



**MADERA IRRIGATION DISTRICT
BOARD OF DIRECTORS
GROUNDWATER SUSTAINABILITY AGENCY
REGULAR MEETING**

AGENDA

In accordance with the declared State of Emergency due to the COVID-19 pandemic and MID Resolution No. 2022-05, there will not be a physical location available for the public to participate in the meeting. Members of the public can participate in the following ways:

1. Zoom Meeting

<https://us02web.zoom.us/j/86845041790?pwd=VlpYa1hXZ1JHMxNMRVg0RVZwbkZFUT09>

Meeting ID: 868 4504 1790

Passcode: 095256

2. Conference Call-In: +1 669 900 9128 or +1 346 248 7799

Meeting ID: 868 4504 1790

Passcode: 095256

3. Email: You may submit comments on a specific agenda item via email to asandoval@madera-id.org. We request emails be sent at least two hours prior to the start of the meeting.

If Members of the public have any problems accessing the meeting, please contact the District office at 559-673-3514. For a copy of the Board Packet, please contact Board Secretary Andrea Sandoval at asandoval@madera-id.org.

MISSION STATEMENT

To obtain and manage affordable surface water and groundwater supplies in a manner which will ensure the long-term viability of irrigated agriculture in the District.

Meeting Date:
Tuesday, April 19, 2022
1:00 p.m.

Madera Irrigation District
12152 Road 28 1/4
Madera, California 93637

In compliance with the California Government Code, members of the public may inspect the agenda and any associated writings, including documents delivered after the 24-hour advance posting of the agenda during regular business hours at the Madera Irrigation District Office, located at 12152 Road 28 1/4, Madera, California 93637.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Administration Office at 559-673-3514, ext. 215. Notification in advance of the meeting will enable MID to make reasonable arrangements to ensure accessibility to this meeting.

1:00 p.m. CALL TO ORDER / ROLL CALL

APPROVAL OF AGENDA

PUBLIC COMMENT: Closed Session

The first fifteen minutes of this portion of the meeting are reserved for members of the public to address the Board of Directors on Closed Session items listed on the Agenda. Speakers seeking to comment on other items are requested to make those comments during the Public Comment portion of the meeting at 2:00 p.m. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. The Board is prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Board does not respond to public comment at this time.

POTENTIAL CONFLICTS OF INTEREST: Closed Session

Any Board Member who has a potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter. (*Govt. Code, § 87105.*)

1. CLOSED SESSION Closed Session items not concluded prior to Regular Session may be continued at the end of the Regular Session.

- 1a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9 (2 potential cases)
- 1b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Potential initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9 (3 potential cases)
- 1c. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Section 54956.9; Petition for the Adjudication of Rights to the Fresno River, before the State Water Resources Control Board
- 1d. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9; Madera Irrigation District v. Smith-Adobe Ranch Family Limited Partnership, Case No. MCV081757
- 1e. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9; Jose Hernandez v. Madera Irrigation District, et. al., Case No. MCV084802 and consolidated cases
- 1f. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9; Madera Irrigation District and Madera Irrigation District Groundwater Sustainability Agency v. Madera County Groundwater Sustainability Agency, Madera County Board of Supervisors, County of Madera, Case No. MCV086277

- 1g. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Pursuant to Paragraph (1) of subdivision (b) of Government Code Section 54957
Title: General Manager

2:00 p.m. CALL TO ORDER REGULAR SESSION/ PLEDGE OF ALLEGIANCE

REPORT ON CLOSED SESSION

POTENTIAL CONFLICTS OF INTEREST

Any Board Member who has a potential conflict of interest may now identify the item and recuse themselves from discussing and voting on the matter. (*Govt. Code, § 87105.*)

PUBLIC COMMENT: MID Groundwater Sustainability Agency & Regular Session

The first fifteen minutes of the meeting are reserved for members of the public to address the MID Board on items which are within the subject matter jurisdiction of the Board. Speakers shall be limited to three minutes. Speakers will be asked to identify themselves and state the subject of their comment. If the subject is an item on the Agenda, the President of the Board has the option of asking the speaker to hold the comment until that item is called. The Board is prohibited by law from taking any action on matters discussed that are not on the Agenda, and no adverse conclusions should be drawn if the Board does not respond to public comment at this time.

ADJOURN AS MID BOARD OF DIRECTORS & CONVENE AS MID GROUNDWATER SUSTAINABILITY AGENCY

- a. Update on MID Groundwater Sustainability Agency (GSA)
- Domestic Well Inventory for Madera Subbasin Technical Memorandum
 - Annual Report
 - State Water Resources Control Board Letter Dated March 21, 2022
- b. Discussion / possible direction on Governor's Executive Order N-7-22

ADJOURN AS MID GROUNDWATER SUSTAINABILITY AGENCY & RECONVENE AS MID BOARD OF DIRECTORS

2. CONSENT AGENDA

- 2a. Approval of February 15, 2022 Regular Board Meeting Minutes
- 2b. Approval of March 10, 2022 Special Board Meeting Minutes
- 2c. Discussion / possible action on approval of warrant list payments through March 31, 2022
- 2d. Discussion / possible action on monthly financial reports for January and February

- 2e. Discussion / possible action on Proclaiming a Local Emergency Persists, Re-Ratifying the Proclamation of a State of Emergency By the Governor's Proclamation of a State of Emergency Dated March 4, 2020, and Re-Authorizing Remote Teleconference Meetings of the Legislative Bodies of Madera Irrigation District for the Period of 30 Days Pursuant to Brown Act Provisions, Resolution No. 2022-07

3. INFORMATIONAL ITEMS

- 3a. Finance / Human Resources Reports
- 3b. Engineering / Operations / Maintenance Report

4. GENERAL MANAGER'S REPORT

- 4a. Update of Activities
- ACWA Spring Conference, May 3-5, 2022, Sacramento
 - Public Outreach
 - Water Supply

5. NEW BUSINESS

- 5a. Discussion / possible action on Request to Madera County Elections to Conduct District Elections for Divisions 1, 2, and 3, Resolution No. 2022-08
- 5b. Discussion / possible action on Setting Dates for Board of Equalization
- 5c. Discussion / possible action on the acceptance of the Audited Financial Statements for Year Ending December 30, 2021 and 2020, Resolution No. 2022-09 [**Timed Item 2:45 p.m.**]

6. DIRECTOR REPORTS, COMMITTEE REPORTS, FUTURE AGENDA ITEMS

- Director DaSilva
- Director Davis
- Director Janzen
- Director Loquaci
- Director Erickson

7. ADJOURNMENT

AGENDA ITEM GSA a.

**To view the Domestic Well Inventory for Madera Subbasin
Technical Memorandum, visit and scroll to page 116**

**[https://www.maderacountywater.com/wp-
content/uploads/2022/04/Madera-County-GSA-Rate-Study-Report-
Draft-v4-with-TMs-REDUCED.pdf](https://www.maderacountywater.com/wp-content/uploads/2022/04/Madera-County-GSA-Rate-Study-Report-Draft-v4-with-TMs-REDUCED.pdf)**

To view the Madera Subbasin Joint GSP Annual Report, please visit
<https://sgma.water.ca.gov/portal/gspar/preview/134>

State Water Resources Control Board

March 21, 2022

Craig Altare
Supervising Engineering Geologist
Sustainable Groundwater Management Office
Department of Water Resources
craig.altare@water.ca.gov

MADERA GROUNDWATER SUSTAINABILITY PLANS, GROUNDWATER SUBBASIN NO. 5-022.06

The State Water Resources Control Board (State Water Board) staff (staff) is providing these comments in support of the Department of Water Resources' (DWR) review pursuant to the Sustainable Groundwater Management Act (SGMA) (Water Code § 10720 et seq.) and the regulations implementing SGMA (Cal Code Regs., tit. 23, § 350 et seq.) of the Madera Subbasin Joint GSP (Joint GSP), the Root Creek Water District GSP (Root Creek GSP), the Gravelly Ford Water District GSP (Gravelly Ford GSP), and the New Stone Water District GSP (New Stone GSP) and the Coordination Agreement for the Madera Subbasin (subbasin).

Our comments on the GSPs focus on the following areas:

- Coordination Agreement
- Water Budgets
- Groundwater Levels and Potential Drinking Water Impacts
- Groundwater Quality
- Depletions of Interconnected Surface Water
- Projects and Management Actions
- Engagement

The comments made here are not exhaustive and staff may have additional comments.

General Comments

The following comments apply to multiple GSPs in the subbasin. Comments regarding individual GSPs begin on page 14.

Coordination Agreement

1. Although the GSAs all sign on to some shared, basic assumptions about the basin-wide water budget in the coordination agreement (despite different water budget analyses), the sustainable management criteria (SMC) and monitoring networks detailed in the GSPs do not appear coordinated. This may result in a situation where groundwater management under one GSP interferes with successful implementation of another GSP. For example, two GSPs appear to use the same California Statewide Groundwater Elevation Monitoring Program well as a representative monitoring site (RMS) for water levels in the Upper Aquifer, but have vastly different (different by over 200 feet) measurable objectives (MOs) and minimum thresholds (MTs) for that RMS (see #3). Given the relatively small areas covered by the Root Creek GSP, the New Stone GSP, and the Gravelly Ford GSP, the subbasin's GSAs could potentially avoid these potential conflicts and improve their likelihood of success by joining together to develop a single GSP to cover the entire subbasin.

Water Budget

2. The three GSPs that cover smaller areas (Gravelly Ford GSP, New Stone GSP, and Root Creek GSP) have common issues in their water budget analyses. Data and methods are not clearly documented, and not all of the methods used for developing estimates are appropriate. The water budget summary tables in these three GSPs do not present clear mass-balance accountings of the inflows, outflows, and storage changes for the Land and Surface Water Systems or the Groundwater System. In addition, their projected water budgets include unexplained increases in surface water supply and reductions in demand. See GSP-specific comments below for more details.

Groundwater Levels and Potential Drinking Water Impacts

3. The GSPs do not describe how water levels at or near the MOs or MTs may impact domestic wells, public water systems, other beneficial users, or land use and property interests, as required in the GSP regulations. (Cal. Code Regs., tit. 23, §354.26, subd. (b)(3).) Nor do the GSPs describe how these users were considered in setting the MOs and MTs. (Water Code § 10723.2.) Rather than basing SMC on avoiding a significant and unreasonable depletion of supply for groundwater users, the GSPs each took different approaches to setting groundwater level SMC:

- The Joint GSP sets MTs by modeling future water level lows expected between 2020 – 2090, assuming a 10-year drought and successful implementation of projects and management actions proposed in the GSPs.
- The Gravelly Ford GSP does not describe the basis for its MTs in much detail, but the MTs appear related to continued historical rates of groundwater level decline and the maximum historical variance in groundwater depth from average.
- The New Stone Water District GSA sets its MTs at -235 feet above mean sea level with little explanation; this is more than 200 feet below current water levels and the MOs (NSWD GSP Table 4-1, p. 4-9). The GSP states the MTs and MOs would allow 175 to 278 feet of operational flexibility (i.e., the difference between the MO and MT at each RMS), depending on the RMS. This difference is the equivalent of more than 58 years of continuous water level decline at the current annual average rate of decline (3 feet/year). At these water levels, the Upper Aquifer above the Corcoran Clay would be drained and any domestic well screened above the Corcoran Clay would be dewatered, unless the decline is mitigated.
- The Root Creek Water District GSA sets MTs at an elevation that assumes historical rate of groundwater pumping and groundwater level decline for 10 years and groundwater levels decline at half the historical rate for an additional 10 years, with consideration of historical lows (RCWD GSP p. 4-5).

Estimates of wells that may be affected at groundwater elevation MOs and MTs in Central Valley GSPs are publicly available.¹ These technical resources are available for consideration by the GSAs. State Water Board staff conducted its own analysis for the subbasin by comparing the depths of wells² with well completion reports in DWR's Online System for Well Completion Reports (OSWCR) database to the MOs and MTs presented in the GSPs for the subbasin. This analysis excluded wells that were estimated to have already been dry in 2015.³ Given uncertainties in the OSWCR data, staff present a range of values based on

¹ See reports and analyses by [Pauloo, R., Bostic, D., Monaco, A. and Hammond, K., The Water Foundation](#) and [EKI](#); and [UC Davis Center for Regional Change](#)

² Where available, staff used the bottom of the well screen to represent well depth; otherwise, staff used the bottom of the well.

³ Detailed methodology available upon request.

domestic and public water system well records with location and depth information. The lower bounds represent wells installed after 1991⁴ and the upper bounds represent all wells regardless of installation date. The results of this analysis are summarized below.

Above or outside the extent of the Corcoran Clay:

- Of the 2,654 to 3,578 domestic wells, 26 to 60 (1% to 2%) may go dry at MOs and 895 to 1399 (34% to 39%) may go dry at MTs.
- Of the 39 to 71 public water system wells, 8 to 10 (21% to 14%) may go dry at MTs.

SMC appear to be set below the bottom of the Corcoran Clay in some areas in this analysis:⁵

- Of the 34 to 57 domestic wells completed below the Corcoran Clay, MTs are below zero to 8 wells (0% to 14%).
- No public supply wells are recorded below the bottom of the Corcoran Clay.

If water levels are allowed to drop below the Corcoran Clay, this would result in the near-surface unconfined aquifer being completely dewatered in this area.

Additionally, subsidence could occur due to dewatering of the clays. The GSP should evaluate SMC set below the Corcoran Clay and consider whether the SMC are appropriate.

Note that this analysis assumed groundwater levels declining to MTs at all RMSs, whereas the Joint GSP states an undesirable result would only occur if water levels at more than 30 percent of RMS wells fall below MTs for two consecutive years at the same wells; accordingly, the GSP's definition of an undesirable result could allow for more wells to fail than described above, particularly in dry and critically dry years.

⁴ See discussion of well retirement age on page 12 of the [UC Davis Center for Regional Change's analysis](#).

⁵ Staff identified at least one RMS (Joint GSP MCW RMS-1) at which recent potentiometric surface readings are above the Corcoran Clay, but with an MT set below the Corcoran Clay.

Staff recommends that the GSAs conduct an independent analysis of the potential impacts of proposed MOs and MTs and projected groundwater management outcomes on active domestic wells and public water supply wells at the subbasin scale, update the GSPs and coordination agreement with this information, and consider how those effects compare with the GSAs' definition of an undesirable result related to declining groundwater levels. Additionally, the GSAs should estimate and describe the population served by the wells in the subbasin which are not protected at MTs.

4. If a reasonable conclusion, drawn from (1) the GSAs' evaluation and projections including the analysis described in #3 and (2) consideration of beneficial users and uses, is that the proposed allowable decline in groundwater levels could constitute a significant and unreasonable depletion of supply, the GSAs should adjust MTs (and amend the analysis described in #3) or otherwise mitigate for impacts to wells. Mitigation could prevent a potential undesirable result from being significant and unreasonable. For mitigation, the GSAs could develop and implement a mitigation plan that would lessen the significance of the impact by replacing or repairing domestic or drinking water system wells impacted by groundwater level declines; the Joint GSP already includes a framework for a potential well mitigation program (Joint GSP Appendix 3.D). The GSAs could also support expansion of public water system boundaries to private well communities or consolidation of smaller drinking water systems dependent on at-risk wells with larger public water systems. This would involve identifying vulnerable areas where consolidation or extension of service is feasible. Consolidation efforts may include: (1) providing financial assistance, particularly for low-cost intertie projects that are adjacent to larger systems, (2) working with county planning agencies to ensure that communities served by at-risk wells are annexed into the service areas of larger water systems to limit barriers to future interties, and (3) facilitating outreach and introductions between small water systems and owners of domestic wells and larger water systems to assist in developing future partnerships.
5. Staff suggests inclusion of vulnerable local public supply wells and representative vulnerable domestic wells in local groundwater level monitoring programs so that mitigation programs and re-evaluation of MT can be used where appropriate to avoid undesirable results before impacts occur.

Groundwater Quality

6. SGMA regulations require that undesirable results be defined consistently throughout the subbasin. (Cal. Code Regs, tit. 23, §354.20, subd. (a).) Therefore, SMC and monitoring networks should be coordinated. Several constituents with Maximum Contaminant Level (MCL) exceedances are generally widespread in the

subbasin, including total dissolved solids (TDS), arsenic, nitrate, uranium, DBCP, and 1,2,3-TCP, as shown in Figures 1 through 6 (in Appendix); however, the GSPs do not share a consistent set of analyte MTs (see Table 1 below). Groundwater pumping and projects and management actions under the GSAs' authority may have the potential to influence groundwater concentrations and distributions of widespread contaminants within the subbasin, including these.

Table 1. Minimum Thresholds. Concentrations in mg/L unless otherwise noted.

Analyte	Joint GSP	Gravelly Ford GSP	New Stone GSP	Root Creek GSP
Nitrate as NO ₃	no MT	no MT	45	no MT
Nitrate as N	10	no MT	no MT	30 for Ag; 10 for Municipal
TDS	500	no MT	no MT	1,200 for Ag; 500 for Municipal
Electrical Conductivity	no MT	no MT	2,700 umhos/cm	no MT
Arsenic	10 ug/L	no MT	no MT	10 ug/L
Chloride	no MT	no MT	no MT	250 for Municipal
Sulfate	no MT	no MT	no MT	250 for Municipal
Iron	no MT	no MT	no MT	0.3 for Municipal
Manganese	no MT	no MT	no MT	0.05 for Municipal
Dibromo-Chloropropane (DBCP)	no MT	no MT	no MT	0.2 ug/L for Municipal
Ethylene Dibromide (EDB)	no MT	no MT	no MT	0.05 ug/L for Municipal

Note: Root Creek GSP states that MTs are set at Title 22 MCLs for all municipal wells, including for constituents not listed in the table. Constituents listed here are from Root Creek GSP Table 4-3.

Staff recommends the GSAs coordinate to define undesirable results consistently for the subbasin, manage for the same set of constituents in SMC, and have

coordinated monitoring well locations and sampling frequencies. Based on their prevalence within the subbasin, all of the GSPs should include, at minimum, SMC for TDS, arsenic, nitrate, uranium, dibromochloropropane (DBCP), and trichloropropane (1,2,3-TCP), or provide a rationale for why these constituents are not included. Additional information on the prevalence of DBCP, 1,2,3-TCP, and uranium are provided below.

- a. *DBCP and 1,2,3-TCP.* DBCP and 1,2,3-TCP have been detected in groundwater at concentrations above MCLs in the northern-central to southern area of the subbasin. Both are legacy contaminants caused by applications of fumigant pesticides before the early 1980s, but are persistent and have migrated downwards through irrigation recharge and groundwater pumping. The state's Groundwater Ambient Monitoring and Assessment (GAMA) Program's Priority Basin Project shows that approximately 29 percent of the shallow groundwater resources (by volume) used for domestic drinking water in the Madera and Chowchilla subbasins have MCL exceedances in fumigant chemicals (DBCP, EDB and 1,2,3-TCP).⁶ In addition, the GAMA Program's online database shows the California MCLs for DBCP and 1,2,3-TCP were exceeded in eight and 20 municipal wells, respectively, between 2010 and 2019 in the subbasin.⁷
- b. *Uranium.* Uranium concentrations above MCLs (i.e., US EPA MCL of 30 micrograms per Liter [ug/L] and California MCL of 20 ug/L) have been found in shallower wells (depth to top of well perforations less than 235 feet) in Chowchilla-Madera.⁸ Elevated uranium concentrations in groundwater in the eastern San Joaquin Valley are likely caused by uranium leaching of shallow sediments by irrigation water enriched with bicarbonate in the root zone and further transporting to the primary aquifer depths through the combined effect of

⁶ [Fram, M.S. and J.L. Shelton, 2018, Groundwater Quality in the Shallow Aquifers of the Madera-Chowchilla and Kings Subbasins, San Joaquin Valley, California.](#) U.S. Geological Survey Open-File Report 2017-1162.

⁷ [GAMA Groundwater Information System Map.](#)

⁸ [Shelton, J.L., M.S. Fram, K. Belitz, and B.C. Jurgens, 2013, Status and Understanding of Groundwater Quality in the Madera-Chowchilla Study Unit, 2008—California GAMA Priority Basin Project.](#) U.S. Geological Survey Scientific Investigations Report 2012-5094, 86 p.

recharge and pumping.⁹ The GAMA Program's Priority Basin Project shows that approximately nine percent of the shallow groundwater resources used for domestic drinking water in the Madera and Chowchilla subbasins have MCL exceedances in radioactive constituents (uranium, gross alpha-particle activity, and gross beta-particle activity).¹⁰ In addition, the GAMA Program's online database shows California MCL exceedances for uranium in five municipal wells between 2010 and 2019 in the subbasin.¹¹

In deciding which water quality constituents to consider when setting SMC, a GSA should consider the best available water quality information for the basin, including data used to develop the hydrogeologic conceptual model, geochemistry of geological formations (for the potential of mobilization of natural constituents), and groundwater uses in the vicinity of the RMSs and the basin as a whole. Different constituents may cause undesirable degradation of water quality in different areas based on the purposes for which groundwater is beneficially used. Not all water quality impacts to groundwater must be addressed in the GSPs, but significant and unreasonable water quality degradation that was not present prior to January 1, 2015, and that is due to groundwater management conditions occurring throughout the subbasin must be addressed in the GSPs' MTs. Both groundwater extraction and the implementation of projects to achieve sustainability may cause impacts from migration of contaminant plumes, changes in the concentration of contaminants due to reduction in the volume of water stored in the basin, or release of harmful naturally occurring constituents. A GSA should particularly consider whether any groundwater quality constituents in the basin may impact the established policy of the State that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitary purposes (Water Code, §106.3). Coordination by the GSAs with agencies that oversee the remediation of existing groundwater contamination is highly recommended, both in setting MTs and developing a plan of implementation.

⁹ [Jurgens, B.C., Fram, M.S., Belitz, K., Burow, K.R., and Landon, M.K., 2010, Effects of groundwater development on uranium: Central Valley, California, USA. *Groundwater*, 48\(6\), 913-928. <https://doi.org/10.1111/j.1745-6584.2009.00635.x>.](#)

¹⁰ [Fram, M.S. and J.L. Shelton, 2018, Groundwater Quality in the Shallow Aquifers of the Madera-Chowchilla and Kings Subbasins, San Joaquin Valley, California. U.S. Geological Survey Open-File Report 2017-1162.](#)

¹¹ [GAMA Groundwater Information System Map.](#)

Staff has attached maps from the [State Water Board's GAMA Program's database \(https://gamagroundwater.waterboards.ca.gov/\)](https://gamagroundwater.waterboards.ca.gov/) showing their widespread impacts in subbasin groundwater (Figures 1 through 6 in Appendix).

7. Recently published research by the US Geological Survey (USGS) speaks to how management of groundwater levels may affect groundwater quality at drinking water wells.¹² USGS scientists found that increased pumping from wells during drought can pull shallow, contaminated groundwater down to depths commonly tapped for public drinking-water supply. Staff recommends the GSAs consider these findings in discussions of how groundwater elevation SMC will guide groundwater management that may affect beneficial users of groundwater.
8. The GSAs may bolster the GSPs' water quality discussion with data from the State Water Board's [Drinking Water Watch database](#), which can be queried by public water system name or system number, and the [Human Right to Water Violations Tool](#). These tools include information on public water system treatment technologies, water quality violations, historical and recent water quality monitoring data at public water system wells, and other information relevant to groundwater quality issues for drinking water users.
9. The GSPs should outline the process and the criteria the GSAs would use to decide whether GSP implementation caused or exacerbated an MT exceedance for water quality. The Gravelly Ford GSP, New Stone GSP, and Root Creek GSPs do not discuss the issue. The Joint GSP states that case-by-case evaluation of monitoring data will be conducted to distinguish water quality impacts related to its actions from those related to other causes, and that "future exceedances of the MT may occur due to activities or conditions unrelated to the GSP, in which case they would not constitute an MT exceedance that contributes to an undesirable result" (Joint GSP p. 3-31).

In addition, the GSPs should provide the data supporting the conclusions, which will allow reviewing regulatory bodies to consider how adequately the GSPs address undesirable results related to water quality degradation. The GSAs should also

¹² [Levy, Zeno F., et al. "Critical aquifer overdraft accelerates degradation of groundwater quality in California's Central Valley during drought." *Geophysical Research Letter* \(2021\): e2021GL094398.](#)

coordinate and share the data with other local and regional groundwater monitoring efforts.

