRIGATION DISTRICT as follows:

1. Each of the matters set forth above is true and correct and the Board so finds and determines.

2. The Code shall be, and the same hereby is, amended and restated to read in the form attached as **Exhibit A** which, by this reference, is made a part hereof.

3. The Secretary of the Board is authorized and directed to forthwith transmit a certified copy with this resolution to the Clerk of the Board of Supervisors of the County of Tulare with a request that such board approve the amended and restated Code in the manner required by law.

Upon motion by Director _____, seconded by Director _____, the foregoing Resolution was passed and adopted the 13th day of August 2024 by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Lindmore Irrigation District

John A. Arnold, President

CERTIFICATE OF SECRETARY

I do hereby certify that I am the Secretary of the Lindmore Irrigation District, an irrigation district organized and existing under the laws of the state of California, and that the foregoing Resolution was duly adopted by the Board of Directors of said District at a meeting thereof duly and regularly held at the office of the said District at 240 West Lindmore Avenue, Lindsay, California on the 13th day of August 2024, at which meeting a quorum of said Board of Directors was at all times present and acting, and that said Resolution has not been rescinded or amended in whole or any part thereof, and remains in force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and the Seal of the Lindmore Irrigation District this 13th day of August 2024.

Michael D. Hagman, Secretary
Lindmore Irrigation District

2024 Local Agency Biennial Notice

Name of Agency: Lindmore Irrigation District
Mailing Address: PO Box 908, Lindsay, CA 93247
Contact Person: Michael D Hagman Phone No. (559) 562-2534
Email: mhagman@lindmoreid.com Alternate Email: kbennett@lindmoreid.com

Accurate disclosure is essential to monitor whether officials have conflicts of interest and to help ensure public trust in government. The biennial review examines current programs to ensure that the agency's code includes disclosure by those agency officials who make or participate in making governmental decisions.

This agency has reviewed its conflict of interest code and has determined that (check one BOX):

☒ An amendment is required. The following amendments are necessary:

(Check all that apply.)

- ☒ Include new positions
- ☐ Revise disclosure categories
- ☐ Revise the titles of existing positions
- ☐ Delete titles of positions that have been abolished and/or positions that no longer make or participate in making governmental decisions
- ☐ Other (describe) _____

☐ The code is currently under review by the code reviewing body.

☐ No amendment is required. (If your code is over five years old, amendments may be necessary.)

Verification (to be completed if no amendment is required)

This agency's code accurately designates all positions that make or participate in the making of governmental decisions. The disclosure assigned to those positions accurately requires that all investments, business positions, interests in real property, and sources of income that may foreseeably be affected materially by the decisions made by those holding designated positions are reported. The code includes all other provisions required by Government Code Section 87302.



Signature of Chief Executive Officer

August 6, 2024

Date

All agencies must complete and return this notice regardless of how recently your code was approved or amended. Please return this notice no later than **October 1, 2024**, or by the date specified by your agency, if earlier, to:

**Clerk of the Board of Supervisors
Attn: Melinda Benton
2800 W. Burrel Avenue
Visalia, CA 93291**

PLEASE DO NOT RETURN THIS FORM TO THE FPPC.

**CONFLICT OF INTEREST CODE
FOR
LINDMORE IRRIGATION DISTRICT**

APPENDIX A - Designated Positions

<u>Position</u>	<u>Disclosure Category</u>
Members and Alternates of the Board of Directors	1, 2
Secretary	1, 2
Attorney	1, 2
General Manager	1, 2
<u>Assistant General Manager</u>	<u>1, 2</u>
Collector/Assessor	1, 2
Consultants/New Positions	*

Note: The position of Attorney is filled by outside consultants but acts in staff capacity.

*Consultants/new positions shall be included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code subject to the following limitations:

The Agency may determine in writing that a particular consultant or new position, although a "designated position," is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements described in this section. Such determination shall include a description of the consultant's or new position's duties and, based upon that description, a statement of the extent of disclosure requirements. The Agency's determination is a public record and shall be retained for public inspection in the same manner and location as this conflict of interest code. (Gov't. C. § 81008.)

APPENDIX B (DISCLOSURE CATEGORIES)

Designated persons in the following categories must disclose:

1. **Full Disclosure:**

All interests in real property located entirely or partly within this Agency's jurisdiction or boundaries, or within two miles of this Agency's jurisdiction or boundaries or of any land owned or used by this Agency. Such interests include any leasehold, ownership interest or option to acquire such interest in real property.

All investments, business positions, ownership and sources of income, including gifts, loans and travel payments.

2. **Full Disclosure (excluding interests in real property):**

All investments, business positions, ownership and sources of income, including gifts, loans and travel payments.

3. **Interests in Real Property (only):**

All interests in real property located entirely or partly within this Agency's jurisdiction or boundaries, or within two miles of this Agency's jurisdiction or boundaries or of any land owned or used by this Agency. Such interests include any leasehold, ownership interest or option to acquire such interest in real property.