Depletions of Interconnected Surface Water

10. The GSPs do not define SMC for depletions of interconnected surface water (ISW). There is evidence, below, of some interconnection in the subbasin between groundwater and surface water in the San Joaquin River, particularly along the Root Creek Water District GSA's southern boundary. Moreover, as the San Joaquin River Restoration Program is implemented, potential exists for interaction with San Joaquin River Restoration Program flows. Consequently, staff does not believe the GSPs have demonstrated that depletions of interconnected surface water that have significant and unreasonable adverse impacts on beneficial uses of the surface water are not present and not likely to occur in the subbasin. (Cal. Code Regs., tit. 23, §354.26.)
 - a. The Root Creek GSP notes that the San Joaquin River Restoration Program's two monitoring wells along the San Joaquin River at Highway 41 indicate the groundwater is hydraulically connected with the river, at least at high flow conditions (RCWD GSP pp. 129 & 248).
 - b. In addition, water levels in Ag Well 022, located approximately one-half mile from the San Joaquin River and within the Root Creek GSP area, suggest possible interconnection between regional groundwater flow and the river: groundwater levels in 2017 were no more than 30 to 40 feet lower than the riverbed (RCWD GSP pp. 113, 114 & 248) and levels were approximately 10 feet higher in 1998 (RCWD GSP p. 115).
 - c. The Joint GSP attributes isolated areas of shallow groundwater along the San Joaquin River to perched aquifer conditions but acknowledges there has never been confirmation of an unsaturated zone below the readings.
 - d. While the Root Creek GSP cites evidence that the reach of the San Joaquin River south of its boundaries is a losing reach, the GSP also notes that none of the studies it cites concluded that the river is disconnected in this area (RCWD GSP p. 129).
 - e. The part of the Kings subbasin covered by the North Kings GSA and the Madera subbasin share a border along the San Joaquin River. The North Kings GSP provides evidence of interconnection with shallow groundwater at some sections along that stretch of the San Joaquin River (e.g., upstream of the Copper Avenue Alignment, and between Highway 145 and downstream of Gravelly Ford

within the borders of North Kings GSA) (North Kings GSP (January 2020), pp. 3-77 through 3-80).

The GSAs should either more thoroughly demonstrate that undesirable results related to ISW are not occurring in the subbasin and are unlikely to occur in the future; or develop SMC for depletions of ISW. If developing SMC, the GSAs should outline a plan and timeline to fill data gaps regarding the location (extent), quantity, and timing of interconnection in the subbasin. The GSAs should reach out to surface water users and the California Department of Fish and Wildlife for input in the development of these SMC.

11. Board staff recognizes that a significant portion of the Friant release is lost before reaching Gravelly Ford due to surface water diversion and infiltration. For instance, the loss was over 33 percent for more than 90 percent of the time during the first 162 days of 2020. Board staff recommends the GSAs improve management of surface water diversion reporting and monitoring of possible pumping depletions along this reach so they can better understand the effects on the subbasin.

Projects and Management Actions

12. The GSAs expect to bring an additional 60,000 acre-feet per year (AFY)¹³ of additional water to the subbasin through projects (Joint GSP p. ES-9). Implementing some of the projects identified in the Madera GSPs may require new or amended water rights. If a project would rely on existing water rights, the GSAs should identify the water right identification numbers and other relevant details. It may be unreasonable for the GSPs to assume that projects that currently lack adequate water rights for implementation can obtain either new water rights or modifications to existing water rights within a timeframe that will allow the project to contribute to the GSPs achieving sustainability. For the GSPs to demonstrate a likelihood of attaining the sustainability goal, the GSPs should discuss the timing for obtaining approvals and describe any uncertainties, such as water availability in source streams (e.g.: Will less surface water be available with projected Bay-Delta Plan implementation? Is the source declared to be a fully appropriated stream? Can potential protests be anticipated from downstream water users?). Below is information on obtaining new surface water rights or modifying existing rights:

¹³ This would represent approximately 36 percent of the estimated subbasin overdraft of 165,900 AFY.

- a. New surface water right permits: An applicant must gather all information necessary to complete the application; this could be extensive. Once the State Water Board publicly notices an application, other water right holders may protest the project based on potential injury to their water rights. Parties may also protest if the project has the potential to harm public trust resources. The GSAs should contact the Division of Water Rights' Permitting and Licensing Division or consult the Division's [Permitting and Licensing Frequently Asked Questions](https://www.waterboards.ca.gov/waterrights/water_issues/programs/application/faqs.html) (https://www.waterboards.ca.gov/waterrights/water_issues/programs/application/faqs.html) to develop an informed timeline for project implementation that includes necessary water right actions.
- b. Amendment of an existing surface water right: The time required to amend an existing water right depends on multiple factors, including but not limited to whether the change is minor, major, or controversial. The GSAs can learn more from the Division of Water Rights' [Petitions Frequently Asked Questions](https://www.waterboards.ca.gov/waterrights/water_issues/programs/petitions/faqs.html) (https://www.waterboards.ca.gov/waterrights/water_issues/programs/petitions/faqs.html).

Note that there is a pending surface water adjudication of Fresno River water rights, which could result in determinations that may affect the feasibility of some of the proposed projects.

13. Given there is no certainty that a particular water right permit or petition will ultimately be approved, or when, it is important the GSPs clarify proposed timelines for projects and management actions and consider how changes in those timelines could impact the subbasin's ability to achieve sustainability by 2040. Staff notes the Madera County GSA has already taken steps towards implementing groundwater allocations for extractors within its management area. The remaining GSAs should also identify alternative groundwater management strategies to achieve sustainability (e.g., demand reduction), if anticipated water supplies such as purchases or new or amended water rights are unsuccessful. Clear timelines, alternative strategies, and triggers for those strategies would ensure the GSAs can effectively evaluate when they should move towards implementing such contingency projects or management actions if primary projects or management actions are not implemented on projected timelines.
14. The GSPs describe well permitting processes in each applicable county, and the Joint GSP mentions coordination with Madera County (Joint GSP Section 2.1.3.3, p. 2-18). The Gravelly Ford Water District GSA may consider requiring new wells to be registered with the GSA (GFWD GSP Section 2.1.4, p. 2-12). However, the GSPs

lack specific information regarding the events that would lead the GSAs to adopt these types of policies, how the GSAs will evaluate new permits, address possible impacts from new permits, or work with the county to address concerns. Staff recommends that GSAs work with county governments for alignment between the GSPs and county well permitting programs. As encouraged by the SGMA, GSAs should request counties forward permit requests for new wells, for enlarging of existing wells, or for reactivation of abandoned wells. (Water Code, §10726.4.) As new wells are drilled in the subbasin, patterns of extraction and groundwater decline may shift. These shifts may cause groundwater level declines and effects on users in new areas of the subbasin not currently well-represented by an RMS. Increased production from these wells may also make it more difficult for the GSAs to avoid undesirable results and achieve sustainability within the implementation period.

Engagement

15. The GSP should be more explicit about how the concerns of local beneficial users, particularly disadvantaged communities reliant on groundwater and other stakeholders, were integrated into development of SMC and monitoring networks and selection of RMS and projects and management actions. SGMA requires consideration of the interests of diverse, social, cultural, and economic elements of the populations within the subbasin during plan development. Collaborative and inclusive processes can make plans more resilient by increasing buy-in and trust, improving compliance, and enhancing the quality of information on which plans are based. It is important that GSAs send appropriate notices; hold meetings in times, places, and manners that support effective engagement; acknowledge issues raised and modify the GSP as appropriate in response. GSAs should consult with individuals or groups when actions may impose direct or indirect costs on those entities. Good governance can build trust and reduce regulatory compliance risks. Consultation, for example, could help a GSA avoid or mitigate an action that might directly or indirectly cause a drinking water system to violate its permit or face new compliance costs due to reduced availability of water or lower water quality.
16. The GSAs should engage with all public water systems that rely on groundwater in the subbasin to ensure the GSP protects drinking water users. To facilitate this, State Water Board staff has attached a list of public water systems with wells in the subbasin as of November 2021. Please [contact the Board's Division of Drinking Water](#) at DDW-SAFER-NAU@waterboards.ca.gov with any questions.
17. The GSPs do not describe the GSAs' process for identifying or reaching out to Tribes with potential interests in groundwater management in the subbasin. Without this information, it is difficult to discern whether the GSA appropriately considered the interests of California Native American Tribes in developing the GSP (Water

Code, §10723.2(h)). The Joint GSP lists the names of eight Tribes located in the region, but no further discussion of Tribal interests is provided. The GSPs should elaborate on their GSAs' tribal engagement efforts. If the GSAs have not already done so, the GSAs should consult with the Native American Heritage Commission (NAHC) to obtain information about Tribes that have current and ancestral ties in the subbasin. To request this information, the GSAs can email the NAHC at nahc@nahc.ca.gov.

Joint GSP Comments

Groundwater Levels and Potential Drinking Water Impacts

18. In further developing the well mitigation program, the Joint GSP GSAs should describe specific success criteria for the program, with clear links to the both SMC and the GSAs' definitions of undesirable results. The GSAs should also (1) clearly identify who qualifies as a "pumper" for fee assessments; and (2) develop an outreach program for all domestic well owners that outlines estimated impacts of the GSP and mitigation options. The outreach program should describe both how GSAs will reach out to well owners before water shortages occur as well as how well owners can report water supply shortages to the GSAs. Results of analysis and discussion as outlined in #3 above would provide better data in support of this option.
19. It is difficult to evaluate the feasibility of the proposed potential well impact mitigation program. The program estimates the cost of implementation assuming deepening of 120 wells (or 240 wells considering data gaps in available well completion reports) at \$25,000 per well, but the Joint GSP does not describe any clear funding commitments from the GSAs or well owners to implement the plan. Moreover, some of the assumptions behind the cost estimates may be inaccurate: The estimates of the total number of potentially impacted wells are based on questionable assumptions (see #3). The \$25,000 value also does not include any costs or fees associated with permitting or administration (Joint GSP p. A3.D-2), and the plan does not discuss increased energy costs to be borne by well-owners pumping from deeper in the aquifer. Finally, the total annual proposed budget for the well mitigation program (\$277,000) (Joint GSP p. A3.D-5) could only cover the cost of installing 11 wells per year, not including permitting and administration fees. The GSP does not discuss how this replacement rate aligns with the rate at which wells may need to be replaced as water levels decline.

20. The Joint GSP lacks RMSs for water levels in certain areas with higher densities of domestic wells.¹⁴ Three nested well sites are proposed in the northern portion of this area, which could help fill monitoring gaps; however, the GSP does not describe whether, when, or how MOs and MTs will be set for these sites. As a result, it is difficult to set a baseline for domestic wells now and evaluate impacts to domestic wells during the GSP implementation period. The GSP should explain how MTs and MOs will be set at these RMSs.

Groundwater Quality

21. The Joint GSP notes that implementation of GSP projects or management actions could result in significant and unreasonable degraded water quality (Joint GSP p. ES-12); however, the GSP does not mention other potential causes of groundwater quality degradation subject to SGMA, such as those which could be caused by declining groundwater levels. The GSP should more broadly consider how groundwater extraction and management exacerbate groundwater quality problems for beneficial users. See #6 and #7.
22. The Joint GSP generally sets MT concentrations at the MCL for a particular constituent; however, constituent concentrations at some water quality RMSs already exceeded the applicable MCLs in 2015. In these cases, the GSP sets the MOs at the most recent concentration for the constituent and the MTs at the most recent concentration plus 20 percent. For example, the MO and MT concentrations for arsenic at one public supply well RMS (2010801-001) are set at 15 ug/L and 18 ug/L, respectively (the MCL is 10 ug/L). The GSP does not explain how the 20 percent buffer was selected and proposes uniform application of the buffer, rather than considering the historical trends of a particular analyte or the beneficial uses at a specific location. Staff recommends the GSP either better explain how the 20 percent buffer relates to avoiding an undesirable result or propose a different approach that more clearly relates to avoiding an undesirable result.
23. The Joint GSP proposes a number of new nested monitoring wells to fill monitoring network gaps; however, the GSP does not identify any RMSs in the Upper Aquifer in the northwestern area of the subbasin (near Berenda and Dry Creeks), where

¹⁴ Some of the RMSs in this area designated for either the Composite or Lower Aquifer are indeed screened in intervals overlapping with typical domestic well depths; however, the GSP does not clearly identify which RMSs are appropriate for monitoring groundwater levels for domestic wells.

nitrate concentrations have historically been high (Joint GSP Figure 3-2, p. 3-59). The historical nitrate concentration contour maps show MCL exceedances in both shallow and deep wells in this area (Joint GSP pp. A2.E.c-20 through A2.E.c-23). This area also has TDS concentrations exceeding 500 ug/L (Joint GSP pp. A2.E.c-18 through A2.E.c-19). The edge of the Corcoran Clay runs through this area, which underscores the need for monitoring in the Upper Aquifer. Several severely disadvantaged communities also rely on groundwater in the nitrate hotspot (Joint GSP Figure 3-2, p. 3-59). However, the GSP does not specifically discuss nitrate or TDS issues in this area and has no RMS for water quality degradation in the area.

Staff recommends the GSP add further discussion of existing water quality issues in this area and the adequacy of its water quality monitoring network and propose additional RMSs in the Upper Aquifer, if appropriate. In addition, staff recommends the GSP further evaluate the spatial distributions of key contaminants discussed above (DBCP, 1,2,3-TCP and uranium) and add or modify RMSs where appropriate.

24. Staff commends the Joint GSP GSAs' proposal to evaluate data from the Irrigated Lands Regulatory Program and other public supply wells as part of assessing the sustainability indicators and their relationship with the Joint GSP projects and management actions. Incorporating these data into the GSP analysis will help fill in gaps in the spatial coverage of the RMSs, considering the heterogenous nature of subsurface contamination. Staff recommends the GSAs develop a more explicit plan for leveraging these data and incorporating them into its SMC. For example, the GSP does not specify whether MO and MT concentrations will be defined for these sites or how the data will be incorporated with those of the RMSs to collectively define undesirable results.
25. The Joint GSP does not consider specific projects or management actions in the event water quality degradation worsens due to groundwater extractions or GSP implementation. Access to safe drinking water in the subbasin can be impacted by nitrate or other existing contaminants (e.g., arsenic, DBCP, 1,2,3-TCP, and Uranium), which may migrate or increase in concentration due to groundwater pumping or the GSP's recharge projects. One option would be to expand the well mitigation program to also cover domestic or public supply wells at which contaminant concentrations become unsafe due to pumping or GSP implementation. The GSP's potential well mitigation framework discusses water quality issues insofar as it mentions mitigation actions proposed under State Water Board or Regional Water Board programs, but the framework appears to rely on those programs to mitigate for water quality degradation rather than describe the GSAs' responsibilities under the GSP. For example, the program notes that the

Water Quality Control Plan for the Sacramento and San Joaquin River Basins “includes new regulatory actions focused on managing nitrates locally while providing interim and long-term solutions for providing safe drinking water” (Joint GSP p. A3.D-6).

Water Budget

26. The GSP acknowledges the high uncertainty of subsurface flow from adjacent basins and attributes it to significant data gaps in water levels near basin boundaries. Staff noted additional important data gaps and issues in model assumptions and calibrations, below. Staff recommends the GSAs update or better explain certain assumptions and calibration choices in their model and include a plan and timeline for filling the more fundamental data gaps in its water budget.
 - a. Most calibration wells have an unknown aquifer designation. There was insufficient spatial coverage by wells with known aquifer designation, and calibration errors are on average larger at wells with known aquifer designation.
 - b. The rationale of assigning the water level at each well to a model layer was not explained.
 - c. It is unclear how the vertical distributions of pumping were decided, and how these decisions impacted the calibration.
 - d. The calibration is biased for the Lower Aquifer, resulting in overestimates of water levels at low water levels and underestimates of water levels at high water levels.
 - e. The assumptions behind the model's future general-head boundary water levels were not documented, making it difficult to understand the increased net subsurface inflows estimated during 2020-2040.
27. The GSP appears to underestimate historical and current overdraft by double-counting San Joaquin River seepage to the subbasin as both recharge to the groundwater system from “boundary seepage” and as subsurface inflow from the Kings subbasin. Because the San Joaquin River is located immediately south of the subbasin boundary, the GSP calculates half of the San Joaquin River seepage along the southern boundary as “Boundary Infiltration of Surface Water” (see footnote on Joint GSP pp. 2-69 through 2-70). The GSP implicitly includes it again as part of the “Net Subsurface Groundwater Inflow” through groundwater modeling (see Joint GSP Table 2-26). When calculating the historical and current overdraft (see Joint GSP Tables 2-29 and 2-30), this amount of water is counted in both “Infiltration of Surface Water” (Column “d,” equivalent to the sum of the last three

columns in Table 2-22) and “Net Subsurface Groundwater Inflow” (Column “a”). The San Joaquin River seepage to the subbasin was 59,945 AFY while the “Net Subsurface Inflow” was modeled as 69,435 AFY during 1989-2014 (Joint GSP Table 2-22). The “Net Subsurface Inflow” averages 69,675 AFY and includes 65,328 AFY inflow from the Kings subbasin during 1989-2015 (Joint GSP p. A6.D-D-10). The San Joaquin River seepage constitutes the majority of the “Net Subsurface Inflow.”

The GSP’s overdraft estimation should be modified to remove either the “Net Subsurface Inflow” or the “Boundary Infiltration of Surface Water” component, considering the double counting of the San Joaquin River seepage to the subbasin and the high uncertainty in the “Net Subsurface Inflow.”

Gravelly Ford GSP Comments

General

28. The GSP does not provide meaningful definitions of undesirable results or quantitative MT or MOs for reduction of groundwater storage, degraded groundwater quality, land subsidence, or depletions of interconnected surface water, making it impossible to know how the GSA will monitor groundwater conditions for the sustainability indicators and what conditions would trigger a response from the GSA. In addition, the GSP does not describe or map any monitoring well locations for these undesirable results, making it difficult to assess whether conditions are adequately characterized in the Basin Setting of the GSP or how well conditions will be monitored in the future.

Groundwater Quality

29. The GSP does not cite the source of the data used to describe existing water quality the basin setting, does not identify data gaps, and only discusses the water quality needs of agricultural beneficial users.

Depletions of Interconnected Surface Water

30. The GSP does not consider how groundwater management may affect interconnected surface waters and associated beneficial uses and users. Instead, the GSP defines its MO for interconnected surface water as “utilization for irrigation and groundwater recharge of the maximum available surface water each year” (GFWD GSP p. 3-3). SGMA requires that GSAs manage for depletions of interconnected surface water, not identify priorities for diversions of surface water. The GSA should revisit its SMC for this sustainability indicator.

Water Budget

31. The overdraft estimates in the GSP are internally inconsistent. The GSP refers to two sets of water budgets for the area covered by the GSP: one conducted for the Joint GSP, and the other conducted by the GFWD. The GSP uses water budget values from both analyses together without differentiating the historical, current, and future conditions. This causes confusion. For example, the GSP defines “overdraft” using several different values from the two budgets that range from zero to 1,700 AFY (GFWD GSP pp. 2-15 through 2-16; pp. 2-22 through 2-23; p. 2-35; Appendix B pp. 21 through 22). The GSA should correct the contradictions and present a cohesive water budget using the same data and methods as the other subbasin GSPs.
32. The water budget misrepresents the relationship of flows between the Land and Surface Water System and Groundwater System. The water budget table (GFWD GSP Table 2-6) summarizes the total inflows and total outflows of the area covered by the GSP, but fails to break down the inflows and outflows by water budget system (i.e., the Land and Surface Water System, and Groundwater System). This joining together of different systems and inconsistent categorization of different inflows and outflows likely leads to the GSP’s mistakes in how different components of the water budget were characterized as inflow or outflow. The approach also leads to an overall incorrect mass balance accounting for the GSP area. For example:
- “Groundwater Extraction” (from pumpers within the GSA), which would normally be described as an outflow from the Groundwater System and an inflow to the Land and Surface Water System, was mistakenly counted as part of the total inflow that appear to add up individual inflow components of the two systems, but not part of the total outflow.
 - “Infiltration of Precipitation Loss/Surface Water Loss/Applied Water Loss” items were counted as part of the total outflow but not part of the total inflow, whereas they would normally be described as outflow of the Land and Surface Water System, and inflow to the Groundwater System.

These components are internal flows between the Land and Surface Water System and the Groundwater System, and therefore should cancel each other out in the mass balance.

Also, a typo appears to have been carried into the water budget mass balance: the subsurface inflow is listed as 500 AFY in Table 2-6, which is inconsistent with the “Groundwater Inflow” of 5,200 AFY in Table 2-7. The 500 AFY value appears to be

a typo, but the GSP uses the 500 AFY value in calculating the total inflow and storage change in Table 2-6.

33. The GSP does not explain a significant increase in surface water supply in its projected water budget. The native flow of surface water (i.e., Cottonwood Creek Diversions, see Table 2-1) to the subbasin is projected at 6,000 AFY, despite it averaging 1,200 AFY in the historical water budget (GFWD GSP Table 2-6). In addition, the GSP counts on the SJRRP to provide an added 1,600 AFY of increased streambed recharge and subsurface inflow to the GSP area, but does not provide evidence to support this assumption

New Stone GSP Comments

Groundwater Levels and Potential Drinking Water Impacts

34. Staff is concerned that the SMC do not appropriately consider beneficial users and uses of water in the subbasin. More specifically, staff has concerns with how the GSAs define an undesirable result, MTs, and MOs (MTs and MOs are discussed in #3 above). The New Stone GSP states that chronic lowering of groundwater levels is significant and unreasonable if groundwater pumping has caused 25 percent of wells in the New Stone Water District to go dry. The GSP does not explain why 25 percent was determined as the significant and unreasonable metric or how beneficial uses or users in the subbasin were considered in setting the metric there.

Moreover, the New Stone GSP did not explicitly consider drinking water uses in setting its SMCs. The GSP mentions the existence of domestic wells in the district (NSWD GSP p. ES-2) but states elsewhere that groundwater is not used for drinking water supply in the GSP area (NSWD GSP p. 3-38). There is some evidence of domestic well use within the GSP area. APN 041-042-001—a parcel in the GSP area—has a domestic well that was completed in 2019, according to the Department of Water Resources Online System of Well Completion Reports. Also, although the GSP's well density map (NSWD GSP Figure 2-5) does not distinguish among domestic, agricultural, or domestic water supply wells, the Joint GSP's domestic well density map identifies domestic wells in several of the sections within New Stone Water District GSA. Moreover, SGMA requires GSAs to consider the interests of all beneficial uses and users of groundwater (Cal. Water Code § 10723.2), and neither the statute nor the GSP regulations narrows that responsibility to consideration of just the beneficial uses and users within the part of the subbasin covered by an individual GSP.

Groundwater Quality

35. The New Stone GSP sets quantitative criteria for managing for degradation of water quality but does not discuss approach for managing for water quality degradation may not fully account for the effects of groundwater pumping and GSP implementation.
- a. The water quality sampling frequency described in the GSP is inadequate for tracking potential water quality degradation associated with pumping and GSP implementation. In the water quality monitoring network section, the GSP states that sampling will occur every three years using three monitoring wells (NSWD GSP pp. 5-9 through 5-10). The GSP justifies having a small network with low monitoring frequency because there are no known contaminant plumes to monitor within the GSA area. State Water Board staff disagrees and does not think the monitoring network size and frequency are sufficient to determine if water quality is being degraded.
 - b. The SMC for water quality degradation is based on protecting water quality for crops rather than existing water quality standards.

Water Budget

36. The water budget is not well-documented and therefore difficult to assess. Values in the water budget table (NSWD GSP Table 3-9, p. 3-84) are not substantiated by data, parameters, or equations, even though the GSP is using simple analytical methods that could be easily documented. As a result, it is difficult to validate the values of water budget components in the GSP. The GSP should include the data and calculations behind its water budget analysis.
37. The methods used to calculate subsurface flow in the water budget are unclear. The GSP states that subsurface inflow and outflow were both calculated through transmissivity values, groundwater level contours (i.e., gradients) and district boundaries (i.e., lengths) (NSWD GSP pp. 3-78 through 3-79), but does not present the parameters used or the final calculations. The water budget table (NSWD GSP Table 3-9) shows 4,500 AFY of subsurface inflow and zero subsurface outflow, but the GSP does not explain how it arrived at this number. Staff speculates the GSP calculated the net subsurface inflow, which is likely derived through mass balance of water budget components in the groundwater system (i.e., based on storage change and net recharge). On the other hand, the GSP contradicts itself by stating in the Executive Summary (NSWD GSP p. ES-2) that groundwater inflow and outflow were assumed to be equal due to lack of data. The GSP should clarify how the subsurface flow estimate was derived.

38. Staff noted additional important data gaps and issues, below, in the New Stone GSP's projected water budget (see NSWG GSP Table 3-9). Staff recommends the GSA update or better explain certain assumptions and values in their projections.
- a. The projected water budget assumes a 10 percent reduction in demand but does not explain the rationale.
 - b. The GSP considers climate change in its projected budget (p. 3-88), but not potential land use change.
 - c. The storage increment of 4,600 AFY in Table 3-9 contradicts other values in the table. A mass-balance accounting for the Projected Groundwater System Water Budget based on values in Table 3-9 shows a storage increase of only 1,100 AFY.
 - d. The projected water budget has a mass-balance error in the Land System that may warrant adjustment. Staff's mass-balance accounting for the Projected Land System shows the total inflow exceeds the total outflow by 1,100 AFY. In a correctly balanced accounting, the Land System storage change would be negligible.

Root Creek GSP Comments

Groundwater Quality

39. Chapter 4 of the Root Creek GSP states that water quality SMC will be set in the GSP's 5-year update when more data are obtained to establish the baseline, and that MOs will not exceed the baseline. Chapter 5, however, sets specific MTs and MOs at some agricultural and municipal wells, though does not provide an MT or MO for rural residential use. Instead, the GSP states that a rural residential MT and MO will be determined over the next 5-year period (RCWD GSP pp. 4-28, 4-30). Staff recommends the Root Creek GSA resolve the conflicting statements in the GSP and set a numerical MT and MO for rural residential, which the GSA can then adjust as appropriate in future 5-year updates based on any new information. See also #6.
40. The Root Creek GSP describes a water quality monitoring network, but does not specify well types, screen intervals, or which wells will be sampled for which analytes. Without this information, it is difficult to assess whether the monitoring network will successfully capture water quality degradation impacts to all beneficial users.

41. The Root Creek GSP describes a numerical MO for municipal use and a qualitative MO for agricultural use. The GSP's MT for nitrogen is set at 30 mg/L for agricultural wells and at 10 mg/L, the MCL for nitrogen, for municipal wells; however, agricultural wells and municipal wells pump at similar depths and can share the same area. The GSP does explain how the GSA could functionally manage for such different water quality levels at depths used by both municipal and agricultural wells.

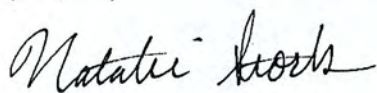
Water Budget

42. The water budget is not well-documented and therefore difficult to assess. The Root Creek GSP does not validate the values in the water budget table (RCWD GSP Table 3-9, p. 3-86) by data, parameters, or equations, even though the GSP is using simple analytical methods that could be easily documented with data, parameters and equations of calculation. For example, the GSP does not substantiate its subsurface inflow or outflow values with the parameters (i.e., transmissivity, gradient and length of boundaries) and calculations used to produce them, even though the GSP acknowledges those values are the most uncertain. Staff recommends that the GSP include the data and calculations underlying its water budget analysis.
43. State Water Board staff recommends the Root Creek Water District GSA clarify pieces of the Root Creek GSP's water budget (see RCWD GSP Table 3-9):
 - a. The sources and amounts of surface water supply are not detailed, making it difficult to understand how the values in the table were developed. Because the GSP relies on increased surface water supply to alleviate the overdraft, it is important to ensure these surface water supplies are substantiated and feasible.
 - b. The GSP does not explain the difference between the historical overdraft value of 8,400 AFY in Table 3-9 and the estimate of 3,100 AFY for average water level decline (RCWD GSP p. 3-83).
 - c. It is unclear whether San Joaquin River seepage is included in the Root Creek GSP's water budget. The GSP states that seepage is calculated based on gage data and water diversions along the river (RCWD GSP p. 3-77), but does not present data or values for the seepage and does not list it out in the water budget table (RCWD GSP Table 3-9). It is also unclear whether this recharge is a portion of the 17,000 AFY of subsurface inflow ("groundwater inflow"). The Joint GSP, by contrast, lists 3,700 AFY of "local stream/river recharge" in the water budget provided by the Root Creek Water District GSA.

- d. The projected water budget appears to have a mass balance error in the Land System that may warrant adjustment. Staff's mass-balance accounting for the Projected Land System shows the total inflow exceeds the total outflow by 2,300 AFY. In a correctly balanced accounting, the Land System storage change would be negligible.

If you any have questions regarding these comments, please do not hesitate to contact State Water Board Groundwater Management Program staff by email at SGMA@waterboards.ca.gov or by phone at 916-322-6508.

Sincerely,



Natalie Stork
Senior Engineering Geologist
Chief, Groundwater Management Program Unit I
Office of Research, Planning, and Performance

Enclosures: Appendix – Select constituents in Madera Subbasin wells

Public water systems with wells in the Madera Subbasin as of December 2021 (see .xlsx attachment within PDF file)

Appendix – Select constituents in Madera Subbasin wells (December 2021)

Non-detects are green, detections are yellow and orange, and MCL exceedances are red. Figures developed from [State Water Board Groundwater Ambient Monitoring and Assessment \(GAMA\) Program's database](https://gamagroundwater.waterboards.ca.gov/) (<https://gamagroundwater.waterboards.ca.gov/>).

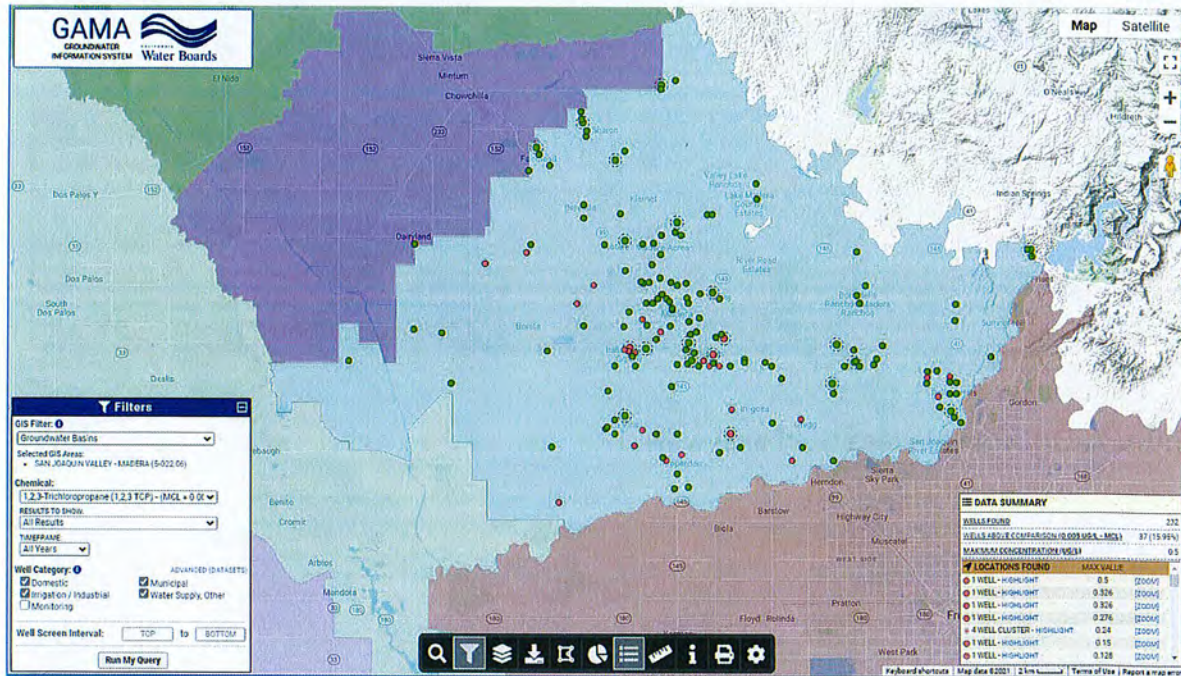


Figure 1. 1,2,3-Trichloropropane in Madera Subbasin wells

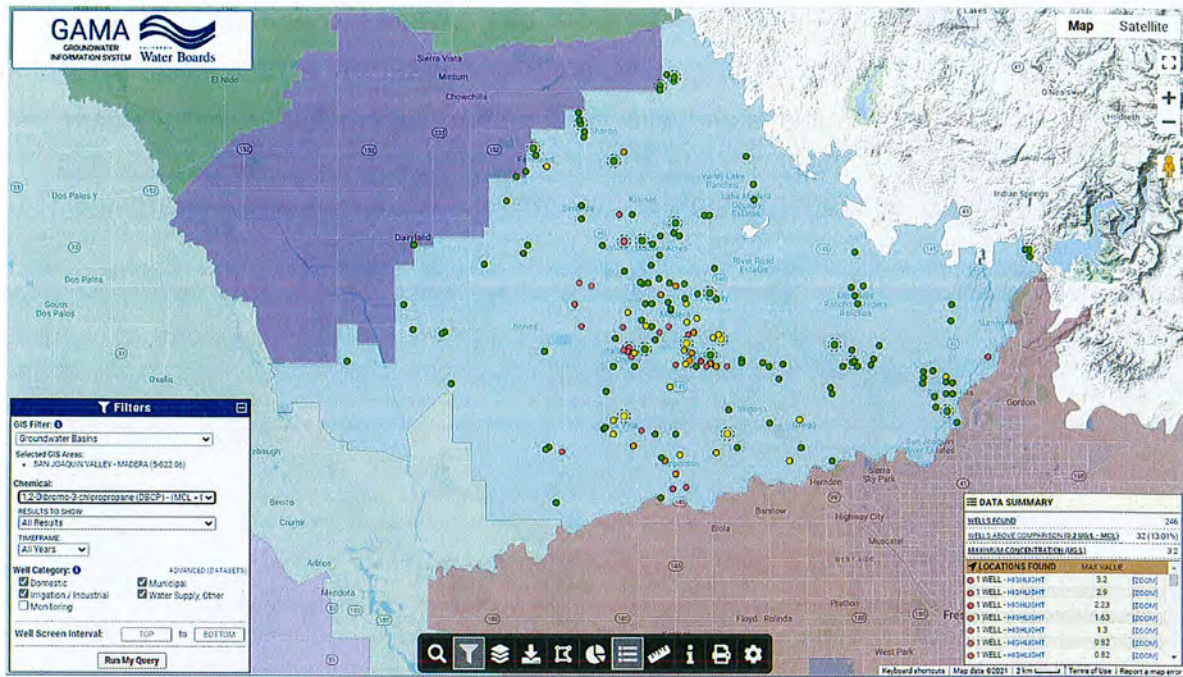


Figure 2. DBCP in Madera Subbasin wells.

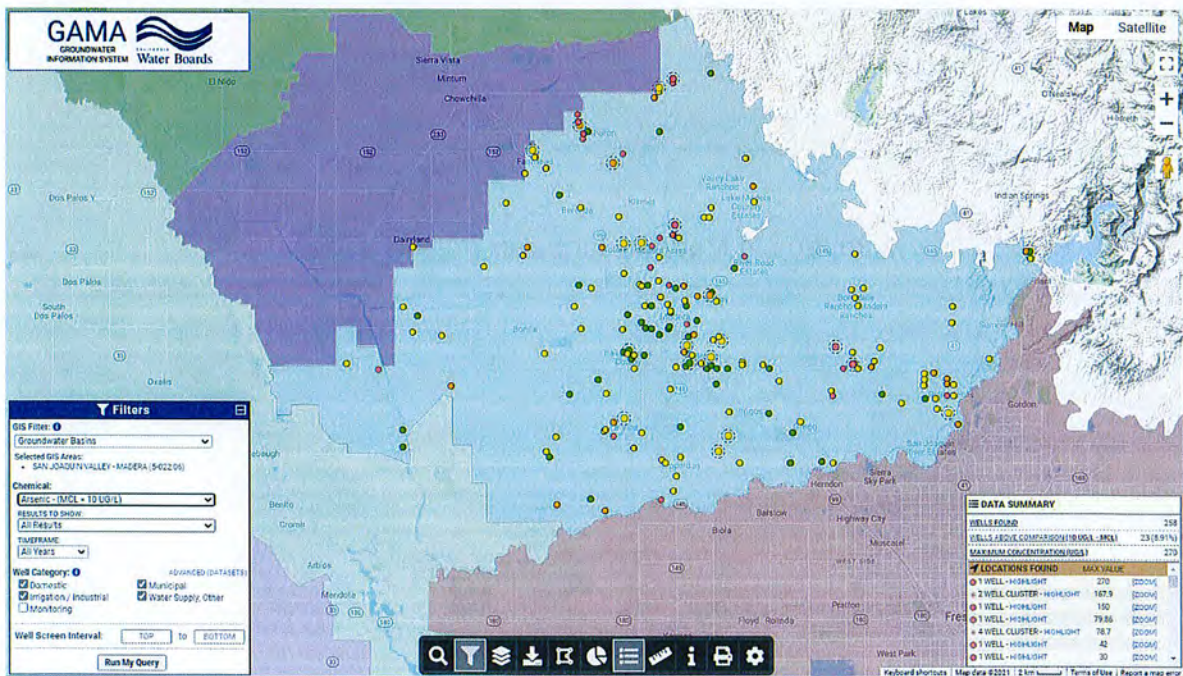


Figure 3. Arsenic in Madera Subbasin wells

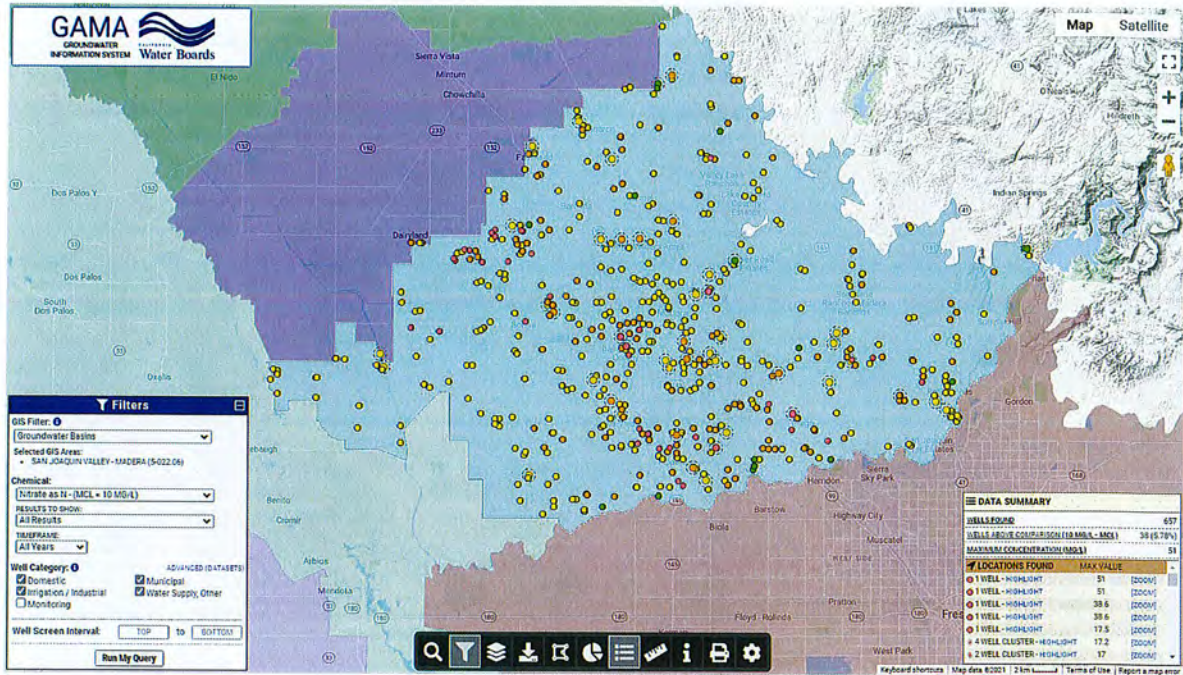


Figure 4. Nitrate in Madera Subbasin wells.

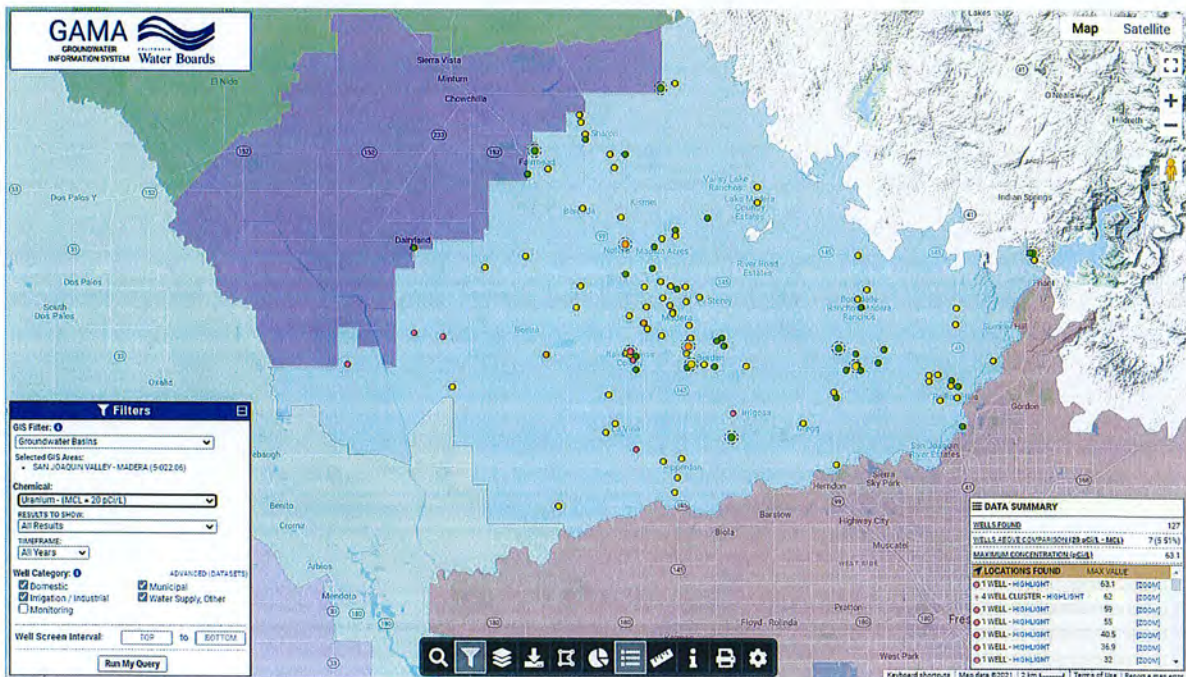


Figure 5. Uranium in Madera Subbasin wells.

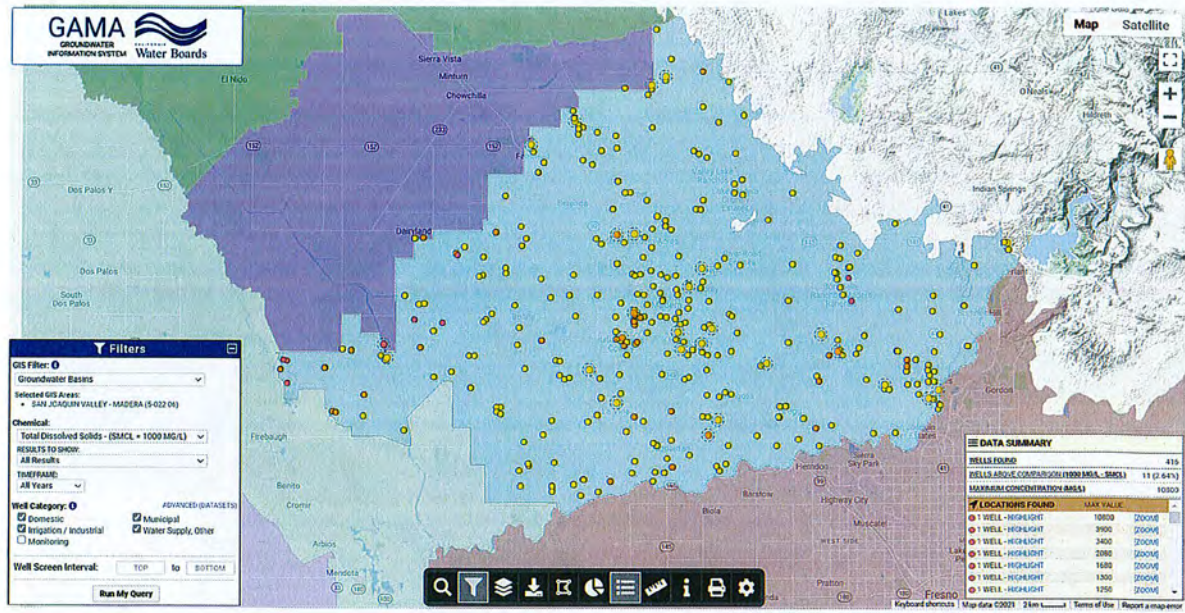


Figure 6. TDS in Madera Subbasin wells.

AGENDA ITEM GSA b.

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-7-22

WHEREAS on April 12, 2021, May 10, 2021, July 8, 2021, and October 19, 2021, I proclaimed states of emergency that continue today and exist across all the counties of California, due to extreme and expanding drought conditions; and

WHEREAS climate change continues to intensify the impacts of droughts on our communities, environment, and economy, and California is in a third consecutive year of dry conditions, resulting in continuing drought in all parts of the State; and

WHEREAS the 21st century to date has been characterized by record warmth and predominantly dry conditions, and the 2021 meteorological summer in California and the rest of the western United States was the hottest on record; and

WHEREAS since my October 19, 2021 Proclamation, early rains in October and December 2021 gave way to the driest January and February in recorded history for the watersheds that provide much of California's water supply; and

WHEREAS the ongoing drought will have significant, immediate impacts on communities with vulnerable water supplies, farms that rely on irrigation to grow food and fiber, and fish and wildlife that rely on stream flows and cool water; and

WHEREAS the two largest reservoirs of the Central Valley Project, which supplies water to farms and communities in the Central Valley and the Santa Clara Valley and provides critical cold-water habitat for salmon and other anadromous fish, have water storage levels that are approximately 1.1 million acre-feet below last year's low levels on this date; and

WHEREAS the record-breaking dry period in January and February and the absence of significant rains in March have required the Department of Water Resources to reduce anticipated deliveries from the State Water Project to 5 percent of requested supplies; and

WHEREAS delivery of water by bottle or truck is necessary to protect human safety and public health in those places where water supplies are disrupted; and

WHEREAS groundwater use accounts for 41 percent of the State's total water supply on an average annual basis but as much as 58 percent in a critically dry year, and approximately 85 percent of public water systems rely on groundwater as their primary supply; and

WHEREAS coordination between local entities that approve permits for new groundwater wells and local groundwater sustainability agencies is important to achieving sustainable levels of groundwater in critically overdrafted basins; and

WHEREAS the duration of the drought, especially following a multiyear drought that abated only five years ago, underscores the need for California to redouble near-, medium-, and long-term efforts to adapt its water management and delivery systems to a changing climate, shifting precipitation patterns, and water scarcity; and

WHEREAS the most consequential, immediate action Californians can take to extend available supplies is to voluntarily reduce their water use by 15 percent from their 2020 levels by implementing the commonsense measures identified in operative paragraph 1 of Executive Order N-10-21 (July 8, 2021); and

WHEREAS to protect public health and safety, it is critical the State take certain immediate actions without undue delay to prepare for and mitigate the effects of the drought conditions, and under Government Code section 8571, I find that strict compliance with various statutes and regulations specified in this Proclamation would prevent, hinder, or delay the mitigation of the effects of the drought conditions.