4. **General Contracting (two options):**

A. All investments, business positions, ownership and sources of income, including gifts, loans and travel payments, from sources that provide, or have provided in the last two years, leased facilities, goods, supplies, materials, equipment, vehicles, machinery, services, or the like, including training or consulting services, of the type utilized by the Agency.

(Intended for employees whose duties and decisions involve contracting and purchasing for the entire Agency.)

B. All investments, business positions, ownership and sources of income, including gifts, loans and travel payments, from sources that provide, or have provided in the last two years, leased facilities, goods, supplies, materials, equipment, vehicles, machinery, services, or the like, including training or consulting services, of the type utilized by the employee's department or area of authority.

(Intended for employees whose duties and decisions involve contracting and purchasing for a specific department or area of authority.)

CONFLICT-OF-INTEREST CODE

Lindmore Irrigation District

(Name of Agency)

The Political Reform Act (Government Code §§ 81000 *et seq.*) requires local government agencies to adopt and promulgate a conflict-of-interest code. This code is designed to ensure that board members and employees of this agency do not engage in government decision-making in which the officer or employee may have a personal financial interest. In addition, board members and decision-making employees designated in the agency's code¹ are required to file periodic public statements disclosing their personal economic interests (Form 700).²

The Fair Political Practices Commission has adopted a regulation that contains the terms of a model conflict-of-interest code. Therefore, the terms of 2 Cal. Code of Regs., Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated by this reference and, together with the attached **APPENDIX A** (DESIGNATED POSITIONS), and **APPENDIX B** (DISCLOSURE CATEGORIES), constitutes the conflict-of-interest code of this agency.

Persons serving in designated positions (**APPENDIX A**) shall file periodic disclosure statements (Form 700) with this agency, as required by law, and pursuant to notice from this agency's filing officer. The disclosure statements shall be retained by the agency for no less than seven years, and shall be made available for public inspection and reproduction upon request.

Adopted by Agency: Lindmore Irrigation District

Date: October 13, 2020

Approved by Tulare County Board of Supervisors:

Date: _____

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¹ Government Code section 82019

² Government Code section 87302(b)

LINDMORE IRRIGATION DISTRICT

MEMORANDUM TO THE BOARD

TO: Board of Directors

FROM: Michael D. Hagman, General Manager

DATE: August 13, 2024

SUBJECT: CVP – Construction Costs Repayment

ISSUE:

After losing the lawsuit brought by environmental groups and “sports fisherman”, the Friant CVP contractors turned to a settlement. In the settlement there were to be changes to the District water contract with the USBR. In particular, Friant Contractors were allowed the opportunity to pay its capital costs associated with the construction of the CVP structures that were built (“Construction Costs”) and on the books as of September 30, 2009.

Pay Off and Benefit

Lindmore ID could enter into a “perpetual right 9d” contract by paying off the Construction Costs. Entering into a 9d contract would mean that landowners in Lindmore ID would not be subject to the Reclamation Reform Act, Lindmore ID would not have to continually renegotiate for its water supply contract, and all future construction costs added to the CVP after the agreement, were not required to be paid until 2032. Then Lindmore ID would have up to ten years to pay the new capital.

Lindmore ID chose to pay these existing construction costs in a lump sum. To have the needed money to pay these costs, Lindmore ID issued debt bonds totaling \$6,820,000. This action paid all the construction costs allocated to the District as of September 30, 2009.

New Construction Costs

As the system ages, more construction is needed (Safety of Dams and BF Sisk Raise in particular). These construction costs have been paid for by the USBR and a portion of those costs are “reimbursable” from the CVP Contractors. These costs must be collected from the beneficiaries of that construction activity. The USBR allocates costs based on all the water delivered in the CVP (ex: USBR has a \$1,000,000 project and delivers 100,000 AF of water, each AF of water would bear \$10 in construction costs). New construction is allocated based on all water delivered or projected to be delivered in the CVP from 1981-2032.

These new construction costs have been allocated to Lindmore ID but are not due until 2032. New construction costs since September 30, 2009 that have been allocated to Lindmore ID

add up to about \$446,000. There is an "interest cost" reduction of about \$76,000; for total construction costs of \$370,000 owed but not currently due (as of September 30, 2022).

What does this mean?

For the sake of simple math Lindmore ID will pay for about 1% of the total construction costs of the CVP (including the new construction costs). There are some big ones coming (BF Sisk SOD/Raise). My guess is another \$750,000.

As such, the District will have a construction cost allocation bill somewhere in the \$1,250,000 range that will come due September 30, 2032.

The Settlement Agreement allows the District to pay these new costs (Post September 31, 2009) in 2032 in three options.

1. Over time (from 1-10 years based on the construction allocation amount).
2. Lump sum payment by September 30, 2032
3. Early payoff through voluntary payments to construction.

USBR staff are interpreting that if the ten-year payoff is elected, they will be required to negotiate "repayment contracts". USBR Staff said these repayment contracts will require the District to become subject again to the Reclamation Reform Act. I have asked them to identify the legal statute that requires this because we all understood we wouldn't have to go back into full-on repayment contracts. I think we will lose this argument. But it was worth a try.