NOW, THEREFORE, I, GAVIN NEWSOM, Governor of the State of California, in accordance with the authority vested in me by the State Constitution and statutes, including the California Emergency Services Act, and in particular, Government Code sections 8567, 8571, and 8627, do hereby issue the following Order to become effective immediately:

IT IS HEREBY ORDERED THAT:

1. The orders and provisions contained in my April 21, 2021, May 10, 2021, July 8, 2021, and October 19, 2021 Proclamations remain in full force and effect, except as modified by those Proclamations and herein. State agencies shall continue to implement all directions from those Proclamations and accelerate implementation where feasible.
2. To help the State achieve its conservation goals and ensure sufficient water for essential indoor and outdoor use, I call on all Californians to strive to limit summertime water use and to use water more efficiently indoors and out. The statewide Save Our Water conservation campaign at SaveOurWater.com provides simple ways for Californians to reduce water use in their everyday lives. Furthermore, I encourage Californians to understand and track the amount of water they use and measure their progress toward their conservation goals.
3. By May 25, 2022, the State Water Resources Control Board (Water Board) shall consider adopting emergency regulations that include all of the following:
 - a. A requirement that each urban water supplier, as defined in section 10617 of the Water Code, shall submit to the Department of Water Resources a preliminary annual water supply and demand assessment consistent with section 10632.1 of the Water Code no later than June 1, 2022, and submit a final annual water

supply and demand assessment to the Department of Water Resources no later than the deadline set by section 10632.1 of the Water Code;

- b. A requirement that each urban water supplier that has submitted a water shortage contingency plan to the Department of Water Resources implement, at a minimum, the shortage response actions adopted under section 10632 of the Water Code for a shortage level of up to twenty percent (Level 2), by a date to be set by the Water Board; and
- c. A requirement that each urban water supplier that has not submitted a water shortage contingency plan to the Department of Water Resources implement, at a minimum, shortage response actions established by the Water Board, which shall take into consideration model actions that the Department of Water Resources shall develop for urban water supplier water shortage contingency planning for Level 2, by a date to be set by the Water Board.

To further conserve water and improve drought resiliency if the drought lasts beyond this year, I encourage urban water suppliers to conserve more than required by the emergency regulations described in this paragraph and to voluntarily activate more stringent local requirements based on a shortage level of up to thirty percent (Level 3).

4. To promote water conservation, the Department of Water Resources shall consult with leaders in the commercial, industrial, and institutional sectors to develop strategies for improving water conservation, including direct technical assistance, financial assistance, and other approaches. By May 25, 2022, the Water Board shall consider adopting emergency regulations defining "non-functional turf" (that is, a definition of turf that is ornamental and not otherwise used for human recreation purposes such as school fields, sports fields, and parks) and banning irrigation of non-functional turf in the commercial, industrial, and institutional sectors except as it may be required to ensure the health of trees and other perennial non-turf plantings.
5. In order to maximize the efficient use of water and to preserve water supplies critical to human health and safety and the environment, Public Resources Code, Division 13 (commencing with section 21000) and regulations adopted pursuant to that Division are hereby suspended, with respect to the directives in paragraphs 3 and 4 of this Order and any other projects and activities for the purpose of water conservation to the extent necessary to address the impacts of the drought, and any permits necessary to carry out such projects or activities. Entities that desire to conduct activities under this suspension, other than the directives in paragraphs 3 and 4 of this Order, shall first request that the Secretary of the Natural Resources Agency make a determination that the proposed activities are eligible to be conducted under this suspension. The Secretary shall use sound discretion in applying this Executive Order to ensure that the suspension serves the purpose of accelerating conservation projects that are necessary to address impacts of the drought, while at the same time

protecting public health and the environment. The entities implementing these directives or conducting activities under this suspension shall maintain on their websites a list of all activities or approvals for which these provisions are suspended.

6. To support voluntary approaches to improve fish habitat that would require change petitions under Water Code section 1707 and either Water Code sections 1425 through 1432 or Water Code sections 1725 through 1732, and where the primary purpose is to improve conditions for fish, the Water Board shall expeditiously consider petitions that add a fish and wildlife beneficial use or point of diversion and place of storage to improve conditions for anadromous fish. California Code of Regulations, title 23, section 1064, subdivisions (a)(1)(A)(i)-(ii) are suspended with respect to any petition that is subject to this paragraph.
7. To facilitate the hauling of water for domestic use by local communities and domestic water users threatened with the loss of water supply or degraded water quality resulting from drought, any ordinance, regulation, prohibition, policy, or requirement of any kind adopted by a public agency that prohibits the hauling of water out of the water's basin of origin or a public agency's jurisdiction is hereby suspended. The suspension authorized pursuant to this paragraph shall be limited to the hauling of water by truck or bottle to be used for human consumption, cooking, or sanitation in communities or residences threatened with the loss of affordable safe drinking water. Nothing in this paragraph limits any public health or safety requirement to ensure the safety of hauled water.
8. The Water Board shall expand inspections to determine whether illegal diversions or wasteful or unreasonable use of water are occurring and bring enforcement actions against illegal diverters and those engaging in the wasteful and unreasonable use of water. When access is not granted by a property owner, the Water Board may obtain an inspection warrant pursuant to the procedures set forth in Title 13 (commencing with section 1822.50) of Part 3 of the Code of Civil Procedure for the purposes of conducting an inspection pursuant to this directive.
9. To protect health, safety, and the environment during this drought emergency, a county, city, or other public agency shall not:
 - a. Approve a permit for a new groundwater well or for alteration of an existing well in a basin subject to the Sustainable Groundwater Management Act and classified as medium- or high-priority without first obtaining written verification from a Groundwater Sustainability Agency managing the basin or area of the basin where the well is proposed to be located that groundwater extraction by the proposed well would not be inconsistent with any sustainable groundwater management program established in any applicable Groundwater Sustainability Plan adopted by that Groundwater Sustainability

Agency and would not decrease the likelihood of achieving a sustainability goal for the basin covered by such a plan; or

- b. Issue a permit for a new groundwater well or for alteration of an existing well without first determining that extraction of groundwater from the proposed well is (1) not likely to interfere with the production and functioning of existing nearby wells, and (2) not likely to cause subsidence that would adversely impact or damage nearby infrastructure.

This paragraph shall not apply to permits for wells that will provide less than two acre-feet per year of groundwater for individual domestic users, or that will exclusively provide groundwater to public water supply systems as defined in section 116275 of the Health and Safety Code.

10. To address household or small community drinking water shortages dependent upon groundwater wells that have failed due to drought conditions, the Department of Water Resources shall work with other state agencies to investigate expedited regulatory pathways to modify, repair, or reconstruct failed household or small community or public supply wells, while recognizing the need to ensure the sustainability of such wells as provided for in paragraph 9.
11. State agencies shall collaborate with tribes and federal, regional, and local agencies on actions related to promoting groundwater recharge and increasing storage.
12. To help advance groundwater recharge projects, and to demonstrate the feasibility of projects that can use available high water flows to recharge local groundwater while minimizing flood risks, the Water Board and Regional Water Quality Control Boards shall prioritize water right permits, water quality certifications, waste discharge requirements, and conditional waivers of waste discharge requirements to accelerate approvals for projects that enhance the ability of a local or state agency to capture high precipitation events for local storage or recharge, consistent with water right priorities and protections for fish and wildlife. For the purposes of carrying out this paragraph, Division 13 (commencing with section 21000) of the Public Resources Code and regulations adopted pursuant to that Division, and Chapter 3 (commencing with section 85225) of Part 3 of Division 35 of the Water Code and regulations adopted pursuant thereto are hereby suspended to the extent necessary to address the impacts of the drought. This suspension applies to (a) any actions taken by state agencies, (b) any actions taken by local agencies where the state agency with primary responsibility for the implementation of the directives concurs that local action is required, and (c) permits necessary to carry out actions under (a) or (b). The entities implementing these directives shall maintain on their websites a list of all activities or approvals for which these provisions are suspended.
13. With respect to recharge projects under either Flood-Managed Aquifer Recharge or the Department of Water Resources Sustainable

Groundwater Management Grant Program occurring on open and working lands to replenish and store water in groundwater basins that will help mitigate groundwater conditions impacted by drought, for any (a) actions taken by state agencies, (b) actions taken by a local agency where the Department of Water Resources concurs that local action is required, and (c) permits necessary to carry out actions under (a) or (b), Public Resources Code, Division 13 (commencing with section 21000) and regulations adopted pursuant to that Division are hereby suspended to the extent necessary to address the impacts of the drought. The entities implementing these directives shall maintain on their websites a list of all activities or approvals for which these provisions are suspended.

14. To increase resilience of state water supplies during prolonged drought conditions, the Department of Water Resources shall prepare for the potential creation and implementation of a multi-year transfer program pilot project for the purpose of acquiring water from willing partners and storing and conveying water to areas of need.
15. By April 15, 2022, state agencies shall submit to the Department of Finance for my consideration proposals to mitigate the worsening effects of severe drought, including emergency assistance to communities and households and others facing water shortages as a result of the drought, facilitation of groundwater recharge and wastewater recycling, improvements in water use efficiency, protection of fish and wildlife, mitigation of drought-related economic or water-supply disruption, and other potential investments to support short- and long-term drought response.

IT IS FURTHER ORDERED that as soon as hereafter possible, this Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 28th day of March 2022.



GAVIN NEWSOM
Governor of California

ATTEST:

SHIRLEY N. WEBER, PH.D.
Secretary of State

AGENDA ITEM 2a.



**MADERA IRRIGATION DISTRICT
BOARD OF DIRECTORS
GROUNDWATER SUSTAINABILITY AGENCY
REGULAR MEETING
FEBRUARY 15, 2022**

MINUTES

Directors Present: James Erickson, President
Timothy DaSilva
Brian Davis
Carl Janzen, Vice President
David Loquaci

Directors Absent: None

Staff Present: T. Greci, General Manager (GM Greci)
D. Cadenazzi Nolan, Assistant General Manager (AGM Nolan)
A. Kwock Sandoval, Secretary to the Board
J. Furstenburg, Controller
C. Contreras, Operations & Maintenance Manager (OMM Contreras)
T. Welch, Welch, HR Administrator / Risk Manager (HR/RM Welch)

Others Present: General Counsel John Kinsey, Wanger Jones Helsley; and others on the Zoom that did not identify themselves

CALL TO ORDER / ROLL CALL

President Erickson called the meeting to order at 1:00 p.m. at the business office of the District at 12152 Road 28 ¼, Madera, California 93637. Due to COVID-19, the Board of Directors and staff attended in-person and the public participated via Zoom teleconferencing only.

APPROVAL OF AGENDA

MOTION: Director Janzen / Director Davis to approve the agenda as presented.

VOTE: ROLL CALL

AYES: Directors Loquaci, DaSilva, Davis, Janzen, and Erickson
NOES:

ABSTAIN:
ABSENT:

PUBLIC COMMENT: Closed Session

President Erickson opened and closed public comment due to no public in attendance.

POTENTIAL CONFLICTS OF INTEREST: Closed Session

General Counsel Kinsey reported Director Janzen will recuse himself from one topic.

1. CLOSED SESSION Closed Session items not concluded prior to Regular Session may be continued at the end of the Regular Session.

- 1a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9 (2 potential cases)
- 1b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Potential initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9 (3 potential cases)
- 1c. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Section 54956.9; Petition for the Adjudication of Rights to the Fresno River, before the State Water Resources Control Board
- 1d. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9; Madera Irrigation District v. Smith-Adobe Ranch Family Limited Partnership, Case No. MCV081757
- 1e. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9; Jose Hernandez v. Madera Irrigation District, et. al., Case No. MCV084802 and consolidated cases
- 1f. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9; Madera Irrigation District and Madera Irrigation District Groundwater Sustainability Agency v. Madera County Groundwater Sustainability Agency, Madera County Board of Supervisors, County of Madera, Case No. MCV086277

CALL TO ORDER REGULAR SESSION/ PLEDGE OF ALLEGIANCE

President Erickson called regular session to order at 2:00 p.m. with staff in attendance and the public on Zoom.

REPORT ON CLOSED SESSION

President Erickson stated there was no reportable action taken during Closed Session and the Board will reconvene to Closed Session.

POTENTIAL CONFLICTS OF INTEREST

There was no potential conflict of interest noted.

PUBLIC COMMENT: MID Groundwater Sustainability Agency & Regular Session

President Erickson opened and closed public comment due to no comments from the public.

ADJOURN AS MID BOARD OF DIRECTORS & CONVENE AS MID GROUNDWATER SUSTAINABILITY AGENCY – 2:05 p.m.

a. Update on MID Groundwater Sustainability Agency (GSA)

AGM Nolan provided an updated on the MID GSA. She noted at the last board meeting a map was shown with all of the projects MID has implemented to date. After the board meeting, an information email blast was sent out. It included a summary of everything MID has accomplished to date and the map. AGM Nolan stated we continue with implementation. One of the projects that was outlined in the GSP was an incentive program. An incentive program was scheduled to take place in 2022 and later on the agenda on 5c. and 5d. there are a few items related to an incentive program. AGM Nolan stated we are ahead of schedule.

AGM Nolan stated there is grant funding available for SGMA implementation. They are looking at it at the subbasin level. The Madera Subbasin will apply for funding for GSP updates. Although the Joint GSP has not officially been reviewed, we anticipate we will receive similar letters to the one's others have received. The grant funds will help offset the costs for the GSP updates.

AGM Nolan stated part of the GSP required water quality testing. There are sites identified in the Joint GSP for the MID area. Letters will be sent out to landowners to request their participation. AGM Nolan encouraged participation among landowners and board members. AGM Nolan stated the wells identified are already a part of the California Statewide Groundwater Elevation Monitoring (CASGEM) program and being monitored for water levels. AGM Nolan stated the District will contract with Luhdorff and Scalmanini on the water quality testing. Director Davis questioned if the coalitions do water quality testing and if this is duplicate testing. AGM Nolan stated she is not sure what the coalitions test for. AGM Nolan stated there are only a handful of wells that need to be tested. AGM Nolan stated the coalitions haven't been brought up previously.

ADJOURN AS MID GROUNDWATER SUSTAINABILITY AGENCY & RECONVENE AS MID BOARD OF DIRECTORS – 2:10 p.m.

2. **CONSENT AGENDA**

2a. Approval of December 3, 2021 Special Board Meeting Minutes

2b. Approval of December 15, 2021 Regular Board Meeting Minutes

2c. Approval of December 22, 2021 Special Board Meeting Minutes

- 2d. Discussion / possible action on approval of warrant list payments through February 15, 2022
- 2e. Discussion / possible action on monthly financial reports for November and December 2021
- 2f. Discussion / possible action on Proclaiming a Local Emergency Persists, Re-Ratifying the Proclamation of a State of Emergency By the Governor's Proclamation of a State of Emergency Dated March 4, 2020, and Re-Authorizing Remote Teleconference Meetings of the Legislative Bodies of Madera Irrigation District for the Period of 30 Days Pursuant to Brown Act Provisions, Resolution No. 2022-01

MOTION: Director Loquaci / Director Janzen to approve the Consent Agenda as presented.

DISCUSSION: There was no discussion.

PUBLIC COMMENT: President Erickson opened public comment and closed public comment due to no comments from the public in attendance.

VOTE: ROLL CALL

AYES: Directors Loquaci, Janzen, Davis, DaSilva, and Erickson
NOES:
ABSTAIN:
ABSENT:

3. INFORMATIONAL ITEMS

- 3a. Finance / Human Resources Reports
 - Annual Disclosure of Payments over \$100 to Employees and Directors

Controller Furstenburg reported the District received approximately \$4.9 million from the County of Madera at the end of January. The payment was for assessments and standby charges collected by the County, on behalf of MID, up to December 10, 2021. All year-end work related to issuing 1099's and W-2's was completed by the deadline of January 31, 2022. The MID audit will be performed by Hudson Henderson & Company, Inc. with field work beginning the week of February 22, 2022. For the Madera-Chowchilla Water and Power Authority (MCWPA) audit, a Request for Proposals was sent out on February 1, 2022 with a deadline of March 1, 2022. Controller Furstenburg noted also included in the board packet was the Annual Disclosure of Payments of \$100 or more to Employees and Directors in 2021.

HR / RM Welch reported the HR department has been focused on beginning of the year reporting responsibilities and insurance renewals. There has been recent recruitments and the Systems Analyst was onboarded. New hires for Canal Operator I include Flavio Rueda, Kim Mittie, Miguel Ceja, and Daniel Jimenez. HR / RM Welch stated her focus has been on risk transfer administration and the insurance for the vendors we have contracts with. HR / RM Welch stated

service awards were presented to 9 employees with 5 to 35 years of service in December. HR / RM Welch stated with a focus on health and wellness the Safety and Wellness Committee will make healthy soup for employees next week. There is a retirement lunch and learn scheduled for March 17, 2022 sponsored by Noble Credit Union. It is recommended for employees that are 0-5 years away from retirement, but all employees are invited to attend. HR / RM Welch stated she continues to keep up with COVID-19 and new laws.

3b. Engineering / Operations / Maintenance Report

OMM Contreras reported Hospital Lateral Pipeline Project design plans have been completed project will occur after the irrigation season. The Dixieland Pipeline Project has been completed. Three estimates were received for electrical wiring upgrades, we are working through the contracting process. OMM Contreras stated the WaterSMART grant was submitted, and we are waiting to hear a response. All the Rubicon gates sensors were cleaned and preseason maintenance completed. OMM Contreras stated on new turnout box and new meter box were installed at Basin #8. OMM Contreras reviewed the maintenance photos.

4. **GENERAL MANAGER'S REPORT**

4a. Update of Activities

- COVID-19 Fiscal Relief for Special Districts Program
- ACWA President's Special Recognition Award
- Special District Leadership Foundation Training
 - April 3-6, 2022 or September 18-21, 2022

GM Greci stated the District received \$1.2 million in COVID-19 Fiscal Relief Funds. GM Greci thanked CSDA for their hard work obtaining funding for special districts. Previously, special districts were not eligible to receive the funds and still had obligations related to COVID. GM Greci stated the funds will help offset some of the costs, but as we all know there has been massive increase in supply costs and additional leaves for staff.

GM Greci reported the District received the ACWA President's Special District Recognition Award based on the District's loss ratio. Secretary Sandoval stated the Special District Leadership Foundation Training will be held in person in April or September or online. This training will help the District reach platinum status for the District of Distinction. Secretary Sandoval stated all board members and administration will need to attend.

GM Greci reported on water supply. It is not looking too good, and it was the driest January on record. GM Greci stated there is some optimism in the remaining snowpack. There are some issues in Shasta and there is a low likelihood of a call on Friant water for the Exchange Contractors. Friant Water Authority will continue to monitor the situation. GM Greci stated hopefully it rains in March and April. Director Janzen questioned when the next ASO flight will occur, the last one was not too good. Director Erickson stated it may be in April.

GM Greci reported on MCWPA's Power Plant 1174. The plant was taken apart and sent to the contractor's shop for repairs. The plant should be put back together before water season. It has been going smooth so far.

5. NEW BUSINESS

- 5a. **PUBLIC HEARING** – Discussion / possible action on proposed modifications to Director Division boundaries due to the 2020 Census – **Timed Item 2:30 p.m.**

DISCUSSION ONLY: AGM Nolan stated after the census has been completed each time elected bodies are required to look at the boundaries and make adjustments. The prior census was completed in 2010 and it does not appear this process was completed at MID. In 2016, the District did go through this process and modified some of the boundaries because the District annexed the Madera Ranch. The director divisions are balanced by area and population. AGM Nolan stated the District's Engineering Department staff reviewed the census data and it was determined no changes are needed at this time. This is the initial public hearing.

PUBLIC COMMENT: President Erickson opened the public hearing and there were no comments. President Erickson closed the public hearing.

- 5b. Discussion / possible action on Amendment to Board Secretary / Executive Assistant's Employment Agreement, Resolution No. 2022-02

MOTION: Director Janzen / Director Loquaci to approve Resolution No. 2022-02 approving the Amendment to the Board Secretary / Executive Assistant's Employment Agreement.

DISCUSSION: GM Greci stated the annual review for Secretary Sandoval occurred at the last board meeting. The amendment includes the recommendations for salary increase. The amendment includes the three year language.

PUBLIC COMMENT: President Erickson opened public comment and closed public comment due to no comments from the public in attendance.

VOTE: ROLL CALL

AYES: Directors Loquaci, Janzen, Davis, DaSilva, and Erickson

NOES:

ABSTAIN:

ABSENT:

- 5c. Discussion / possible action on financial incentive for Madera Irrigation District landowners to participate in the Natural Resource Conservation Service Cost-Share Pilot Program for Recharge Projects, Resolution No. 2022-03

MOTION: Director Loquaci / Director Davis to approve the financial incentive for MID landowners to participate in the Natural Resource Conservation Service (NRCS) Cost-Share Pilot Program for Recharge Projects, Resolution No. 2022-04.

DISCUSSION: AGM Nolan stated this is a nice opportunity for landowners in the District to participate in a pilot program through NRCS and Sustainable Conservation. AGM Nolan stated discussions have been occurring for the past several years with NRCS and Sustainable Conservation regarding recharge projects. There are funds available for a pilot program. The program is only in three regions and Madera is one of them. AGM Nolan stated one of the MID GSA GSP projects is incentive programs to incentivize growers to recharge and take surface water when it is available.

AGM Nolan stated we are proposing that if landowners within MID participate in the program MID will contribute an additional 15% to offset landowner's cost, up to \$100,000. The NRCS cost-share program is 75%. NRCS will complete the rankings and MID will provide funds up to \$100,000 total. The program will be opened up on March 1 and closed on April 1. The District will partner with NRCS and Sustainable Conservation on public outreach. We will have a grower workshop in mid-March to explain the program to growers and encourage participation. AGM Nolan stated directors and employees of MID cannot participate in the additional 15%, but can participate in the 75% cost share through NRCS. The landowner expends the funds and then is reimbursed up to 75% by NRCS. AGM Nolan explained we are proposing for growers within MID, MID provides an additional 15% to encourage participation. The end goal is to encourage growers to recharge.

AGM Nolan stated there are two practices outlined by the NRCS as part of the pilot program. One is the development of a recharge basin or trenches, and the other practice is on-farm recharge. GM Greci stated these projects will benefit to the entire Madera Subbasin. GM Greci thanked Sustainable Conservation for their continued partnership. Director Loquaci stated they are not talking about large basins. AGM Nolan stated one of the reasons Madera was selected as a location for the pilot program is the on-going relationship MID has with Sustainable Conservation. Director Loquaci stated we were the first cooperator with Sustainable Conservation.

AGM Nolan stated once a MID landowner is selected for the pilot program. The District would provide the 15% as a credit to offset to future water delivery costs. There would no exchanging of money. This would also encourage landowners to utilize surface water.

PUBLIC COMMENT: President Erickson opened public comment and closed public comment due to no comments from the public in attendance.

VOTE: ROLL CALL

- AYES: Directors Loquaci, Janzen, Davis, DaSilva, and Erickson
- NOES:
- ABSTAIN:
- ABSENT:

- 5d. Discussion / possible action on budget augmentation transferring \$100,000 budget appropriations from the Consulting Expenses Budget Code to the Groundwater Management Budget Code, Resolution No. 2022-04

MOTION: Director Loquaci / Director Davis approving budget augmentation transferring \$100,000 budget appropriations from the Consulting Expenses Budget Code to the Groundwater Management Budget Code, Resolution No. 2022-04.

DISCUSSION: Director Erickson stated this is to fund 5c. AGM Nolan encouraged anyone interested in the program to visit the local NRCS office.

PUBLIC COMMENT: President Erickson opened public comment and closed public comment due to no comments from the public in attendance.

VOTE: ROLL CALL

AYES: Directors Loquaci, Janzen, Davis, DaSilva, and Erickson
NOES:
ABSTAIN:
ABSENT:

6. DIRECTOR REPORTS, COMMITTEE REPORTS, FUTURE AGENDA ITEMS

Director DaSilva – nothing to report

Director Davis – nothing to report

Director Janzen reported on the Mid-Pacific Water Users Conference. Director Janzen reported on the Friant Power Authority (FPA) meeting and reported he was elected president of FPA.

Director Loquaci – nothing to report

Director Erickson reported on Friant Water Authority.

Regular session concluded at 2:50 p.m.