My recommendation is to prepare as if the District were going to pay the lump sum on September 30, 2032. Create a reserve account and add a collection component (Construction Collection Rate) in the annual rate process identifying the collection for this construction cost allocation.

If my version of repayment contracts prevails (not requiring RRA), then the District can end collection in the rates just make annual payments from that reserve account until it is paid. If it doesn't prevail, then the District cuts the USBR check for the amount and not sign a repayment contract.

If the Board approves this approach, I recommend a reserve account and a collection over the next few years of \$1.250M (2025-2032). This is equivalent to about \$5.25 AF.

LINDMORE IRRIGATION DISTRICT

MEMORANDUM TO THE BOARD

TO: Board of Directors

FROM: Michael D. Hagman, General Manager

DATE: August 13, 2024

SUBJECT: Westside Drought Pool

ISSUE:

In 2014 and 2015 contract years, the USBR made the unprecedented decision to release 100% of the water (whether stored or not) to meet what the USBR determined to be the “unmet contractual supply of the Exchange Contractors (ECs)”. This issue is being litigated.

However, the USBR and Friant have developed a program to “voluntarily” put water in a drought reserve on the westside (Drought Pool). This water will be accessed if there were a shortage of Sacramento River water to meet the EC agreement. If this were to occur, USBR would release this Drought Pool water to the ECs and in turn leave that amount of water in Millerton plus conveyance losses (approximately 30%). The amount of drought pool water is determined to be 50,000 AF (so 65,000 AF in Millerton – roughly 2,700 AF for LID). LIDs share of water needed in the program is expected to be about 1,500-2,000 AF. LIDs share is determined on total participation and putting water in the pool.

To get started, I have committed LIDs share of the current “recaptured” water to the drought pool (297 AF). “Recaptured” water is the water that the USBR releases from Millerton for the San Joaquin River Restoration Program that is then “recaptured” by Banta-Carbona and Patterson IDs on the San Joaquin River beyond the confluence of the Merced River. LID pays about \$200 AF for the water to be placed into San Luis Reservoir. Historically, I would make deals for dollars or for some water over here. The dollar deals generally profit about \$50-\$200 AF depending on year type. Getting wet water on this side through an exchange costs about \$300 AF or trade water at about $\frac{1}{2}$ to $\frac{3}{4}$ of the water (i.e.. LID has 1000 AF of water in San Luis, we get 250-500 AF on this side). So, these transactions aren’t cheap.

Recaptured water with LIDs name on it in San Luis is estimated be about 500 AF this year. Estimates are that there will another 220 AF recaptured prior to the end of the contract year. This would mean LID needs to add another roughly 1,000 to 1,500 AF to the pool to meet its share of the Drought Pool water.

Direction from the Board?:

We are trying to determine other methods of getting water over to the pool. None of which will be harmless.

Some examples are:

1. Cross Valley Contractors generally can't get their water on this side, so they exchange it with San Luis water users. There is a potential to do a deal with them (ie. give them surface supply on this side and place some of their supply in the west side).
2. Metropolitan and other State Water Contractors have banking programs with Arvin Edison. In 2014, LID was able to move water in exchange for water in Millerton (via AEWS).
3. EC fallow deal, and LID gets some of their supply captured in San Luis
4. Recaptured water

The District can also opt out of the drought pool. I haven't really explored any other deals out there to get LIDs share of the water into San Luis. But I think the examples are realistic.

Additionally, I am trying to better understand the durability of the drought pool water. Supposedly it will be the last to spill on years where water is in abundance. For some reason, this water doesn't "evaporate" (must be some kind of special water).

Action:

Ratify my decision of placing the CY2024 "recaptured" water into the Drought Pool and commit to the balance of this year's "recaptured" water in the Drought Pool. Also, we probably should discuss other options or give me authority to just start making deals. Recapture is likely to always occur. The exception would be extreme droughts when no water is released from Millerton into the SJRRP. This means we can commit future "recaptured" water into the Drought Pool as well.

If LID is only in at say 1,000 AF (physically added water to the Drought Pool), I think LID would just get less of the Millerton exchange when the USBR acts to move that Drought Pool water. It may take a couple of years to get there with any of these transactions. We would also have to replenish the pool when it is used by the USBR.

LINDMORE IRRIGATION DISTRICT

MEMORANDUM TO THE BOARD

TO: Board of Directors

FROM: Michael D. Hagman, General Manager

DATE: August 13, 2024

SUBJECT: Recharge Water Policies

Water Supply:

Lindmore Irrigation District (LID) obtained federal water contracts with the USBR for water off the Friant-Kern Canal (FKC) in 1948 and has delivered water from the FKC since 1949. LID's contracts are:

1. Class 1 (storable) of 33,000 AF
2. Class 2 (non-storable) 22,000 AF.

In addition to these long-term contracts, LID has access and priority (along with other Long Term water contractors) for Section 215 water, Recovered Water Account (RWA), Unreleased Restoration Flow (URF) and some local appropriated waters.

In the recent past, LID has had access to water supply in excess of irrigation demand. This water has been placed into recharge facilities (Hirabayashi, 5th Avenue, 1st Avenue, Mariposa, and Lewis Creek). Additionally, there has been access provided to landowners to use their own facilities to recharge water on their property.

Prior to being awarded a contract supply from FKC, the USBR did a "needs analysis". This identified how many acres can be farmed and how much water LID would need. Due to a level of inflow from the Kaweah and Tule systems, LID is characterized as a "conjunctive use district". This characterization means, the District's amount of surface supply was awarded based on its sustainable groundwater supply. The intent of the LID imported water supply contracts is to reserve water in the ground and recover the groundwater levels to a sustainable level. In other words, in some years more groundwater is used and some years less groundwater is used relative to the amount of surface supply allocated from the USBR.

Sustainable Groundwater Management Act and the New Paradigm:

Historically, groundwater measurements in LID sufficed as a method to identify the benefit of the imported water supply. However, increased demand west and east of the District, as well as decreased annual reliability in the imported supply, has impacted groundwater levels within the District.

Due to the Sustainable Groundwater Management Act (SGMA) water is now physically accounted for. SGMA agencies can regulate groundwater supplies, and more specifically, “native” supplies. However, surface supplies accounting places ownership on molecules in the ground.

Recharge Programs and Water Supplies

LID has added 500 acres of recharge capacity within or adjacent to its boundaries. LID has also added a siphon from the Friant-Kern Canal for delivery of LID imported/local surface water supplies into Lewis Creek (typically referred to as a “horizontal recharge facility”) and a turnout into the City of Lindsay’s storm water facility (Mariposa). Landowners have added about 200 acres of recharge on their property at a significant capital cost and loss of farm production ground.

Priorities for Recharge

At times, LID’s system has been maximized by District projects (paid for by all landowners through water rates and assessments). Sometimes the system has been used to deliver recharge water (water used in excess of irrigation demand) to landowners in the LID. At times these two have not interfered with each other. However, at times they have.

Staff would like to create a policy that defines a priority of use of system delivery capacity.

Staff’s priority recommendation is as follows:

1. Agricultural demand (place on crops)
2. District recharge facilities
3. Landowner Programs

We want to be able to maximize the system designed “Q” during wet events. Therefore, we are limited by the system design and where we have District recharge facilities. Example: We usually have a great deal of “Q” on 10th West because we don’t have any facilities there. In 2024, due to the “on and off” nature of Reclamation’s uncontrolled season, staff made deals with landowners on a 75/25 basis. Some landowners’ ground was not needed due to the limit of a lateral. So we bump into those issues as well.

Benefits of Recharge Credits

When a landowner delivers LID water supply to their property it retains the contract supply rules and is accrued to them for irrigation and excess is counted as a credit on their EKGSA DashBoard accounts.

When LID places water in its facilities the benefits of the supply are accounted to LID owned properties. Since LID is not a water user, assignment of these credits can be made to District assessed properties.

There are a host of untested waters (pardon the pun) for these recharge projects/efforts.

1. The federal contracts were not designed around a specific landowner benefit. They were designed around the benefit of the District. As determined by sustainable levels of

groundwater in the District (not going down). Given that, staff measures groundwater levels twice a year. The measurement of groundwater levels and submits that to the USBR.

2. Water delivered to recharge, typically would be ok with the USBR. However, there are nuances to those actions (ie. benefit to groundwater levels).
3. We don't know how the State will view groundwater recharge programs such as LIDs and the credits of those programs.
4. We don't have an approved GSP. The GSP identifies programs related to groundwater recovery to sustainable levels. As such LID is subject to unknown opinions.
5. The water we place in ground has mobility. It does not stay in LID. Therefore, there is an operational challenge. We are, as an example, restoring the western water wall by placing water where we have placed it, but the hole is deep.

Ultimately, we are getting questions from Board members and landowners on what we do with the water LID places in recharge.

Further Discussion Issues

1. Recharge Order of Priority
 - a. This will include should private owned ponds in flood conditions (or other conditions) be given priority over Lindmore facilities if the benefit to LID is greater than making LID facilities the priority
 - i. Should we build a 10th Avenue facility, or create policy that encourages private ponds
2. What is Q? (In flood conditions) If recharge priority states that landowner can take their Q from the meter, do they have to irrigate crops to take priority over recharge or can they just max Q regardless of usage?
 - a. How does LID define Surface Water Credits vs. Irrigation, are separate meters required for recharge ponds and have to be read and recorded by LID staff?
3. What water types are bound to district boundaries, and what types are not. Given the 75/25 deals, how can Lindmore provide benefit to growers and make sure the LID assessment payers are rewarded in those deals.