Director DaSilva exited the meeting at 2:50 p.m.

The Board reconvened to Closed Session at 2:53 p.m.

Director Janzen exited the meeting at 3:15 p.m. due to a conflict of interest.

There were no reportable actions taken during Closed Session.

7. ADJOURNMENT

President Erickson adjourned the meeting at 3:26 p.m.

APPROVED FOR THE BOARD:

James Erickson
President

Andrea Kwock Sandoval
Secretary to the Board

Date: _____

DRAFT

AGENDA ITEM 2b.



**MADERA IRRIGATION DISTRICT
BOARD OF DIRECTORS
GROUNDWATER SUSTAINABILITY AGENCY
SPECIAL MEETING
MARCH 10, 2022**

MINUTES

Directors Present: James Erickson, President
Timothy DaSilva
Brian Davis
Carl Janzen, Vice President
David Loquaci

Directors Absent: None

Staff Present: T. Greci, General Manager (GM Greci)
D. Cadenazzi Nolan, Assistant General Manager (AGM Nolan)
A. Kwock Sandoval, Secretary to the Board
J. Furstenburg, Controller
C. Contreras, Operations & Maintenance Manager (OMM Contreras)
T. Welch, Welch, HR Administrator / Risk Manager (HR/RM Welch)

Others Present: General Counsel John Kinsey, Wanger Jones Helsley; and others on the Zoom that did not identify themselves

CALL TO ORDER / ROLL CALL / APPROVAL OF THE AGENDA

President Erickson called the meeting to order at 2:00 p.m. at the business office of the District at 12152 Road 28 ¼, Madera, California 93637. Due to COVID-19, the Board of Directors and staff attended in-person and the public participated via Zoom teleconferencing only.

MOTION: Director Janzen / Director DaSilva to approve the agenda as presented.

VOTE: ROLL CALL

AYES: Directors Loquaci, Janzen, Davis, DaSilva, and Erickson
NOES:
ABSTAIN:
ABSENT:

PUBLIC COMMENT: MID Groundwater Sustainability Agency & Regular Session

President Erickson opened and closed public comment due to no comments from the public in attendance.

ADJOURN AS MID BOARD OF DIRECTORS & CONVENE AS MID GROUNDWATER SUSTAINABILITY AGENCY – 2:03 p.m.

- a. Discussion / possible action on authorizing application for 2021 Sustainable Groundwater Management Grant Program SGMA Implementation Grant, Resolution No. 2022-GSA01

MOTION: Director Janzen / Director Loquaci to approve Resolution No. 2022-GSA01.

DISCUSSION: AGM Nolan noted this Resolution authorizes the Madera Subbasin to apply for a grant from the Department of Water Resources for groundwater projects including GSP revisions.

PUBLIC COMMENT: President Erickson opened public comment and closed public comment due to no comments from the public in attendance.

VOTE: ROLL CALL

AYES: Directors Loquaci, Janzen, Davis, DaSilva, and Erickson
NOES:
ABSTAIN:
ABSENT:

ADJOURN AS MID GROUNDWATER SUSTAINABILITY AGENCY & RECONVENE AS MID BOARD OF DIRECTORS – 2:06 p.m.

1. RECURRING BUSINESS

- 1a. Discussion / possible action on Proclaiming a Local Emergency Persists, Re-Ratifying the Proclamation of a State of Emergency By the Governor's Proclamation of a State of Emergency Dated March 4, 2020, and Re-Authorizing Remote Teleconference Meetings of the Legislative Bodies of Madera Irrigation District for the Period of 30 Days Pursuant to Brown Act Provisions, Resolution No. 2022-05

MOTION: Director Loquaci / Director DaSilva to approve Resolution No. 2022-05.

DISCUSSION: There was no discussion.

PUBLIC COMMENT: President Erickson opened public comment and closed public comment due to no comments from the public in attendance.

VOTE: ROLL CALL

AYES: Directors Loquaci, Janzen, Davis, DaSilva, and Erickson
NOES:
ABSTAIN:
ABSENT:

2. PUBLIC HEARING – Timed Item 2:10 p.m.

2a. Discussion / possible action on approval of Director Division Boundaries, Resolution No. 2022-06

MOTION: Director Janzen / Director Davis to approve the Director division boundaries, Resolution No. 2022-06.

DISCUSSION: AGM Nolan noted the first public hearing was held on February 15, 2022. There were no comments at the public hearing held on February 15, 2022. The Resolution approves the boundaries and directs the Board Secretary to submit the necessary documents to Madera County.

PUBLIC COMMENT: President Erickson opened the public hearing and there were no comments. President Erickson closed the public hearing.

VOTE: ROLL CALL

AYES: Directors Loquaci, Janzen, Davis, DaSilva, and Erickson
NOES:
ABSTAIN:
ABSENT:

PUBLIC COMMENT: Closed Session

President Erickson opened public comment and closed public comment due to no comments from the public in attendance.

POTENTIAL CONFLICTS OF INTEREST: Closed Session

General Counsel Kinsey stated Director Loquaci will recuse himself from an item under 3a.

The Board convened to Closed Session at 2:20 p.m.

3. CLOSED SESSION

3a. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Government Code Section 54956.9 (2 potential cases)

- 3b. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – Potential initiation of litigation pursuant to paragraph (4) of subdivision (d) of Government Code Section 54956.9 (3 potential cases)
- 3c. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Section 54956.9; Petition for the Adjudication of Rights to the Fresno River, before the State Water Resources Control Board
- 3d. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9; Madera Irrigation District v. Smith-Adobe Ranch Family Limited Partnership, Case No. MCV081757
- 3e. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9; Jose Hernandez v. Madera Irrigation District, et. al., Case No. MCV084802 and consolidated cases
- 3f. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION – Pursuant to Paragraph (1) of subdivision (d) of Government Code Section 54956.9; Madera Irrigation District and Madera Irrigation District Groundwater Sustainability Agency v. Madera County Groundwater Sustainability Agency, Madera County Board of Supervisors, County of Madera, Case No. MCV086277

Director Loquaci exited the meeting from 2:22 p.m. to 2:26 p.m. due to a conflict of interest.

The Board reconvened to Open Session at 3:24 p.m.

- 4. **REPORT ON CLOSED SESSION**
There was no reportable action taken during Closed Session.
- 5. **ADJOURNMENT**
President Erickson adjourned the meeting at 3:25 p.m.

APPROVED FOR THE BOARD:

James Erickson
President

Andrea Kwock Sandoval
Secretary to the Board

Date: _____

AGENDA ITEM 2c.

Madera Irrigation District

12152 ROAD 28¼ ▪ MADERA ▪ CA 93637

Phone (559) 673-3514

FAX (559) 673-0564

Board of Directors

Carl Janzen ♦ Tim DaSilva ♦ Brian Davis ♦ Jim Erickson ♦ Dave Loquaci

General Account

♦ Warrant No. 44379 thru 44607 Dates 2/16/2022 thru 3/31/2022 Total \$1,896,840.23

\$2,469,360.44

Approved for payment by the Board of Directors

April 19, 2022

James Erickson, President

Andrea Kwock Sandoval, Secretary

WARRANT LIST
March 31st, 2022

CHECK NUMBER	CHECK DATE	VENDOR NAME	DESCRIPTION	ADDITIONAL DETAIL	CHECK AMOUNT
044379	02/16/22	PG&E	Gate Actuator, Ag Pump		64.32
044380	02/16/22	AFLAC AMERICAN FAMILY LIFE	Employee Payroll Deductions		687.77
044381	02/16/22	A & E BEARING & SUPPLY	(4) Hose, (2) Adapter, (4) Fitting, Crimp, Swivel		573.81
044382	02/16/22	GEORGE'S AUTO SUPPLY	Misc Auto Parts & Supplies		438.14
044383	02/16/22	MADERA CHOWCHILLA WATER &	Call for Funds #415	January	51,203.76
044384	02/16/22	NAPA-GENUINE PARTS COMPANY	AC Expansion Valve, (2) Tire Pressure Sensor Valve		68.85
044385	02/16/22	VALLEY IRON, INC	Misc Tools & Supplies		1,027.94
044386	02/16/22	SPARKLETT'S	Water Delivery: (41) 24pk, (2) 5 Gal		368.67
044387	02/16/22	KROEGER EQUIPMENT & SUPPLY CO	(20) #10 Black Tubing		69.78
044388	02/16/22	ALERT-O-LITE INC.	(5) Chainsaw Protective Kit		868.12
044389	02/16/22	TARGET SPECIALTY PRODUCTS	(8 Gal) Gallery SC, (10 Gal) Dimension, (200 lbs) Kaput-D		9,183.08
044390	02/16/22	VALLEY FEED	Scale Fee		15.00
044391	02/16/22	FEDEX	Shipping		115.14
044392	02/16/22	M I D EMPLOYEES ASSOCIATION	Employee Payroll Deductions		120.00
044393	02/16/22	TECHNOFLO SYSTEMS	12" TF Saddle Meter		1,372.55
044394	02/16/22	JORGENSEN COMPANY	Annual Training, R/M Fire Extinguishers		2,107.07
044395	02/16/22	S & J LUMBER, INC	(3) 3/4" CDX Plywood		214.54
044396	02/16/22	AANONSON SPRINKLER COMPANY	(44) 15" PIP Pipe, (2) 15" 22.5* Elbow		1,449.71
044397	02/16/22	PAPE MACHINERY, INC	(10) Tooth, (10) Pin, (10) Lock		389.33
044398	02/16/22	FRIANT WATER AUTHORITY	SLDMWA: WY 2019 True Up		14,251.68
044399	02/16/22	FASTENAL COMPANY	Misc Tools & Supplies		833.70
044400	02/16/22	LINDE GAS & EQUIPMENT INC.	Rental: Welding Tank		154.25
044401	02/16/22	GRAINGER, INC.	Therma Level Tank Gauge		71.83
044402	02/16/22	JDI DATA	C-Trax Software		1,000.00
044403	02/16/22	KLINGSPOR ABRASIVES, INC.	Cut Off Wheels, Misc Discs		167.86
044404	02/16/22	HARBOR FREIGHT TOOLS USA, INC.	Chip Brushes, Hammers, Wrenches		104.89
044405	02/16/22	HOME DEPOT CREDIT SERVICES	Misc Tools & Supplies		1,211.85
044406	02/16/22	MIDLAND TRACTOR	Hose		23.73
044407	02/16/22	LOWE'S COMPANIES INC.	Misc Tools & Supplies		1,358.88
044408	02/16/22	VERIZON WIRELESS	Data Plan: Cell Service, Tablets, Turnouts, Gates		2,222.24
044409	02/16/22	DON'S MOBILE GLASS, INC.	Back Window Installation		254.00
044410	02/16/22	BSK & ASSOCIATES	Water Testing: Office; (2) County Rd Xing Permit		3,171.64
044411	02/16/22	WESTERN AG & TURF	Glue, (20 ft) 30" ADS Pipe, 15" 45 Degree Elbow		1,296.85
044412	02/16/22	MARK DUARTE	Pesticide Spraying: Office, Shop, & Outer Bldgs.		240.00
044413	02/16/22	NORTHERN SAFETY CO.,INC.	(6) Gear Bag, Ear Plugs, Mug		120.94
044414	02/16/22	WALPOLE & CO., LLP	Sage Consulting		87.50
044415	02/16/22	FARMERS LUMBER & SUPPLY CO.	(36) Redwood Lumber		8,487.15
044416	02/16/22	RED ROCK ENVIRONMENTAL	Trash to Landfill		227.35
044417	02/16/22	WANGER JONES HELSLEY PC	Legal Fees through 01/15/22		11,794.20
044418	02/16/22	CAROLLO ENGINEERS, INC.	Professional Services	January	2,208.00
044419	02/16/22	VOID	VOID		
044420	02/16/22	SC FUELS	Oil & Exhaust Fluids		3,808.24
044421	02/16/22	O'REILLY AUTO PARTS	Heater Hose, Hose Clamps, Pry Bar Set		31.34
044422	02/16/22	COVERALL NORTH AMERICA, INC	Monthly Janitorial Services	February	778.00
044423	02/16/22	MADERA CO. FAIRMEAD LANDFILL	Trash to Landfill		565.91
044424	02/16/22	MID-VALLEY PIPE & STEEL, INC	(2) I Beam 3"x5.7# 20'		389.33
044425	02/16/22	REAL-TIME INFORMATION SERVICES, INC.	Smart Options, AntiVirus, Server Backups, Sophos		2,196.00
044426	02/16/22	ZOOM IMAGING SOLUTIONS, INC.	Maintenance Contract: 2 Printers		280.40
044427	02/16/22	HIRE UP STAFFING SERVICES	P/E 02/06/22: K. Gomez		258.28
044428	02/16/22	CAPITAL ONE TRADE CREDIT	5 Gal Diesel Can		53.54
044429	02/16/22	ADVANCED DISTRIBUTION CO.	Fiberglass Door Repair, Hydraulic Fittings & Hose		2,684.91
044430	02/16/22	WEST SIDE WATER CONDITIONING	Well Service		356.00
044431	02/16/22	U.S. BANK EQUIPMENT FINANCE	Copier Lease Payment		712.94
044432	02/16/22	HI TOUCH BUSINESS SERVICES	Misc Office Supplies		655.06
044433	02/16/22	DAVIDS ENGINEERING, INC.	Professional Services - Madera Basin	January	880.50
044434	02/16/22	UMPQUA BANK \$10,182.70	Uniforms, Software, Travel BOD, BOD, Travel	Admin	3,950.96
			Safety, Travel, Advertising, Phone	Operations	1,316.26
			Safety, Agency Fees, Office, Travel	Engineering	1,021.95
			Materials & Supplies, Safety Equipment, Building Maint.	Shop	5,261.09
			Subscriptions & Publications	HR	79.99
			2021 Credit Card Rebate		-1,447.55
044435	02/16/22	CINTAS	Uniforms & Supplies		125.50
044436	02/16/22	MID VALLEY AG SERVICES	(180 Gal) M.S.O.		3,025.62
044437	02/16/22	EMPLOYEE #02-198	Aflac Premium Refund		24.05
044438	03/03/22	A T & T	Office, Fax, Alarms, Tablets		1,448.06
044439	03/03/22	A T & T	Office Phones & Internet		970.37
044440	03/03/22	PG&E	Office, Shop, Control Gates, Ag Pumps		7,420.44
044441	03/03/22	MADERA COUNTY RECORDER	Deed-CD	February	25.00
044442	03/03/22	AFLAC AMERICAN FAMILY LIFE	Employee Payroll Deductions		687.77
044443	03/03/22	GENERAL BUILDERS SUPPLY CO.	Misc Tools & Supplies		609.22
044444	03/03/22	GEORGE'S AUTO SUPPLY	Misc Auto Parts & Supplies		671.86

WARRANT LIST
March 31st, 2022

CHECK NUMBER	CHECK DATE	VENDOR NAME	DESCRIPTION	ADDITIONAL DETAIL	CHECK AMOUNT
044445	03/03/22	MADERA TRIBUNE	Recruitment Ad: Canal & Hydro P.O. I		197.12
044446	03/03/22	NAPA-GENUINE PARTS COMPANY	Pressure Gauge, Funnel Set, Creeper, Hammers		230.27
044447	03/03/22	QUINN COMPANY	(17) Bolt, (17) Nut, (2) Cutting Edge		572.35
044448	03/03/22	TECO	Misc Tools & Supplies		672.03
044449	03/03/22	CREATIVE COPY	Envelopes		600.79
044450	03/03/22	TARGET SPECIALTY PRODUCTS	Reward, Rodeo, Roundup, Kaput-D		47,755.35
044451	03/03/22	M I D EMPLOYEES ASSOCIATION	Employee Payroll Deductions		120.00
044452	03/03/22	TECHNOFLO SYSTEMS	8" Saddle Meter; Open Flow Propeller Meter: (3) 15", 18"		12,984.66
044453	03/03/22	AANONSON SPRINKLER COMPANY	(110 ft) 15" PIP Pipe & Misc Pipe Supplies		4,176.23
044454	03/03/22	FRESNO VALVES & CASTINGS INC.	15" In-Line Gate, 15"x10" Gate		2,436.88
044455	03/03/22	FRIANT WATER AUTHORITY	JJP Self Funding Allocation: 4th Pmt		83,199.08
044456	03/03/22	FRIANT WATER AUTHORITY	Recapture Water: PID WY 2021		7,155.00
044457	03/03/22	FRIANT WATER AUTHORITY	SLDMWA: Feb; WSCM, DMC		87,197.70
044458	03/03/22	MADERA AUTO CENTER	Door Trim Panel		499.31
044459	03/03/22	J W MYERS INC	(179.1 LPG) Propane		598.29
044460	03/03/22	LINDE GAS & EQUIPMENT INC.	Welding Gas, Rental: Welding Tank		607.15
044461	03/03/22	DELRAY TIRE & RETREADING	(8) Tire		1,508.04
044462	03/03/22	CALMAT CO DBA VULCAN MATERIALS CO	(10.23 Ton) Rock		374.78
044463	03/03/22	WHITE CAP, L.P.	(9) Anchor Bolt w/ Nut, (4) Column Form		124.67
044464	03/03/22	BIG W SALES	(5) Boom Buster Nozzle, (20) TeeJet Tip, (5) 6" Screw Cap		843.85
044465	03/03/22	HARBOR FREIGHT TOOLS USA, INC.	Cargo Bar, Hooks, Torch, Pliers		121.20
044466	03/03/22	SHOE SHAK	(6) Boots		1,003.64
044467	03/03/22	SUN LIFE AND HEALTH INSURANCE	Monthly Life Insurance Premiums	March	2,055.24
044468	03/03/22	CONCENTRA MEDICAL CENTERS	(6) PE Exam, DOT Certification		972.00
044469	03/03/22	SUN LIFE AND HEALTH INSURANCE	Employee Payroll Deductions		233.70
044470	03/03/22	AMERICAN METALS	(26) Black Pipe, (5) Expanded Metal		2,982.70
044471	03/03/22	PLATT ELECTRIC SUPPLY	Hinged Cover Junction Box		81.00
044472	03/03/22	WESTERN AG & TURF	Misc Sprinkler System Parts		8.42
044473	03/03/22	YSI INC., A XYLEM BRAND	ProDDS Sampling Instrument		3,296.21
044474	03/03/22	PURCHASE POWER	Postage Refill		2,020.99
044475	03/03/22	CENTRAL SANITARY SUPPLY	Paper Towels, Toilet Paper, Facial Tissue		181.97
044476	03/03/22	ANDY'S SPORTS & DESIGN	(40) T-Shirt		502.93
044477	03/03/22	RUBICON SYSTEMS AMERICA, INC	Battery Pack, 2 Stack		2,359.73
044478	03/03/22	CAROLLO ENGINEERS, INC.	Professional Services: Basin	January	2,208.00
044479	03/03/22	MAMMOTH OXYGEN	Misc Tools & Supplies		604.64
044480	03/03/22	NEPTUNE WATER SOLUTIONS, INC.	Water Dispenser Rental	1st Qtr 2022	292.11
044481	03/03/22	O'REILLY AUTO PARTS	Brake Pads		76.68
044482	03/03/22	TALLEY OIL, INC	(.19 Ton) Asphalt Binder, Rental: Kettle		276.88
044483	03/03/22	ROSENBALM ROCKERY, INC	(1 Yd) 5-Sack Concrete, (1 Yd) 6-Sack Concrete		334.49
044484	03/03/22	TRIANGLE ROCK PRODUCTS, LLC	(4.91 Ton) 1/2 Hot Mix Asphalt		362.60
044485	03/03/22	LEGAL SHIELD	Employee Payroll Deductions		432.60
044486	03/03/22	HIRE UP STAFFING SERVICES	P/E 02/13, 02/20/22: K. Gomez		1,342.94
044487	03/03/22	GLS/GOLDEN STATE OVERNIGHT	Postage		13.54
044488	03/03/22	NUTRIEN AG SOLUTIONS	(180 Gal) Choice Weather Master		3,624.93
044489	03/03/22	HIXCO	(20) Flap Disc 10pk		82.05
044490	03/03/22	DAVIDS ENGINEERING, INC.	Professional Services: Madera GSP	January	781.87
044491	03/03/22	VAN DE POL, INC.	Cardlock Fuel		7,954.04
044492	03/03/22	HUDSON HENDERSON & COMPANY, INC.	Financial Statement Audit - 2020		470.00
044493	03/03/22	VALLEY LUBE EQUIPMENT, INC	Double Tap Bushing		13.47
044494	03/03/22	REY'S GARDEN SERVICES INC	Monthly Lawn Service		300.00
044495	03/03/22	VOID	VOID		
044496	03/17/22	PG&E	Monthly Service Ag Pumps, Gate Actuator		95.42
044497	03/17/22	A & E BEARING & SUPPLY	Hydraulic Adapter		18.94
044498	03/17/22	BUREAU OF RECLAMATION	175R-2891D: 2022 Class 1 Water		590,835.00
044499	03/17/22	BUREAU OF RECLAMATION	Hidden Dam 2022: 1st Installment		337,320.00
044500	03/17/22	BUREAU OF RECLAMATION	175R-2891D - 2021 Recaptured Water		2,485.70
044501	03/17/22	BUREAU OF RECLAMATION	175R-2891D: 2021 Class 1 Rescheduled to 2022		526.29
044502	03/17/22	GENERAL BUILDERS SUPPLY CO.	Misc Tools & Supplies		461.88
044503	03/17/22	GEORGE'S AUTO SUPPLY	Misc Auto Parts & Supplies		149.51
044504	03/17/22	MADERA CHOWCHILLA WATER &	Call for Funds #416	February	52,842.96
044505	03/17/22	MADERA TRIBUNE	Recruitment Ad: Canal & Hydro Plant Operator I		394.24
044506	03/17/22	NAPA-GENUINE PARTS COMPANY	Starter, 7pc Metric Socket Set		182.87
044507	03/17/22	QUINN COMPANY	Filters, Separator, Linkage Pins, Recondition Buck. Cylinder		4,413.12
044508	03/17/22	SPARKLETTS	Water: (35) 24pk		292.55
044509	03/17/22	TECO	Misc Tools & Supplies		405.35
044510	03/17/22	CREATIVE COPY	(2) Name Plate		28.15
044511	03/17/22	TARGET SPECIALTY PRODUCTS	(530 Gal) Roundup Custom		28,680.51
044512	03/17/22	M I D EMPLOYEES ASSOCIATION	Employee Payroll Deductions		240.00
044513	03/17/22	TECHNOFLO SYSTEMS	Digital Conversion Kit, Torsion Springs		1,057.57
044514	03/17/22	UNITED RENTALS NORTHWEST, INC.	Rental: Chipper		1,269.07
044515	03/17/22	AANONSON SPRINKLER COMPANY	(22ft) 15" PIP Pipe, Swabs, 15" Elbow, 15" Tee		1,239.24