Lindmore Irrigation District

Treasurer's Cash Report July 31, 2024

August 5, 2024

Beginning Cash *	<i>June 30, 2024</i>		3,439,233.21
Deposits			
Bank of the Sierra Checking		1,600,988.71	
LAIF		324.87	
NFS (Cambridge)		357,149.57	
Total Deposits			1,958,463.15
Withdrawals			
Bank of the Sierra Checking		(1,027,969.82)	
LAIF		-	
NFS (Cambridge)		(352,328.28)	
Total Withdrawals			(1,380,298.10)
Net Increase/(reduction)			578,165.05
Ending Cash Balance	<i>July 31, 2024</i>		4,017,398.26

Balance by Account:

Bof Sierra General Checking		929,786.81	
LAIF		29,517.08	
NFS (Cantella at Face Value)		3,057,544.37	
Petty Cash		550.00	
Ending Cash Balance	<i>July 31, 2024</i>		4,017,398.26

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

FOR MANAGEMENT PURPOSES ONLY

Lindmore Irrigation District

Investment Comparative Analysis LID vs LAIF
August 5, 2024

	Managed LID	LAIF
0-6 mos.	30,839.05	65.80%
6 m. > 1 yr	-	18.50%
1 yr > 2 yr	670,000.00	13.30%
2 yr > 3 yr	210,000.00	2.40%
3 yr > 4 yr	595,000.00	0.00%
4 yr > 5 yr	1,580,000.00	0.00%
Total	3,085,839.05	100.00%
LAIF		
Daily Yield LID Invested	4.530%	
Difference	5.015%	
	0.485%	

Benchmark Comparison LAIF vs District	
LID Managed	
Investments	\$ 3,085,839.05
Daily Yield Investments	5.015%
Est Investment Payments	\$154,769
LAIF	
Investments	\$ 3,085,839.05
Annualized Rate of Return	4.530%
Est Investment Payments	\$139,789
Annualized difference:	\$14,981

PORTFOLIO STATISTICS				
Investment Type	Dollars	%age	State Code Limit	Annualized ROR:
Agency (Back by Govt Agency)	\$ 2,215,000.00	55.15%	None	ROR All Cash 3.956%
Corporate (Not Insured)	-	0.00%	None	ROR Invested Assets 5.015%
Certificates of Deposit (FDIC Insured)	840,000.00	20.92%	None	ROR LAIF 4.530%
Money (NFS - Not Insured)	1,321.97	0.03%	None	
LAIF (Mostly Insured or Backed)	29,517.08	0.73%	None	Days to Maturity
Banks (FDIC Insured)	-	0.00%	None	LID Managed 848.57
Operating Cash (Banks FDIC)	930,336.81	23.16%	None	LAIF Managed 183.00
Total	4,016,175.86	100.00%		

Investment Portfolio & Analysis
August 5, 2024

21

LINDMORE IRRIGATION DISTRICT

MEMORANDUM TO THE BOARD

TO: Board of Directors
FROM: Tammara Kizziar
DATE: August 5, 2024
SUBJECT: Affidavit of Reconciliation

I inspected and reconciled the cash accounts of the Lindmore Irrigation District. The Lindmore Irrigation District maintains three cash/investment accounts. For the month of **July 2024**, the district had the following accounts open and with balances:

Working Accounts –

General Checking (Bank of the Sierra)
LAIF Investments
National Financial Services (Cambridge – Securities)

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.


Tammara Kizziar

Lindmore Irrigation District
Income Statement
Compared with Budget
For the Seven Months Ending July 31, 2024

	Actual	Actual	Budget	Variance
Revenues				
Water Sales - Irrigation	\$ 1,605,004.20	\$ 4,102,739.90	\$ 4,158,000.00	98.67%
Water Sales-Out of District	0.00	0.00	0.00	0.00%
Penalties on Delinquent Accts	3,045.82	18,498.23	5,000.00	369.96%
Em Call Outs/Fines Charge	0.00	0.00	1,000.00	0.00%
Stand-By Charge Revenues	0.00	2,610,662.24	2,609,684.00	100.04%
2018 Additional SB	0.00	0.00	0.00	0.00%
Stand-By Chg Penalty Revenue	0.00	0.00	7,500.00	0.00%
Interest Revenue - NFS	13,566.72	100,283.61	230,000.00	43.60%
Recognize adj to FMV	12,247.40	(25,034.05)	(50,000.00)	50.07%
Interest Revenue - Misc	378.40	4,517.05	37,500.00	12.05%
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	120.00	95,325.61	100,000.00	95.33%
Misc Rentals	0.00	0.00	0.00	0.00%
Gain or Loss on Fix Assets	0.00	0.00	0.00	0.00%
Service Other Govt - EKGSA	0.00	276,500.00	550,000.00	50.27%
KSB Prop 68 Grant (MKGSA)	0.00	0.00	400,000.00	0.00%
FPA Power Revenue	299,453.19	1,176,940.28	825,000.00	142.66%
Total Revenues	1,933,815.73	8,360,432.87	8,878,684.00	94.16%
Cost of Sales				
Irrigation Water	171,889.76	668,024.12	1,094,148.00	61.05%
T.P.U.D. Charges (Water)	0.00	287.55	4,950.00	5.81%
Full Cost 205(a)(3)	0.00	0.00	0.00	0.00%
M&I Water Used	0.00	0.00	0.00	0.00%
CVPIA Restoration Fee	95,576.00	407,368.00	445,500.00	91.44%
Transfer In Water Expense	0.00	85,783.00	0.00	0.00%
Friant Surcharge	51,464.00	219,352.00	165,000.00	132.94%
FWA O&M Costs	40,988.00	328,735.00	720,000.00	45.66%
Exch Cont O&M Cost	92,443.11	446,446.73	550,000.00	81.17%
SWRCB Fees	0.00	37,450.52	75,000.00	49.93%
Water Quality Monitoring	0.00	0.00	1,000.00	0.00%
Water Legal	264.64	1,820.48	37,500.00	4.85%
Water FWA - Gen Member	0.00	28,507.00	137,500.00	20.73%
Water Mgmt Plan	0.00	0.00	1,000.00	0.00%
USBR Penalties/Other Charges	0.00	56,154.02	0.00	0.00%
Debt Service 2010A Bond	0.00	0.00	0.00	0.00%
Debt Serv 2020 Bank Bond-Chase	0.00	9,287.81	26,353.00	35.24%
Debt Serv 2021 Loan-1st Founda	0.00	67,651.97	130,802.00	51.72%
Water-Engineering	0.00	0.00	0.00	0.00%
Leased Property	0.00	18,598.12	185,223.00	10.04%
Total Cost of Sales	452,625.51	2,375,466.32	3,573,976.00	66.47%
Gross Profit	1,481,190.22	5,984,966.55	5,304,708.00	112.82%

Lindmore Irrigation District
Income Statement
Compared with Budget
For the Seven Months Ending July 31, 2024

	Actual	Actual	Budget	Variance
Expenses				
FPA Legal Fees	0.00	0.00	0.00	0.00%
Pumping-Power	16,269.66	38,588.63	72,000.00	53.60%
Pumping-Tele/Communic	0.00	0.00	2,500.00	0.00%
Pumping - Maint/Struct/Impr	0.00	19,815.56	25,000.00	79.26% Arsenal Well
O&M Salary Costs	45,293.08	283,861.80	471,015.00	60.27%
O&M OT/PT Labor Cost	8,534.72	39,848.56	40,000.00	99.62%
Trans/Dist of Mat/Supply	0.00	0.00	12,500.00	0.00%
Trans Electronic Techn	193.35	1,356.24	22,000.00	6.16%
Stenciling	0.00	0.00	500.00	0.00%
Power (non-pumping)	701.32	2,662.83	3,000.00	88.76%
Meter Rep Supply/Services	5,009.34	99,546.63	40,000.00	248.87%
Valve Rep - Supply/Service	0.00	220.42	30,000.00	0.73%
Moss Screen - Repair Sup/Serv	0.00	0.00	7,500.00	0.00%
Pipe Line Repair - Sup/Serv	35,267.30	322,259.27	275,000.00	117.19%
Above Surf Repair - Sup/Serv	0.00	8,692.87	65,000.00	13.37%
Reservoir Repair - Sup/Serv	0.00	14,418.63	12,500.00	115.35%
Misc - Sup/Serv	6,370.40	6,370.40	0.00	0.00%
Admin/General Salary Costs	28,241.74	189,149.72	349,361.00	54.14%
Admin OT/PT Labor Cost	0.00	781.58	0.00	0.00%
General Manager (Lindmore)	19,946.86	139,658.61	239,362.00	58.35%
General Manager (GSA)	0.00	0.00	0.00	0.00%
Program Manager	12,000.00	84,000.00	140,000.00	60.00%
Vehicle Allowance	3,100.00	12,400.00	0.00	0.00%
Director Per Diem	3,800.00	3,800.00	10,000.00	38.00%
Travel Expense	52.74	1,363.05	5,000.00	27.26%
Legal Exp - General	0.00	0.00	17,000.00	0.00%
Auditing Costs	0.00	18,800.00	21,000.00	89.52%
Communication	738.14	6,076.44	8,500.00	71.49%
Utilities - Office	1,569.71	6,786.60	12,750.00	53.23%
Supplies - Office	599.82	9,004.71	12,500.00	72.04%
Pstge/Pinting - Office	1,468.41	7,339.36	13,500.00	54.37%
Dues/Subscriptions/Contr	1,856.32	9,866.89	15,000.00	65.78%
Legal Advertisement	0.00	0.00	750.00	0.00%
Record Assessment Expense	0.00	722.50	2,000.00	36.13%
Property Taxes	0.00	8,715.93	19,500.00	44.70%
Misc Office Expense	574.67	2,932.44	5,000.00	58.65%
Payroll Service Expense	151.07	1,213.34	2,250.00	53.93%
Computer Supplies/Services	1,542.09	21,970.70	33,000.00	66.58%
Bank Charges	45.50	320.50	750.00	42.73%
Bond Costs	0.00	0.00	0.00	0.00%
Interest Expense	0.00	105,989.92	0.00	0.00%
Prop/Liab Insurance	0.00	67,514.00	72,500.00	93.12%
Workers' Comp Insurance Exp	10,398.00	19,555.00	25,000.00	78.22%
Fidelity Bonds	0.00	0.00	0.00	0.00%
Social Security Expense	8,761.19	56,676.15	88,233.00	64.23%
Health Insurance Exp	21,776.36	165,903.00	258,210.00	64.25%
Retirement Contribution Exp	13,754.60	92,409.18	157,563.00	58.65%
Dental Insurance Exp	0.00	4,783.31	9,316.00	51.35%