WARRANT LIST
March 31st, 2022

CHECK NUMBER	CHECK DATE	VENDOR NAME	DESCRIPTION	ADDITIONAL DETAIL	CHECK AMOUNT
044516	03/17/22	SCHOETTLER TIRE	(3) Flat Repair, Tire, (2) Valve Stem, Mount, Labor		937.29
044517	03/17/22	FASTENAL COMPANY	Misc Tools & Supplies		1,526.15
044518	03/17/22	LEE'S CONCRETE MATERIAL CO INC	(8 Yd) 6.0 Sack Concrete		1,186.01
044519	03/17/22	J W MYERS INC	(41.50 LPG) Propane		140.61
044520	03/17/22	LINDE GAS & EQUIPMENT INC.	Welding Gas, Rental: Welding Tank		395.56
044521	03/17/22	ACWA/JPIA	Monthly Medical, Dental, & Vision Insurance Premiums	February-April	111,515.88
044522	03/17/22	HARBOR FREIGHT TOOLS USA, INC.	Misc Tools & Supplies		390.84
044523	03/17/22	SAFEWARE, INC.	Confined Space Rescue Equipment, Stretcher, Rescue Pocket		2,940.56
044524	03/17/22	KAISER FOUNDATION HEALTH PLAN	Monthly Medical Insurance Premium	March	32,650.54
044525	03/17/22	HOME DEPOT CREDIT SERVICES	Misc Tools & Supplies		1,258.25
044526	03/17/22	CONCENTRA MEDICAL CENTERS	PE Exam		146.00
044527	03/17/22	PITNEY BOWES INC	Red Ink Cartridge		121.80
044528	03/17/22	LOWE'S COMPANIES INC.	Misc Tools & Supplies		1,767.88
044529	03/17/22	VERIZON WIRELESS	Data Plan: Cell Service, Tablets, Turnouts, Gates		2,893.84
044530	03/17/22	ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE	ArcMap to ArcGIS Trainings		3,280.00
044531	03/17/22	CALIFORNIA SURVEYING	(2) 48" Survey Lath 50ct		119.08
044532	03/17/22	PLATT ELECTRIC SUPPLY	Electric Cord		68.81
044533	03/17/22	CRANE TEC ENTERPRISES, INC	Safety & Service Check: 2 Bridge Cranes		383.36
044534	03/17/22	BSK & ASSOCIATES	Water Testing: Office		463.00
044535	03/17/22	NORTHERN SAFETY CO.,INC.	(20) 34" Tie-Down Strap, Gloves: (48) Cotton, (48) Poly		197.18
044536	03/17/22	WALPOLE & CO., LLP	Sage Consulting		43.75
044537	03/17/22	FARMERS LUMBER & SUPPLY CO.	Cutting Fee 4x12 to 2x12		500.00
044538	03/17/22	BLAIR, CHURCH & FLYNN	Professional Services	November-February	7,037.50
044539	03/17/22	SEBASTIAN - ALARM MONITORING	Monthly Alarm Monitoring		184.85
044540	03/17/22	RUBICON SYSTEMS AMERICA, INC	Extrusion		194.38
044541	03/17/22	RED ROCK ENVIRONMENTAL	Trash to Landfill		227.35
044542	03/17/22	WANGER JONES HELSLEY PC	Legal Fees through 02/15/22		13,058.49
044543	03/17/22	CAROLLO ENGINEERS, INC.	Professional Services	February	828.00
044544	03/17/22	O'REILLY AUTO PARTS	Misc Auto Parts & Supplies		287.59
044545	03/17/22	COVERALL NORTH AMERICA, INC	Monthly Janitorial Services	March	778.00
044546	03/17/22	MADERA CO. FAIRMEAD LANDFILL	Trash to Landfill		417.40
044547	03/17/22	ULINE	(3) 50' Extension Cord		466.64
044548	03/17/22	REAL-TIME INFORMATION SERVICES, INC.	Smart Options, AntiVirus/Malware, Server Backups		2,069.00
044549	03/17/22	ZOOM IMAGING SOLUTIONS, INC.	Maintenance Contract: 2 Printers & Usage		947.59
044550	03/17/22	LEGAL SHIELD	Employee Payroll Deductions		458.50
044551	03/17/22	HIRE UP STAFFING SERVICES	P/E 02/20, 02/27,03/06, 03/13/2022: K. Gomez		2,771.14
044552	03/17/22	DIAMOND MOWERS, INC	Blade Kits, Bolts, Nuts		1,222.09
044553	03/17/22	TRANSAMERICA EMPLOYEE BENEFITS	Employee Payroll Deductions		38.68
044554	03/17/22	GLS/GOLDEN STATE OVERNIGHT	Postage		9.65
044555	03/17/22	HIXCO	Silver Streak Refills, Transfer Punch Set, (125) Cutoff Wheel		379.95
044556	03/17/22	HI TOUCH BUSINESS SERVICES	Misc Office Supplies		1,047.20
044557	03/17/22	L & L ELECTRICAL, INC.	Labor-Tech Support	January-March	3,000.00
044558	03/17/22	APTUS COURT REPORTING	Audio Transcription for Board Meetings		3,477.59
044559	03/17/22	DAVIDS ENGINEERING, INC.	Professional Services - Madera GSP	February	1,981.75
044560	03/17/22	ROBERSON, JACOB	RWMG - Admin Duties	February	2,000.00
044561	03/17/22	UMPQUA BANK	\$14,492.15 Office Supplies, Software, Mem Fees/Dues, Travel, BOD	Admin	4,919.34
			Uniforms, Building Maintenance, Materials & Supplies	Operations	1,900.72
			Computer Consulting, Office Supplies	Engineering	2,160.35
			Safety Equip., Uniforms, Materials & Supplies, Equip. R/M	Shop	4,969.44
			Subscriptions & Publications, Employee Relations	HR	542.30
044562	03/17/22	GEOTAB USA, INC.	ProPlus Plan - Fleet Track	February	1,244.25
044563	03/17/22	CINTAS	Uniforms & Supplies		458.01
044564	03/17/22	HERCULES INDUSTRIES, INC.	(5) 800 Series Lock		71.10
044565	03/17/22	ENO SCIENTIFIC LLC	2010 Wellsounder Pro Meter w/ Kit		1,269.99
044566	03/22/22	PURCHASE POWER	Postage		59.73
044567	03/31/22	A T & T	Office, Fax, Alarms, Tablets		1,448.06
044568	03/31/22	A T & T	Office Phones & Internet		969.81
044569	03/31/22	PG&E	Office, Shop, Control Gates, Ag Pumps		6,353.27
044570	03/31/22	MADERA COUNTY RECORDER	Deed-CD	March	25.00
044571	03/31/22	MADERA COUNTY RECORDER	Redemption Certificates		120.00
044572	03/31/22	AFLAC AMERICAN FAMILY LIFE	Employee Payroll Deductions		639.80
044573	03/31/22	A & E BEARING & SUPPLY	(4) Hydraulic Fitting		32.48
044574	03/31/22	GEORGE'S AUTO SUPPLY	Misc Auto Parts & Supplies		842.14
044575	03/31/22	NAPA-GENUINE PARTS COMPANY	Misc Auto Parts & Supplies		1,533.56
044576	03/31/22	QUINN COMPANY	(4) Oil Filter, (4) O-Ring, (3) Hose, Belt, Water Pump		487.53
044577	03/31/22	TARGET SPECIALTY PRODUCTS	(200 lbs) Kaput-D		792.51
044578	03/31/22	TECHNOFLO SYSTEMS	10" Clamp-On Saddle Meter		1,344.47
044579	03/31/22	SILVA FORD MADERA	Windshield Pillar Trim		96.46
044580	03/31/22	S & J LUMBER, INC	(60 ft) 2x6 Pressure Treated Board		120.72
044581	03/31/22	SCHOETTLER TIRE	Misc Equipment Parts & Crane Service		2,866.41
044582	03/31/22	FRIANT WATER AUTHORITY	SLDMWA	April '22 & Feb '21 Adj.	136,955.43

**WARRANT LIST
March 31st, 2022**

CHECK NUMBER	CHECK DATE	VENDOR NAME	DESCRIPTION	ADDITIONAL DETAIL	CHECK AMOUNT
044583	03/31/22	FRIANT WATER AUTHORITY	Water Supply Coord. & Monitoring	February	4,671.27
044584	03/31/22	FRESNO WIRE ROPE AND RIGGING, INC.	(20) Safety Chain, (12) Hook, (4) Anchor		1,694.34
044585	03/31/22	MADERA AUTO CENTER	Rear Wiper Blade		13.62
044586	03/31/22	UNDERGROUND SERVICE ALERT OF NORTHERN CA	CA Fee for Regulatory Costs: 1,792 Tickets		1,031.97
044587	03/31/22	LINDE GAS & EQUIPMENT INC.	Welding Gas, Rental: Welding Tank		509.14
044588	03/31/22	SAFEWARE, INC.	Harness w/ Spreader Bar Kit, Haul Safe Kit, Hauling Kit		2,338.85
044589	03/31/22	SUN LIFE AND HEALTH INSURANCE	Monthly Life Insurance Premiums	April	2,332.98
044590	03/31/22	SUN LIFE AND HEALTH INSURANCE	Employee Payroll Deductions		233.70
044591	03/31/22	CALIFORNIA SURVEYING	HP Ink		448.16
044592	03/31/22	SUNBELT RENTALS	Rental: Vacuum/Trailer		5,188.26
044593	03/31/22	BSK & ASSOCIATES	Water Testing: Office		616.00
044594	03/31/22	WESTERN AG & TURF	Misc Irrigation Parts & Supplies		174.77
044595	03/31/22	MARK DUARTE	Pesticide Spraying: Office		40.00
044596	03/31/22	YSI INC., A XYLEM BRAND	ProDDS Turbidity Sensor & Handheld Instrument		3,144.67
044597	03/31/22	MAMMOTH OXYGEN	(2) Welding Wire .035x33# Roll		140.73
044598	03/31/22	SC FUELS	(3,923.20 Gal) Clear Diesel		18,930.30
044599	03/31/22	O'REILLY AUTO PARTS	Cabin Filter		17.55
044600	03/31/22	ROSENBALM ROCKERY, INC	(1 yd) 5-Sack Concrete		128.28
044601	03/31/22	ULINE	(5) 7 Gal Bucket, (5) 7 Gal Bucket Lid, (2) Box of Gloves		174.28
044602	03/31/22	HIRE UP STAFFING SERVICES	P/E 03/20/22: K. Gomez		122.09
044603	03/31/22	ADVANCED DISTRIBUTION CO.	(2) 3x6 Stainless Steel Pipe		978.29
044604	03/31/22	U.S. BANK EQUIPMENT FINANCE	Copier Lease Payment		779.11
044605	03/31/22	VAN DE POL, INC.	Cardlock Fuel		6,298.61
044606	03/31/22	REY'S GARDEN SERVICES INC	Monthly Lawn Service		300.00
044607	03/31/22	CINTAS	Uniforms & Supplies		251.00
					1,896,840.23
			Payroll Ending 02/12/22	84,424.23	
		*	Payroll Ending 02/26/22	86,109.15	
			Payroll Ending 03/12/22	90,345.59	
			Payroll Ending 03/26/22	92,752.45	
					353,631.42
			Tax Transfers 02/12/22	32,814.40	
			Tax Transfers 02/26/22	33,774.27	
			Tax Transfers 03/12/22	35,298.22	
			Tax Transfers 03/26/22	36,860.77	
					138,747.66
			Employee Benefits 02/12/22	19,355.28	
			Employee Benefits 02/26/22	20,048.39	
			Employee Benefits 03/12/22	20,609.00	
			Employee Benefits 03/26/22	20,128.46	
					80,141.13
				GRAND TOTAL	2,469,360.44
		Per Diems Included in above *			
		Director DaSilva			
	1/20-1/22	\$300.00	MID-PAC Conference		
	02/15/22	\$100.00	MID Board Meeting		
	02/25/22	\$65.00	RMC		
		Director Davis			
	01/10/22	\$65.00	Groundwater Meeting		
	1/20-1/22	\$300.00	MID-PAC Conference		
	02/15/22	\$100.00	MID Board Meeting		
		Director Erickson			

AGENDA ITEM 2d.

**MADERA IRRIGATION DISTRICT
CASH BALANCE SUMMARY REPORT
1/31/2022 AND 12/31/2021**

	<u>1/31/2022</u>	<u>12/31/2021</u>	<u>Interest Rate</u>
UNRESTRICTED CASH			
CITIZENS BANK			
SWEEP ACCOUNT	\$ 15,231,394.34	\$ 11,539,967.09	0.10%
PAYROLL ACCOUNT	8,754.89	7,927.58	
REVOLVING CHECKING FUND	3,696.23	636.14	
PETTY CASH AND CHANGE DRAWER	400.00	400.00	
L.A.I.F.-UNRESTRICTED	<u>30,215,434.83</u>	<u>30,197,701.74</u>	0.23%
TOTAL UNRESTRICTED CASH	<u>\$ 45,459,680.29</u>	<u>\$ 41,746,632.55</u>	
RESTRICTED CASH			
L.A.I.F.-RESTRICTED 218 ASSESSMENT	\$ 1,816,290.64	\$ 1,815,593.85	0.23%
TOTAL RESTRICTED CASH	<u>\$ 1,816,290.64</u>	<u>\$ 1,815,593.85</u>	
TOTAL CASH	<u>\$ 47,275,970.93</u>	<u>\$ 43,562,226.40</u>	

District's investments are in compliance with the Investment Guidelines Policy for Madera Irrigation District.

There are sufficient funds available for the District to meet its expenditures for the next six months.

Citizens Business Bank Interest Rate is based on Annual Percentage Yield Earned and interest is paid monthly.

L.A.I.F. Interest Rate is based on L.A.I.F.'s Apportionment Rate and interest is paid quarterly.

**MADERA IRRIGATION DISTRICT
2022 Expenses - Budget vs. Actual**

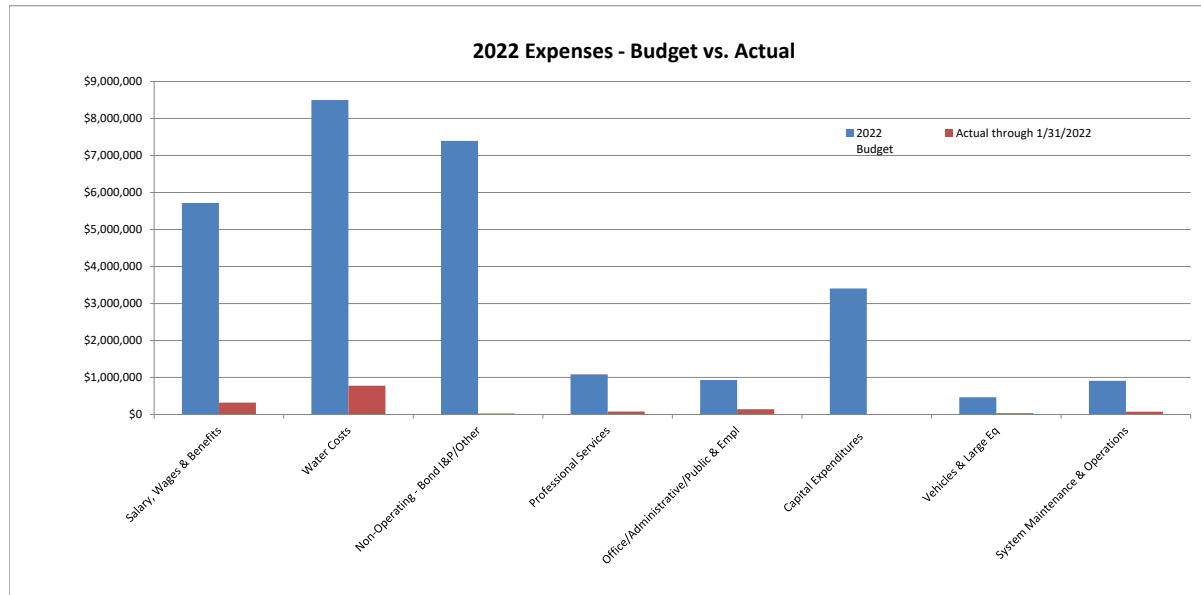
Description	2022 Budget	Actual through 1/31/2022	% of Budget Used
Salary, Wages & Benefits	\$5,716,000	\$321,284	6%
Water Costs	\$8,500,000	\$776,092	9%
Non-Operating - Bond I&P/Other	\$7,395,000	\$26,188	0%
Professional Services	\$1,086,000	\$80,361	7%
Office/Administrative/Public & Empl	\$933,000	\$144,011	15%
Capital Expenditures	\$3,404,000	\$14,841	0%
Vehicles & Large Eq	\$465,000	\$32,841	7%
System Maintenance & Operations	\$910,000	\$76,791	8%
Total	\$28,409,000	\$1,472,409	5%

Less: 2021 Budget Funds Carryover

\$ (2,263,000) \$ -

2022 Approved Budget

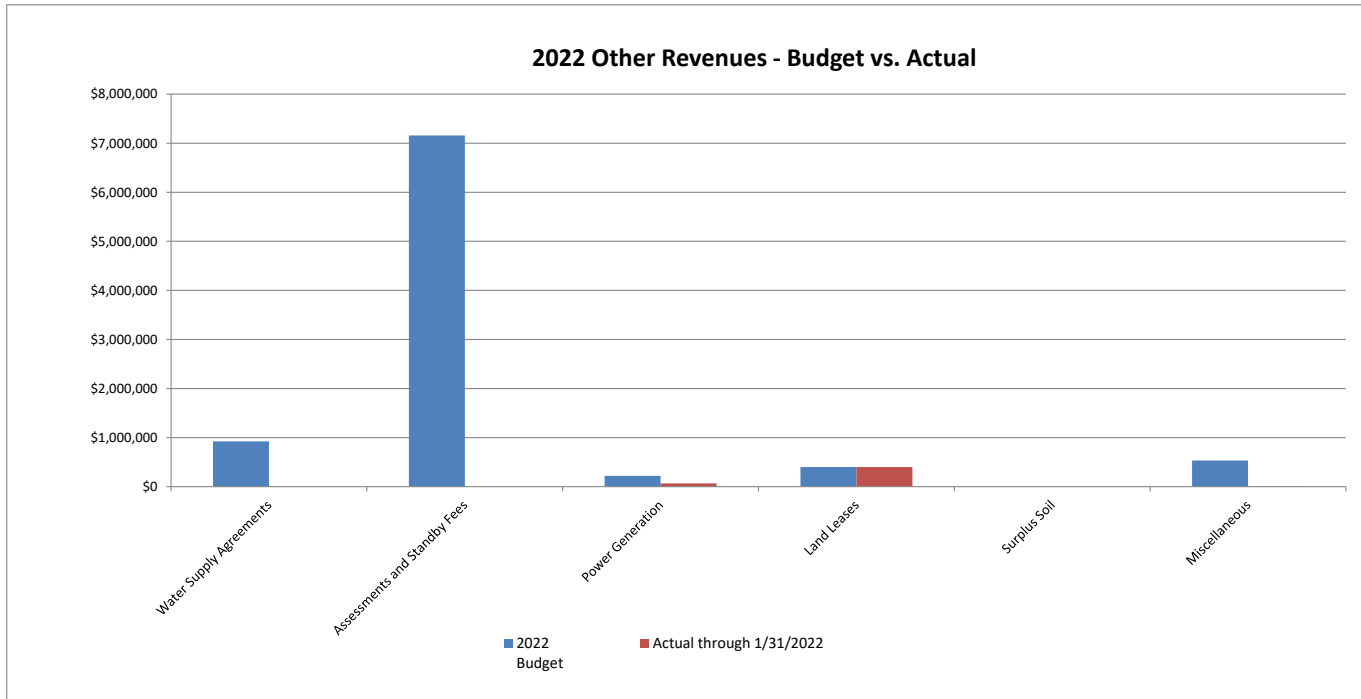
\$ 26,146,000 \$ 1,472,409 6%



**MADERA IRRIGATION DISTRICT
2022 Other Revenues - Budget vs. Actual**

Description	2022 Budget	Actual through 1/31/2022	% of Budget Received
Water Supply Agreements	\$922,100	\$0	0%
Assessments and Standby Fees	\$7,158,250	\$0	0%
Power Generation	\$220,000	\$67,445	31%
Land Leases	\$399,182	\$399,182	100%
Surplus Soil	\$0	\$0	0%
Miscellaneous	\$532,000	\$9,015	2%
Total	\$9,231,532	\$475,642	5%

NOTE: Water sales not included



**MADERA IRRIGATION DISTRICT
CASH BALANCE SUMMARY REPORT
2/28/2022 AND 1/31/2022**

	<u>2/28/2022</u>	<u>1/31/2022</u>	<u>Interest Rate</u>
UNRESTRICTED CASH			
CITIZENS BANK			
SWEEP ACCOUNT	\$ 14,000,952.77	\$ 15,231,394.34	0.10%
PAYROLL ACCOUNT	7,927.58	8,754.89	
REVOLVING CHECKING FUND	3,595.19	3,696.23	
PETTY CASH AND CHANGE DRAWER	400.00	400.00	
L.A.I.F.-UNRESTRICTED	<u>28,251,867.22</u>	<u>30,215,434.83</u>	0.28%
TOTAL UNRESTRICTED CASH	<u>\$ 42,264,742.76</u>	<u>\$ 45,459,680.29</u>	
RESTRICTED CASH			
L.A.I.F.-RESTRICTED 218 ASSESSMENT	\$ 3,779,858.25	\$ 1,816,290.64	0.28%
TOTAL RESTRICTED CASH	<u>\$ 3,779,858.25</u>	<u>\$ 1,816,290.64</u>	
TOTAL CASH	<u>\$ 46,044,601.01</u>	<u>\$ 47,275,970.93</u>	

District's investments are in compliance with the Investment Guidelines Policy for Madera Irrigation District.

There are sufficient funds available for the District to meet its expenditures for the next six months.

Citizens Business Bank Interest Rate is based on Annual Percentage Yield Earned and interest is paid monthly.

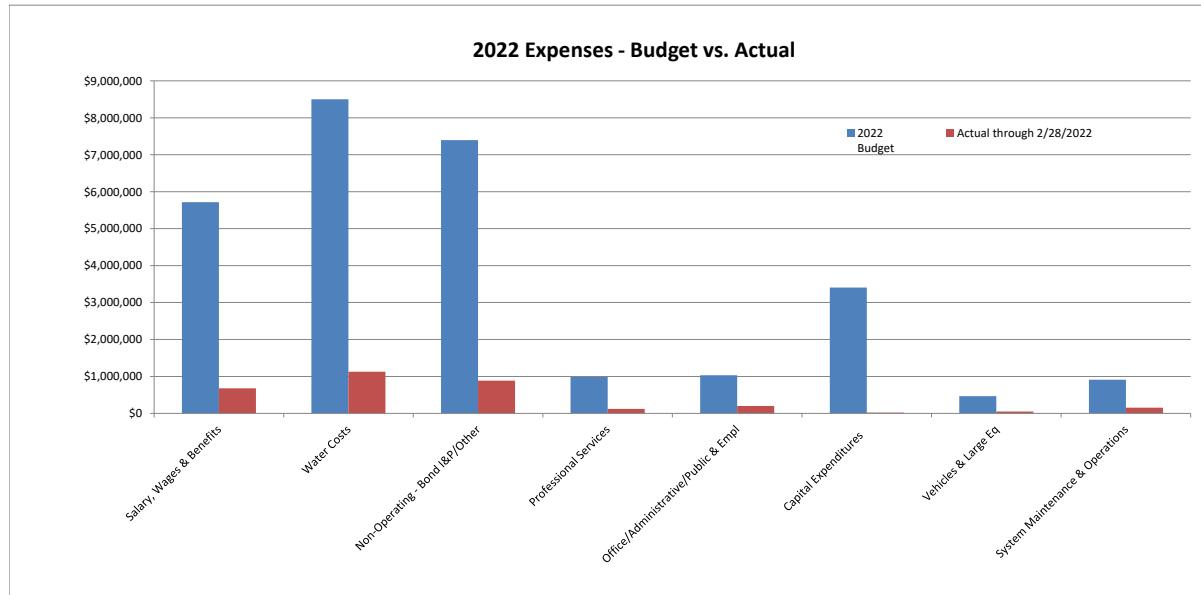
L.A.I.F. Interest Rate is based on L.A.I.F.'s Apportionment Rate and interest is paid quarterly.