Lindmore Irrigation District
Income Statement
Compared with Budget
For the Seven Months Ending July 31, 2024

	Actual	Actual	Budget	Variance
Vision Insurance Exp	0.00	819.14	2,367.00	34.61%
Life Insurance Expense	515.86	2,063.44	3,824.00	53.96%
Office Building Maintenance	1,025.00	6,963.14	22,000.00	31.65%
Grounds	0.00	0.00	2,500.00	0.00%
Office Furniture Exp	0.00	728.22	1,500.00	48.55%
Auto Maintenance Exp	4,272.60	26,705.45	37,500.00	71.21%
Radio Exp	0.00	0.00	0.00	0.00%
Small Tool Exp	0.00	4,752.00	12,500.00	38.02%
Shop & Maint Equip Rep Exp	0.00	150.00	5,000.00	3.00%
Misc Exp	423.83	596.22	0.00	0.00%
Shop Bldg Maint	57.00	69,314.33	8,500.00	815.46%
Fuel and Oil	6,436.51	35,821.68	42,500.00	84.29%
Backhoe & Diesel	0.00	5,364.90	7,500.00	71.53%
Misc Shop Exp	176.25	733.76	1,250.00	58.70%
Engineering - General	0.00	859.70	185,000.00	0.46%
Engineering - System	0.00	0.00	0.00	0.00%
Engineering - Groundwater	8,765.98	18,608.68	0.00	0.00%
Engineering- w/City of Lindsay	0.00	0.00	0.00	0.00%
Recharge - Hirabayashi Rech Ba	0.00	0.00	0.00	0.00%
Recharge - Drywell	0.00	0.00	0.00	0.00%
Recharge - 320 Acres	0.00	7,500.00	0.00	0.00%
Recharge - FlyWay Pond	0.00	0.00	0.00	0.00%
Lndsy Rchg Bsn - KSB P68 Grant	0.00	0.00	0.00	0.00%
LCreek Rch - KSB P68 Grant	0.00	306,607.18	400,000.00	76.65%
1st Avenue Recharge Basin	7,605.00	10,670.00	0.00	0.00%
SGMA - Governance	9,096.29	27,288.87	42,500.00	64.21%
SGMA - Plan	0.00	0.00	0.00	0.00%
SGMA - Implementation	0.00	0.00	0.00	0.00%
Safety Compliance	0.00	0.00	5,000.00	0.00%
Well Measurement Supplies	0.00	0.00	500.00	0.00%
Crop Report	0.00	0.00	250.00	0.00%
Easement	0.00	16,716.04	750.00	2228.81%
Depreciation Expense - System	0.00	0.00	133,000.00	0.00%
Depreciation Expense - Other	0.00	0.00	177,500.00	0.00%
93.2E Modernization (Grant)	0.00	0.00	0.00	0.00%
Uncollectable Lien Expense	0.00	0.00	0.00	0.00%
Loss-Fixed Asset Sale/Retire	0.00	0.00	0.00	0.00%
Total Expenses	286,390.71	2,417,637.52	3,688,001.00	65.55%
Net Income	\$ 1,194,799.51	\$ 3,567,329.03	\$ 1,616,707.00	220.65%

Lindmore Irrigation District
Balance Sheet
July 31, 2024

ASSETS

Current Assets

Sierra Checking #XXXXXX6845	\$ 929,786.81
Petty Cash	550.00
LAIF XX-X4-016	29,517.08
Securities - NFS A4B-XXXXXX	1,785,839.54
Securities - NFS A4B-FirstFoun	900,274.69
Securities - NFS A4B-Chase	371,430.14
Adjustment to FMV	(1,222.40)
H2O Sales Receivable	1,716,823.82
Stand-by Receivable	40,897.17
Misc Accts Receivable	9,563.43
Due From Other Agency - Grant	203,903.29
Liens - Amount Sold	18,109.86
Liens - Accumulated Int Due	7,828.09
Assessment - Delinquent	23,642.40
Pre-Paid Water - USBR	342,844.32
Interest Accrued - NFS	44,856.72
EKGSA FY2020 Impl. Loan	<u>195,008.75</u>

Total Current Assets

6,619,653.71

Property and Equipment

Property/Land/Easments	6,514,041.76
Distribution System	9,750,512.90
Furniture/Fixtures/Computers	184,123.59
Equipment	289,394.20
Vehicles/Trailers/Other	422,720.29
Buildings/Grounds	470,093.97
Right to Use: Swall Lease	3,590,288.56
Accumulated Depreciation	<u>(7,127,077.98)</u>

Total Property and Equipment

14,094,097.29

Other Assets

Perpetual Right to Water	7,076,835.00
Inv in Friant Power Authority	<u>5,025,557.06</u>

Total Other Assets

12,102,392.06

Total Assets

\$ 32,816,143.06

Lindmore Irrigation District
Balance Sheet
July 31, 2024

LIABILITIES AND CAPITAL

Current Liabilities

Accounts Payable	\$ 497,713.14
Employee Accruals Payable	101,076.95
Union Dues Payable	<u>13.70</u>

Total Current Liabilities	598,803.79
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Long-Term Liabilities

Lease Liability	3,469,037.14
Chase - 2020 Bond Refi	2,113,912.72
1st Foundation Loan - 2021	<u>5,397,470.00</u>

Total Long-Term Liabilities	<u>10,980,419.86</u>
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Total Liabilities	11,579,223.65
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Capital

Inv In Utility Plant	2,810,231.81
Inv in Property	159,368.43
FB - Unappropriated	5,215,348.79
FB -Operating	1,853,334.42
FB - Friant Fix	1,500,000.00
FB -EOM&R Dist System	3,881,712.01
FB - FPA Adjustments	254,500.00
FB - Unemp Res	25,000.00
FB - Multi Lia Ins (Deduct.)	50,000.00
FB - Reserve for SLDMWA/FWA	500,000.00
FB - Vehicle Replacement Reser	150,239.62
Debt Reserve - Chase Loan	369,542.93
Debt Reserve - 1st Foundation	900,312.37
Net Income	<u>3,567,329.03</u>

Total Capital	<u>21,236,919.41</u>
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Total Liabilities & Capital	<u><u>\$ 32,816,143.06</u></u>
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**FRIANT POWER AUTHORITY
FUND DISTRIBUTION**

DISTRIBUTION CALCULATIONS

FRIANT 1

DATE	AMOUNT OF DISTRIBUTION	15.25% DISTRICT FRIANT #1	9.25% DISTRICT FRIANT #1	5.25% DISTRICT FRIANT #1	TOTAL DISTRIBUTION
JULY, 2024	\$ 1,800,761.99	\$ 274,616.20	\$ 166,570.49	\$ 94,540.01	
NEW DISTRIBUTION RATES					
*	SSJMUD; TBID; LID; DEID; LSID				
**	CWD; MID				
***	OCID				
TOTAL PAYMENT		\$ 274,616.20	\$ 166,570.49	\$ 94,540.01	
		X 5	X 2	X 1	
		\$ 1,373,081.00	\$ 333,140.98	\$ 94,540.01	\$ 1,800,761.99
				DIFFERENCE	\$ (0.00)

PLANT #1 CASH RESERVE	\$ 999,779.42	6/30/2024
CAMP INTEREST, PRIOR MONTH BALANCE	\$ 8,046.70	
SVP PAYMENT FOR JUNE 2024 GENERATION	\$ 2,007,635.58	
OTHER DEPOSITS/REFUNDS	\$ -	
LAIF QUARTER INTEREST DEPOSIT	\$ 104.31	
FRIANT 2 - 1ST 2 MW RULE	\$ 136,519.48	
LESS FPA #1 JULY 2024 EXPENSES	\$ (351,323.50)	

TOTAL	\$ 2,800,761.99
RESERVE AMOUNT	\$ 1,000,000.00

DISTRIBUTION \$ 1,800,761.99

**FRIANT POWER AUTHORITY
FUND DISTRIBUTION**

DISTRIBUTION CALCULATIONS

FRIANT 2

DATE	AMOUNT OF DISTRIBUTION	12.5% DISTRICT	TOTAL DISTRIBUTION
JULY, 2024	\$ 198,695.93	\$ 24,836.99	
NEW DISTRIBUTION RATES			
*	SSJMUD; TBID; LID; DEID; LSID		
**	CWD; MID		
***	OCID		
TOTAL PAYMENT		\$ 24,836.99	
		X 8	
		\$ 198,695.93	\$ 198,695.93
			\$ -

PLANT #2 CASH RESERVE	\$	499,905.33	6/30/2024
CAMP INTEREST, PRIOR MONTH BALANCE	\$	3,378.41	
SVP PAYMENT FOR JUNE, 2024 GENERATION	\$	485,236.32	
OTHER DEPOSITS/REFUNDS	\$	-	
LAIF QUARTER INTEREST DEPOSIT	\$	52.15	
FRIANT 2 - 1ST 2 MW RULE	\$	(136,519.48)	
LESS FPA #2 JULY, 2024 EXPENSES	\$	(153,356.80)	
TOTAL	\$	698,695.93	
RESERVE AMOUNT	\$	500,000.00	
DISTRIBUTION	\$	198,695.93	