**MADERA IRRIGATION DISTRICT
2022 Expenses - Budget vs. Actual**

Description	2022 Budget	Actual through 2/28/2022	% of Budget Used
Salary, Wages & Benefits	\$5,716,000	\$679,990	12%
Water Costs	\$8,500,000	\$1,127,176	13%
Non-Operating - Bond I&P/Other	\$7,395,000	\$887,483	12%
Professional Services	\$986,000	\$121,292	12%
Office/Administrative/Public & Empl	\$1,033,000	\$201,465	20%
Capital Expenditures	\$3,404,000	\$20,147	1%
Vehicles & Large Eq	\$465,000	\$51,259	11%
System Maintenance & Operations	\$910,000	\$155,166	17%
Total	\$28,409,000	\$3,243,979	11%

Less: 2021 Budget Funds Carryover	\$	(2,263,000)	\$	-
2022 Approved Budget	\$	26,146,000	\$	3,243,979
				12%

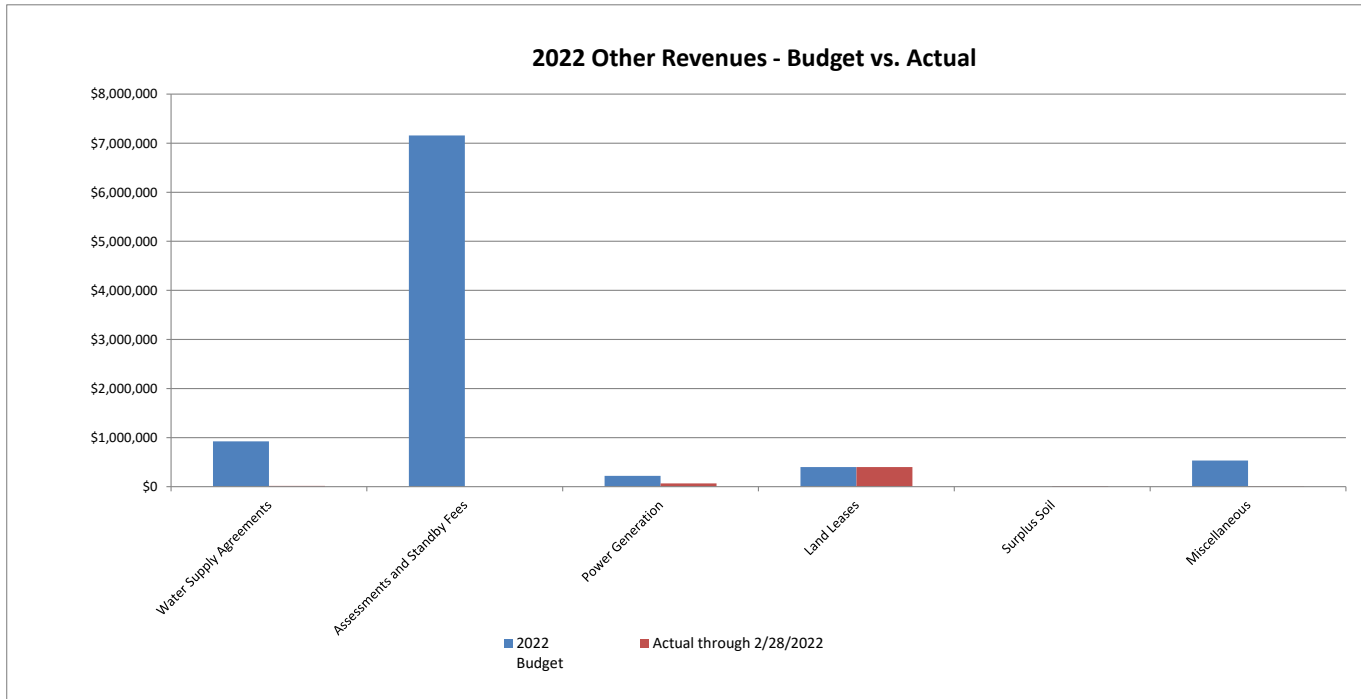
Note: Resolution No. 2022-04 approved February 15, 2022 transferred \$100,000 from Professional Services to Office/Administrative/Public & Empl



MADERA IRRIGATION DISTRICT
2022 Other Revenues - Budget vs. Actual

Description	2022 Budget	Actual through 2/28/2022	% of Budget Received
Water Supply Agreements	\$922,100	\$15,600	2%
Assessments and Standby Fees	\$7,158,250	\$0	0%
Power Generation	\$220,000	\$67,445	31%
Land Leases	\$399,182	\$399,182	100%
Surplus Soil	\$0	\$12,500	0%
Miscellaneous	\$532,000	\$10,353	2%
Total	\$9,231,532	\$505,080	5%

NOTE: Water sales not included



AGENDA ITEM 2e.

APRIL 19, 2022
RESOLUTION NO. 2022-07

**RESOLUTION OF THE BOARD OF DIRECTORS,
MADERA IRRIGATION DISTRICT
PROCLAIMING A LOCAL EMERGENCY, RE-RATIFYING THE PROCLAMATION OF A
STATE OF EMERGENCY BY THE GOVERNOR’S PROCLAMATION DATED MARCH 4,
2020, AND RE-AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE
LEGISLATIVE BODIES OF MADERA IRRIGATION DISTRICT FOR THE PERIOD OF 30
DAYS PURSUANT TO BROWN ACT PROVISIONS**

RESOLVED by the Board of Directors (“Directors”) of the Madera Irrigation District (“District”), at a regular meeting duly called and held on April 19, 2022 at the business office of the District, 12152 Road 28 1/4, Madera, California 93637 as follows:

WHEREAS, the District is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

WHEREAS, all meetings of Madera Irrigation District’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the District’s legislative bodies conduct their business; and

WHEREAS, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

WHEREAS, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

WHEREAS, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the District’s boundaries, caused by natural, technological, or human-caused disasters; and

WHEREAS, such conditions now exist in the District, specifically, the Governor’s Proclamation of a State of Emergency Dated March 4, 2020; and

WHEREAS, the COVID-19 pandemic remains a significant challenge in California and according to the Department of Public Health; and

WHEREAS, in accordance with current State of California guidelines and the District’s duty to provide and maintain a workplace that is free of known hazards; and

WHEREAS, the Board of Directors previously adopted a Resolution No. 2021-19 on September 21, 2021, Resolution No. 2021-21 on October 19, 2021, Resolution No. 2021-26 on November 17, 2021, Resolution No. 2021-27 on November 17, 2021, Resolution No. 2021-29 on December 15, 2021, Resolution No. 2021-35 on December 22, 2021, Resolution No. 2022-01 on February 15, 2022, and

Resolution No. 2022-05 on March 10, 2022 finding that the requisite conditions exist for the legislative bodies of Madera Irrigation District to conduct remote teleconference meetings without compliance with paragraph (3) of subdivision (b) of section 54953; and

WHEREAS, as a condition of extending the use of the provisions found in section 54953(e), the Board of Directors must reconsider the circumstances of the state of emergency that exists in the District, and the Board of Directors has done so; and

WHEREAS, as a consequence of the local emergency, the Board of Directors does hereby find that the legislative bodies of the District shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors approves:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Proclamation of Local Emergency. The Board hereby proclaims that a local emergency now exists throughout the District, and in accordance with current State of California guidelines and the District's duty to provide and maintain a workplace that is free of known hazards.

Section 3. Ratification of Governor's Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California's Proclamation of State of Emergency, effective as of its issuance date of March 4, 2020.

Section 4. Remote Teleconference Meetings. The General Manager and legislative bodies of Madera Irrigation District are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

Section 5. Effective Date of Resolution. This Resolution shall take effect immediately upon its adoption and shall be effective until the earlier of (i) May 19, 2022 , or such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of Madera Irrigation District may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Board of Directors of the Madera Irrigation District, at a regular meeting of the Board held on the 19th of April 2022 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Erickson, President

ATTEST: _____
Carl Janzen, Vice President

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Madera Irrigation District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2022-07 adopted April 19, 2022.

Andrea Kwock Sandoval, Secretary

AGENDA ITEM 3a.

Finance Department Activities
April 19, 2022

The Finance team is preparing the calculation for Subordinate landowners 2022 general assessments. Invoices will be mailed out this week and payment is due June 20, 2022.

The interest portion of the bond payments have been made. The 2015 bond amount was \$433,000 and the 2016 bond amount was \$407,000 for a total of \$840,000.

The State of California published CPI (COLA) is 4.7%, salaries have been adjusted for the CPI effective March 1, 2022.

At the March 30, 2022 board meeting MCWPA accepted the proposal from Hudson Henderson & Company Inc., to perform their audit, field work started April 12, 2022.

The field work for MID's 2021 annual audit has been completed. Hudson Henderson & Company Inc. will present the 2021 audited financial statement at the board meeting today.

Accounting (On-going)

Madera Irrigation District

- monthly financial reports
- accounts payable and warrant lists
- bank reconciliations
- CIP/Project tracking and updates

Madera-Chowchilla Water and Power Authority (On-going)

- monthly financial reports
- accounts payable and warrant lists
- bank reconciliations
- Call for Funds

Storm/Assessments (On-going)

- Extract Madera Irrigation District deed transfers from Madera County
- Process Grant Deed changes
- Assessment searches as requested by the public
- Redemption documentation

Payroll (On-going)

- Madera Irrigation District payroll processing
- Compilation of payroll data for employees and third-party requests
- Madera-Chowchilla Water and Power Authority payroll processing
- Madera-Chowchilla Water and Power Authority payroll tax transfers

Madera Irrigation District

HR Department Report – April

Human Resources General:

- Evaluations Reviewed & Completed for month of February/March
- Employee Relations Meetings
- HR Billing
- DMV Reporting
- Separation from District Administration

Benefits:

- Sunlife Salary Audit and Update
- Overage Dependent Notice/Administration
- FMLA/CFRA Paternity Leave Administration
- John Hancock Notices
- New Hire Benefit Enrollment

Insurance, Risk Management & Compliance:

- JPIA Property Schedule Review and Update for Renewal
- Cyber Liability Insurance Application Administration
- MID Policy Review
- COVID-19 Prevention Program Update (CPP)
- UAS Drone Compliance
- Insurance Claim Follow up
- Risk Transfer Administration
 - o Contract review for insurance requirements
 - o Complete checklists for certificate of coverage and endorsements
 - o Follow up reminders and authorizations

Training:

- All Staff In-House:
 - o “A Walk into the Future” Retirement Workshop Lunch & Learn Presented by Noble Credit Union and Cornerstone Advisory Group.
- O&M Management and Pesticide Applicators:
 - o UC Davis Presents... Managing Ground Squirrels/Pocket Gophers Near Canals
- General Training:
 - o The Keys to Connecting: How to Create Raving Employees and Customers.
 - o Public Agency Risk Management Association Conference
 - o 2022 COVID-19 Supplemental Paid Sick Leave

Current Major Focus Areas: Insurance Compliance/Risk Transfer, Training, COVID-19 Compliance, Employee Relations, and District Policy & Program Updates.

MCWPA

Human Resources General:

- HR Billing
- Employee Relations
- Job Description Review

Training:

- All Staff In-House:
 - o “A Walk into the Future” Retirement Workshop Lunch & Learn Presented by Noble Credit Union and Cornerstone Advisory Group.

Workers Compensation:

- Re-evaluation of estimate to actual payroll for premium update.

AGENDA ITEM 3b.

MID Engineering, Operations and Maintenance Report

April 19, 2022

- Engineering Staff Maintenance Activities – Coordinating with Maintenance on Projects:
 - Airport 1.0W Pipeline Replacement Project – On hold until end of 2022 irrigation season.
 - Hospital Lateral Pipeline Project – design plans completed, on hold until end of 2022 irrigation season.
 - Lateral 24.2-9.0 Pipeline Replacement Project – survey and design ongoing.
 - Dixieland Pipeline Replacement – survey complete and drafting design plans for 2022 budget year.
 - Schmitz Canal – Failing farm road, driveway replacement design ongoing.
- Franchi Site – Electrical upgrade completed and security enclosure for electrical panels ongoing.
- Out of District Turnout Reviews – Under review from USBR & MID – Lateral 24.2 & 6.2 proposed new out of District Turnouts.
- Environmental Systems Research Institute (ESRI Software) Training – ArcGIS (Geographic Information System) training for migrating ArcMap to ArcGIS Pro.
- Rotork Gates – Quotes for service, actuator not working.
- Madera Lake Dam – Emergency Action Plan under review and updates.
- Sustainable Groundwater Management Act (SGMA)- Spring well measurements completed and under review.
- WaterSMART Grant – Application submitted awaiting for review process.
- Stage Discharge Recorder – Maintenance on all sites cleaning, battery installation, staff gauge replacement, ongoing.
- Crop Survey – Survey is completed and is under verification and data review.
- Tesoro Viejo 6.2 Pipeline – Construction Package Completed – Landscape Design ongoing.
- California High Speed Rail (CHSR) – Lateral 6.2-13.4 Construction Ongoing.
- Capital Improvement Plan – Stockton/Roberts Pipeline Replacement Design 60% design completed ongoing.
- Internal GIS Development – Engineering Staff is continuing with right-of-way mapping and facility mapping updates.
- Mountain Diversions – Big Creek Diversion Gate ongoing monitoring and gate adjustments for fluctuating flows.
- Underground Service Alert's (USA) marked – underground service alerts daily.

Operations Staff

- Operations staff continues cleaning up assigned areas and will utilize the weed spray and maintenance departments when needed.

Work Completed

- Madera Canal / MID – Dry Creek Head, replaced two sets of 4 inch stilling well recorder pipes.
- Hospital Lateral North of Avenue 14 ½, installed 40 feet of 30 inch ADS pipe.
- 24.2-19.6 Canal Head on Avenue 14 ½, vacuumed out road crossing.
- 24.2-9.0 Canal crossing on Avenue 19, vacuumed out road crossing.
- Main 1 pipeline at Bethard Square Shopping Center Parking Lot, vacuumed out two parking lot drains.
- Franchi, installed new electrical panel backboard for new electrical boxes.
- Big Main Canal just North of Avenue 15 ½, crews cleaned up eucalyptus trees.
- 6.2 Canal installed concrete plug on Turnout #15.
- 32.2-10.2 Canal Head removed wood with forklift gate and poured concrete wall.
- Basin #4, repaired dirt, wash in, and cleaned up.
- Installed new Turnout, new Meter box, 15 inch Pipeline, 15 inch Inline Gate, 1 Air Vent and a Concrete wall on the Canal bank.
- In yard poured (4) Pre-Fab Turnout Boxes and 3 Floors.
- 24.2-21.1 West Installed new Turnout Box.

24.2-21.1 West – New Turnout Box on Ave 11 and Road 22



Yard Pre-Fab (3) 5 feet Boxes, (3) Floors and (2) Turnouts



Big Main Canal Clean-Up



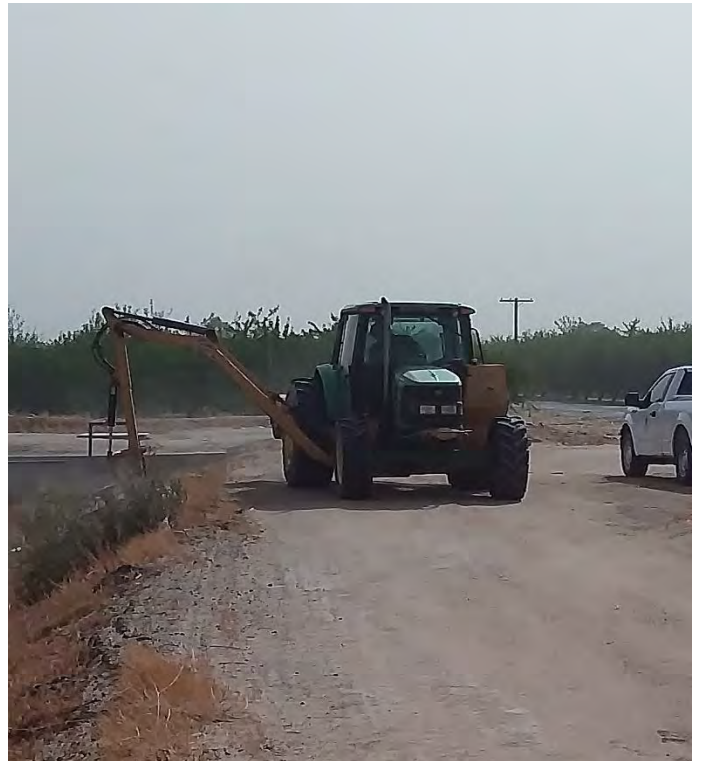
MID Basin #8 Work Completed



Welding Shop

- Town and County Park / China Garden Canal, fabricated safety walkway and hand railing over trash rack.
- Fabricated and installed new MID parking lot light post.
- Fabricated new Turnout trash rack on the 32.2 Canal for Basin #8.
- Fabricated safety walkway extension on the head of Galeener Canal.
- Installed expanded metal walkway on the head of Hargrove Canal.
- Fabricated new trash rack on 18.4 Canal on Turnout #4.
- Repaired steel hinges and painted stilling well drop wall on Madera Canal/Dry Creek.
- Fabricated and installed new security cover for new electrical panel boxes at Franchi Weir.

Motor Graders and Mower work is ongoing throughout the District



Franchi Weir – Electrical Panel Upgrades and Security Enclosure Completed



Basin #8 Road Crossing



Clark Pipeline Repairs



Rented Vacuum Trailer – Several Canal Crossings and Turnout Boxes Cleaned



Vehicles and Equipment Repaired or Serviced

- Serviced 5 Vehicles
- Repaired 6 Vehicles
- Repaired 5 Heavy Equipment

90 Day D.O.T Inspections

- 5-10 F-350 Flat Bed Cement Truck
- 2-18 F-550 Spray Truck
- 1-18 F-350 Engineering Truck
- 11-11 F-350 Flat-Bed Maintenance Truck
- 8-20 F-350 Spray Truck
- 7-20 F-350 Maintenance Truck
- 6-20 F-450 Welders Truck
- 1-15 Isuzu Trash Truck

Madera-Chowchilla Water & Power Authority Truck Serviced and Repaired

- 183 Completed full oil service, rotated tires, and installed new set of sparkplugs/wires.
- 181 Completed full oil service and rotated tires.
- 071 Completed full oil service and replaced rear brake pads.

Pesticide Report

- Round-up Custom 383 Gallons
- Rodeo Aquatic Herbicide 87 Gallons
- Reward Landscape 128 Gallons

Completed Canal Work



AGENDA ITEM 5a.

APRIL 19, 2022
RESOLUTION NO. 2022-08

**RESOLUTION OF THE BOARD OF DIRECTORS,
MADERA IRRIGATION DISTRICT
REQUEST TO MADERA COUNTY ELECTIONS TO CONDUCT
DISTRICT ELECTION ON NOVEMBER 8, 2022**

RESOLVED by the Board of Directors of the Madera Irrigation District (“District”), at a regular meeting duly called and held on April 19, 2022, at the business office of the District, 12152 Road 28 1/4, Madera, California 93637 as follows:

WHEREAS, the Madera Irrigation District’s Director Elections are due to take place on November 8, 2022 for Divisions 1, 2, and 3; and

WHEREAS, the elections for Divisions 1, 2, and 3 will be held on an at-large basis; and

WHEREAS, to ensure the requisite information is placed on the ballot, the Madera Irrigation District Board of Directors is required to make a formal request to the Madera County elections official that District Elections for Director Division 1, 2, and 3 be held on Tuesday, November 8, 2022; and

WHEREAS, the Secretary to the Board is also required to deliver a notice of the elections to the Madera County elections official, pursuant to Section 10509 of the Elections Code.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Madera Irrigation District by adoption of this resolution formally requests that the Madera Irrigation District’s Director Elections be called and consolidated with any other General Elections taking place on November 8, 2022.

BE IT FURTHER RESOLVED that pursuant to Elections Code §10520, the District shall reimburse Madera County for the actual costs incurred by the County Elections Official in conducting the General District Election.

BE IT FURTHER RESOLVED that the Secretary to the Board shall deliver a notice of the elections to the Madera County elections official, pursuant to Section 10509 of the Elections Code.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Madera Irrigation District Board of Directors, at a regular meeting of the Board held on the 19th day of April 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Erickson, President

ATTEST: _____
Carl Janzen, Vice President

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Madera Irrigation District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2022-08 adopted April 19, 2022.

Andrea Kwock Sandoval, Secretary

AGENDA ITEM 5b.

**MADERA IRRIGATION DISTRICT
STAFF REPORT**

SUBJECT:

Discussion / possible action on setting dates for Board of Equalization

Previous Board Actions/Discussions:

N/A

Board Policies and Administrative Regulations:

Annual adoption of Board of Equalization Hearing Dates as required by the California State Water Code

Water Code Section 25508

Water Code Section 25550

Water Code Section 25551-25552

Water Code Section 25555

Water Code Section 25556

Summary of Issue(s):

To meet the deadlines of the County of Madera for duties related to collection, Madera Irrigation District must set the Board of Equalization hearing dates in June for the equalization of the 2023 assessment rates and roll.

The District Board Secretary will receive the assessment book from the Assessor on Tuesday, May 10, 2022 pursuant to Water Code Section 25508. The Secretary will immediately give notice of its receipt and time as fixed by the Board of Directors when the Board acting as a Board of Equalization will meet to equalize assessments. The notice for the Board of Equalization meetings will be published at least twice in an adjudicated newspaper, with the first notice being published at least 20 days and not more than 30 days before the time fixed for the first meeting of the Board of Directors pursuant to Water Code Section 25551-25552.

During the Board of Equalization meetings, the Board will meet to hear and determine objections to the valuation, acreage, or any matter pertaining to the assessments coming before the Board pursuant to Water Code Section 25555. The Board will order any changes in the assessment(s) if necessary. The Board will continue in session from time to time as long as may be necessary, but not to exceed ten (10) days exclusive of Sundays pursuant to Water Code Section 25556.

Board Decisions / Options:

Option 1 – Set dates and time for Board of Equalization meetings for the following date/times: June 14 and June 17, 2022 at 2:00 p.m. to hear and determine objections to the valuation, acreage, or any matter pertaining to assessments.

Option 2 – Do not set the dates and time for the Board of Equalization meetings, however this would violate Water Code and the District would be unable to levy assessments.

Financial Impact:

No financial impact for Option 1, significant financial impact for Option 2.

Staff / General Manager’s Recommendation:

Option 1 – Set dates and time for Board of Equalization meetings for the following dates/times: June 14 and June 17, 2022 at 2:00 p.m. to hear and determine objections to the valuation, acreage, or any matter pertaining to assessments.

Recommended Motion:

Motion to set June 14 and June 17, 2022 at 2:00 p.m. as the Board of Equalization meetings to hear and determine objections to the valuation, acreage, or any matter pertaining to assessments.

Supporting Documents Attached:

N/A

AGENDA ITEM 5c.

APRIL 19, 2022
RESOLUTION NO. 2022-09

**RESOLUTION OF THE BOARD OF DIRECTORS,
MADERA IRRIGATION DISTRICT
ACCEPTING THE ANNUAL AUDITED FINANCIAL STATEMENTS
FOR YEARS ENDED 2021 AND 2020**

RESOLVED by the Board of Directors of the Madera Irrigation District (“District”), at a regular meeting duly called and held on April 19, 2022, at the business office of the District, 12152 Road 28 1/4, Madera, California 93637 as follows:

WHEREAS, the 2021 Annual Report on Audited Financial Statements has been conducted with auditing standards generally accepted in the United States and the State Controller’s Minimum Audit Requirements for California Special Districts; and

WHEREAS, the Board of Directors of the District has reviewed the 2021 Annual Audited Financial Statement for the period ending December 31, 2021 and 2020; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of Madera Irrigation District accepts the Annual Audited Financial Statements for years ending December 31, 2021 and 2020.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Board of Directors of the Madera Irrigation District, at a regular meeting of the Board held on the 19th day of April 2022, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

James Erickson, President

ATTEST: _____
Carl Janzen, Vice President

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Madera Irrigation District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2022-09 adopted April 19, 2022.

Andrea Kwock Sandoval, Secretary

MADERA IRRIGATION DISTRICT

**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Madera Irrigation District

Opinions

We have audited the accompanying financial statements of the business-type activities of the Madera Irrigation District (the District) as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the District, as of December 31, 2021 and 2020, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, on our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

HUDSON HENDERSON & COMPANY, INC.

A handwritten signature in blue ink that reads "Hudson Henderson & Company, Inc." in a cursive script.

Fresno, California
April 19, 2022

**MADERA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

The following management discussion and analysis is the result of Madera Irrigation District (the District) implementing Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis (MD&A) - for State and Local Governments." - GASB No. 34 establishes financial reporting standards for state and local governments, including special districts such as the Madera Irrigation District. This discussion and analysis of the District's financial performance provides an overview of the District's activities as well as its financial condition for the years ended December 31, 2021 and 2020. Please read this discussion and analysis in conjunction with the District's audited financial statements and the accompanying notes.

Overall Program Highlights

Madera Irrigation District is a public agency, established by the State Legislature as a Special Act District. The governing Board of Directors consists of five members who are elected at large but must reside within one of the five director divisions and elected to a four-year term. Statutory authority under which the District operates is the California State Water Code. Regular board meetings are held once a month.

The District currently encompasses an area of approximately 140,000 acres, with a gravity irrigation distribution system of approximately 300 miles of open flow canal systems, as well as 150 miles of pipelines. Much of the City of Madera is within the boundaries of the District and provides approximately 2% of the District's revenues through the assessment collections.

The budget is adopted by the Board of Directors in December with assessment rate setting completed annually at the board meeting in June. The District has two main sources of income which consist of the sale of crop water delivered to its growers and assessments on any property within the District's boundaries.

Day-to-day operations of the District are the responsibility of the General Manager and the Assistant General Manager acting through the following described four departments:

1. Administration Department, headed by the General Manager
2. Finance Department, headed by the Controller
3. Operations, Maintenance and Engineering, headed by the Operations and Maintenance Manager
4. Human Resources, headed by the Human Resources Administrator/Risk Manager

The District has a normal complement of 60 full-time employees and was staffed with 45 full-time employees as of December 31, 2021, with an annual budget of approximately \$23 million.

In 1951, after years of temporary contracts, the District signed its first long-term contract with United States Bureau of Reclamation (USBR) for 85,000 acre-feet of Class 1 water and 186,000 acre-feet of Class 2 water. The Class 2 water is less firm and with a lower cost and is intended to assist the District in controlling groundwater overdraft during wetter years. Also, the District signed a contract in 1968 with the Bureau of Reclamation for 24,000 acre-feet of conservation yield water from what is the Hidden Dam which forms Hensley Lake.

In addition to the services rendered to the lands within the District, the District is a member of the Madera-Chowchilla Water and Power Authority which operates and maintains the Madera Canal, beginning at Friant Dam, to its terminus at the Chowchilla River.

The District is also a member of the Friant Power Authority. The Friant Power Authority power plants produce hydroelectricity and are located at Friant Dam on the San Joaquin River, Madera Canal, and Friant Kern Canal. As a member of the Friant Power Authority, the District shares in the generation revenue based on its membership percentage.

**MADERA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

Required Financial Statements

This annual financial statement report consists of three parts: Management's Discussion and Analysis, Financial Statements, and Notes to the Financial Statements. The District's financial statements include the (1) Statements of Net Position, (2) Statements of Revenues, Expenses, and Changes in Net Position, and (3) Statements of Cash Flows. The financial statements are prepared using the accrual basis of accounting.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the financial data provided and are an integral part of the District's financial statements.

The Financial Statements of the District report information about the District using accounting methods like those used by companies in the private sector. These statements offer short-term and long-term financial information about its activities. The *Statements of Net Position* includes all District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and provides information about the nature and amounts of investments in assets and obligations to District creditors as liabilities. It also provides the basis for computing rate of return, evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All the revenues and expenses are accounted for in the *Statements of Revenues, Expenses, and Changes in Net Position*. These statements measure the District's operations over the past year and can be used to determine whether the District has successfully recovered its costs through its rates, fees, assessments, and other methods in the period they are earned and expenses in the period they are incurred without regard to the period of cash receipt or payment.

The final required financial statements are the *Statements of Cash Flows*. The primary purpose of these statements is to provide information about the District's cash receipts and cash payments during the reporting period as well as net changes in cash resulting from operating, investing, and financing activities. These statements explain where cash came from and where cash was used and the change in the cash balance during the reporting period.

Hudson Henderson & Company, Inc., Certified Public Accountants, have performed an independent audit of the District's financial statements in accordance with generally accepted auditing standards. Their opinion is included in the Financial Section of this report.

OVERVIEW OF FINANCIAL STATEMENTS

- Total assets and deferred outflows of resources are \$122.6 million, an increase of approximately 2%. This increase is due to an increase in cash and cash equivalents.
- Total liabilities are \$48.4 million, a decrease of approximately 7%. This decrease is due to a decrease in long-term liabilities.
- Operating Revenue of \$17.8 million and operating expense of \$12.8 million resulted in operating income from operations of \$5.0 million. Net non-operating revenue of \$1.0 million is the result of total non-operating revenue of \$3.3 million offset by interest expense and other expenses of \$2.4 million.
- The District's total cash and cash equivalents increased by \$1.3 million in 2021. This increase was due to net revenues over expenses resulting in an increase in the District's net position.

**MADERA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Summary of Overall Financial Positions and Results of Operation

	<u>2021</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Current unrestricted assets	\$ 50,353,855	\$ 49,518,766	\$ 41,543,679
Restricted assets	2,066,003	2,066,003	2,066,003
Water entitlements	27,061,855	27,061,855	27,061,855
Capital assets, net	31,569,131	29,434,685	29,522,213
Investments in water and power authorities	<u>4,965,837</u>	<u>4,953,096</u>	<u>5,284,099</u>
Total Assets	116,016,681	113,034,405	105,477,849
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources	<u>6,591,053</u>	<u>7,267,363</u>	<u>7,943,672</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 122,607,734</u>	<u>\$ 120,301,768</u>	<u>\$ 113,421,521</u>
LIABILITIES			
Current liabilities	\$ 8,930,622	\$ 9,736,801	\$ 9,581,135
Long-term liabilities	<u>39,502,372</u>	<u>42,513,673</u>	<u>48,077,525</u>
Total Liabilities	<u>48,432,994</u>	<u>52,250,474</u>	<u>57,658,660</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources	<u>6,271,324</u>	<u>6,141,974</u>	<u>6,037,248</u>
NET POSITION			
Net investment in capital assets	23,330,215	18,886,267	14,094,293
Restricted	2,066,003	2,066,003	2,066,003
Unrestricted	<u>42,507,198</u>	<u>40,957,050</u>	<u>33,565,317</u>
Total Net Position	<u>67,903,416</u>	<u>61,909,320</u>	<u>49,725,613</u>
Total Liabilities, Deferred Inflows of Resources & Net Position	<u>\$ 122,607,734</u>	<u>\$ 120,301,768</u>	<u>\$ 113,421,521</u>

Significant Net Position Activity – The balance of net position is comprised of restricted, unrestricted, and net investment in capital assets. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$68 million. Capital assets are not liquid nor are they available for future spending but have been acquired over time and through their utilization, provide the District with revenue.

**MADERA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Condensed Capital Assets Detail

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Transmission and Distribution System, net	\$ 6,548,609	\$ 6,422,770	\$ 6,316,966
Land	19,908,628	19,908,628	19,908,628
Vernal Pools	899,588	899,588	899,588
Madera Ranch - Improvements, net	45,813	49,438	53,062
Buildings, net	56,390	67,556	78,722
Construction and Shop Equipment, net	1,083,822	1,142,198	1,172,763
Transportation Equipment, net	602,425	636,747	529,811
Office Furniture and Equipment, net	96,858	97,444	113,526
Yards and Grounds, net	69,398	84,601	99,170
Construction in Progress	2,257,600	125,715	349,977
	<u>\$ 31,569,131</u>	<u>\$ 29,434,685</u>	<u>\$ 29,522,213</u>

Condensed Long-Term Debt Detail

Long-term debt totaled \$41,891,824 at December 31, 2021. This is comprised of water revenue refunding bonds totaling \$19,605,930 and \$22,285,894 for the 2015 Series and 2016 Series, respectively.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>Percentage Change</u>
Water Revenue Refunding Bond Series 2015	\$ 19,605,930	\$ 21,616,672	-9.3%
Water Revenue Refunding Bond Series 2016	22,285,894	23,260,964	-4.2%
Total long-term debt	<u>\$ 41,891,824</u>	<u>\$ 44,877,636</u>	<u>-6.7%</u>

	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>Percentage Change</u>
Water Revenue Refunding Bond Series 2015	\$ 21,616,672	\$ 26,227,413	-17.6%
Water Revenue Refunding Bond Series 2016	23,260,964	24,206,034	-3.9%
Total long-term debt	<u>\$ 44,877,636</u>	<u>\$ 50,433,447</u>	<u>-11.0%</u>

**MADERA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

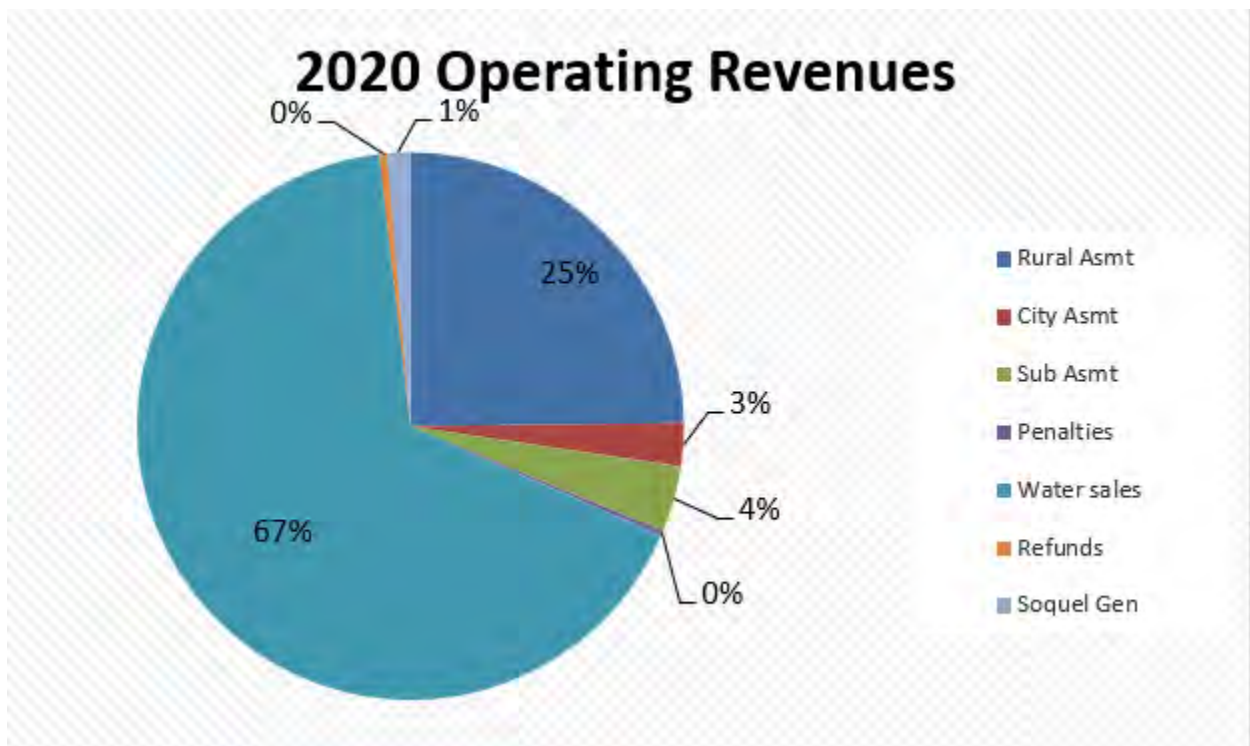
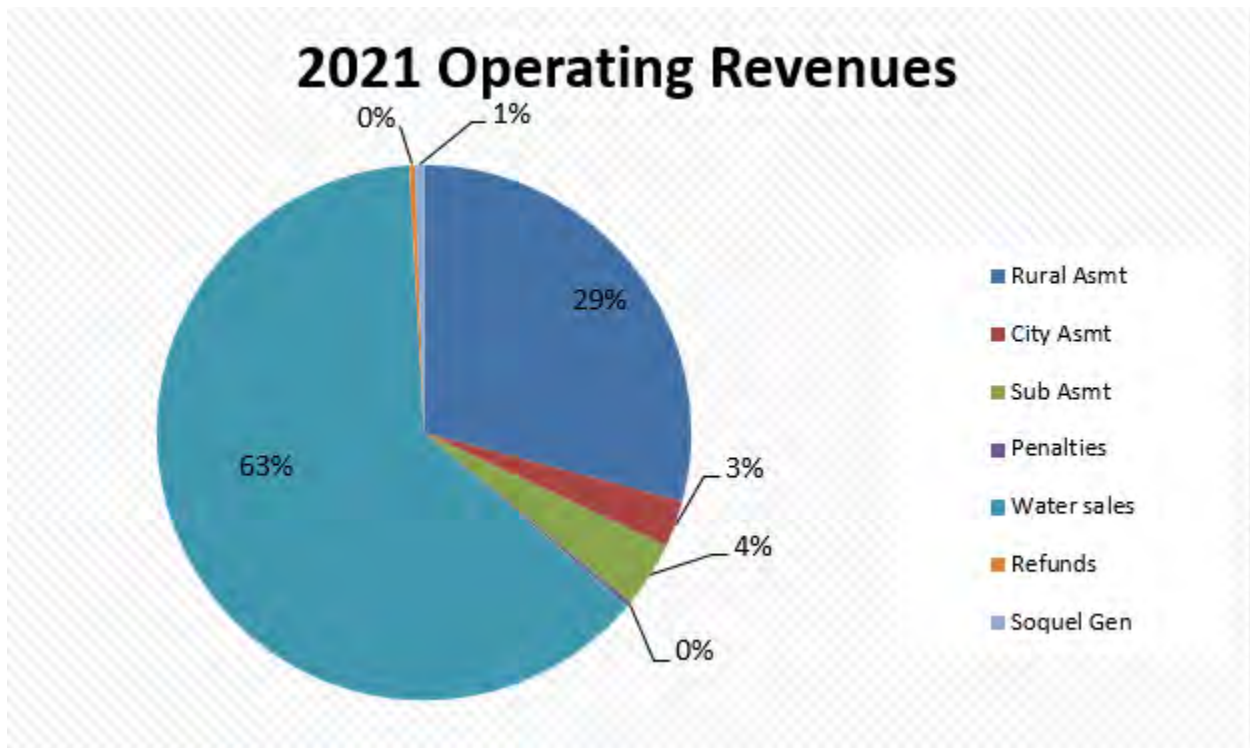
OVERVIEW OF FINANCIAL STATEMENTS (continued)

Combined Statement of Revenues, Expenses, and Changes in Net Position

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues	\$ 17,833,238	\$ 20,514,429	\$ 26,273,063
Operating expenses	<u>12,795,871</u>	<u>15,942,121</u>	<u>15,422,225</u>
Net Income from Operations	<u>5,037,367</u>	<u>4,572,308</u>	<u>10,850,838</u>
Non-operating revenues	3,331,155	10,249,690	4,732,832
Non-operating expenses	<u>2,374,426</u>	<u>2,638,291</u>	<u>2,768,685</u>
Total Nonoperating Revenues (Expenses)	<u>956,729</u>	<u>7,611,399</u>	<u>1,964,147</u>
Change in Net Position	5,994,096	12,183,707	12,814,985
Net Position, Beginning of Year	<u>61,909,320</u>	<u>49,725,613</u>	<u>36,910,628</u>
Net Position, End of Year	<u><u>\$ 67,903,416</u></u>	<u><u>\$ 61,909,320</u></u>	<u><u>\$ 49,725,613</u></u>

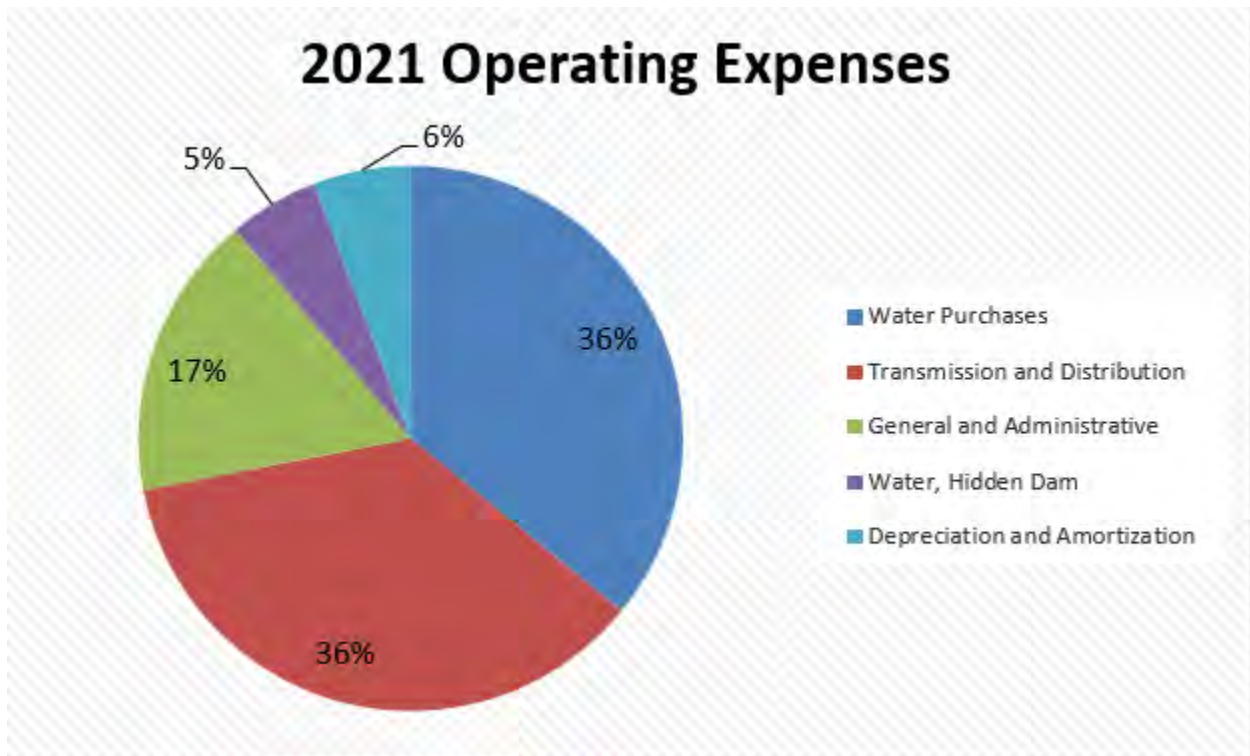
**MADERA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

OVERVIEW OF FINANCIAL STATEMENTS (continued)



MADERA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

OVERVIEW OF FINANCIAL STATEMENTS (continued)



**MADERA IRRIGATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

Economic Factors and Rates

In 2021, Madera Irrigation District received 40% Class 1 water allocation from the USBR. The District's Friant Class 1 contract amount is 85,000 acre-feet. Additional water sources in 2021 included Hensley Lake, and Pre-1914 water supplies. The price of water to District growers ranged from \$200 to \$1250 per acre-feet. The District was able to balance its budget and avoided withdrawing from reserves.

The District, in keeping with its mission of obtaining and managing surface water and groundwater supplies to ensure the long-term viability of irrigated agriculture, works to keep the crop water rates to its growers affordable. By keeping the crop water rates affordable, the District hopes to encourage use of surface water to help preserve groundwater levels within the Madera Irrigation District.

Madera Irrigation District had not increased its original assessment rates since the passage of Proposition 218 in 1996 which states that before a district can increase its rates, the request for increase must be voted on and passed by a majority of the landowners in the District. In 2011, the District had a Proposition 218 engineering report completed by a certified engineering firm to assess the need for increases in the assessments to assist with the financing of the 9(d) contract with the USBR. That election passed by 67% on March 15, 2011 thus increasing the assessments by approximately \$31.58 per acre (amount varies dependent on land category) to the rural parcel assessments. This approved increase in assessments is referred to as the 2011 Assessment. Pursuant to Board action taken on March 15, 2011, Resolution No. 2011-04 includes a provision which allows an increase of the 2011 Assessment by 3% annually for a ten-year period. This increase is covenanted by the Water Revenue Refunding Bonds, Series 2015. Thus, the annual 3% increase will take place until the year 2022. The 2011 Assessment resulted in an additional \$3,700,000 this year in dedicated revenue.

In 2016, Madera Irrigation District transferred the billing and collection duties for the District's assessments and standby charges to the County of Madera (County). The transfer took place with the District's 2017 assessments and 2016 standby charges. The transfer was for the benefit of landowners and taxpayers, simplifying the payment process as one payment could be made for County property taxes, District assessments, and District standby charges. This transfer has resulted in a significant decrease in the delinquency rate for the collection of assessments and standby charges.

Requests for Information

This financial report is designed to provide a general overview of the District's finances. Questions concerning the information provided in this report or requests for additional financial information should be addressed to Controller, 12152 Road 28 ¼, Madera, CA or by telephone at (559) 673-3514.

**MADERA IRRIGATION DISTRICT
STATEMENTS OF NET POSITION
DECEMBER 31, 2021 AND 2020**

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents:		
Unrestricted	\$ 41,496,224	\$ 40,240,275
Restricted	2,066,003	2,066,003
Receivables:		
Accounts	486,742	908,107
Assessments	8,019,788	7,986,266
Certificates of sales	52,227	58,113
Supplies inventory	160,317	220,928
Prepaid expenses	138,557	105,077
Total Current Assets	52,419,858	51,584,769
Noncurrent Assets:		
Investments in water and power authorities	4,965,837	4,953,096
Water entitlements	27,061,855	27,061,855
Capital assets, not being depreciated	23,065,816	20,933,931
Other capital assets, net of accumulated depreciation	8,503,315	8,500,754
Total Noncurrent Assets	63,596,823	61,449,636
Total Assets	116,016,681	113,034,405
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Loss on Bond Refunding	6,395,638	7,053,393
Debt Issue Costs, Net of Accumulated Amortization	195,415	213,970
Total Deferred Outflows of Resources	6,591,053	7,267,363
Total Assets and Deferred Outflows of Resources	\$ 122,607,734	\$ 120,301,768

The accompanying notes are an integral part of the financial statements.

**MADERA IRRIGATION DISTRICT
STATEMENTS OF NET POSITION (continued)
DECEMBER 31, 2021 AND 2020**

	2021	2020
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 242,827	\$ 404,072
Other liabilities	258	171
Accrued salaries and related liabilities	131,859	124,557
Accrued compensated absences	342,188	324,149
Accrued interest	562,681	605,566
Unearned revenue	4,975,809	5,733,286
Current portion of long-term debt	2,675,000	2,545,000
Total Current Liabilities	8,930,622	9,736,801
Noncurrent Liabilities:		
Accrued compensated absences	85,548	81,037
Water deposits	200,000	100,000
Long-term debt, net of current portion	39,216,824	42,332,636
Total Noncurrent Liabilities	39,502,372	42,513,673
Total Liabilities	48,432,994	52,250,474
DEFERRED INFLOWS OF RESOURCES		
Unearned Assessment Revenue	6,271,324	6,141,974
Total Deferred Inflows of Resources	6,271,324	6,141,974
NET POSITION		
Net Investment in Capital Assets	23,330,215	18,886,267
Restricted	2,066,003	2,066,003
Unrestricted	42,507,198	40,957,050
Total Net Position	67,903,416	61,909,320
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 122,607,734	\$ 120,301,768

The accompanying notes are an integral part of the financial statements.

MADERA IRRIGATION DISTRICT
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
OPERATING REVENUES		
Assessments:		
Rural	\$ 5,195,107	\$ 5,088,768
City	504,118	523,522
Subordinate lands	708,114	797,917
Penalties and costs	57,025	62,163
Water sales	11,211,112	13,670,477
Refunds	63,157	94,338
Soquel electric generation revenues	94,605	277,244
Total Operating Revenues	17,833,238	20,514,429
OPERATING EXPENSES		
Water purchases	5,278,160	7,334,868
Transmission and distribution	4,614,550	4,796,025
General and administrative	2,162,587	3,125,557
Depreciation and amortization	740,574	685,671
Total Operating Expenses	12,795,871	15,942,121
Net Income from Operations	5,037,367	4,572,308
NONOPERATING REVENUES (EXPENSES)		
Madera-Chowchilla Water & Power Authority:		
Electric generation revenue	21,881	164,782
Power projects lease payments	(352,152)	(284,295)
Loss from power authority	(7,161)	(133,379)
Gain from Friant Power Authority	135,587	368,602
Grant revenue	161,997	10,522
Investment income	109,700	402,040
Interest expense	(2,015,113)	(2,220,617)
Gain on disposition of capital assets	729	23,153
Miscellaneous income (expense)	1,622,515	285,750
Legal settlement income	-	7,834,871
Long-term agreements	935,512	822,184
Land lease revenue	343,234	337,786
Total Nonoperating Revenues (Expenses)	956,729	7,611,399
Change in Net Position	5,994,096	12,183,707
Net Position, Beginning of Year	61,909,320	49,725,613
Net Position, End of Year	\$ 67,903,416	\$ 61,909,320

The accompanying notes are an integral part of the financial statements.

**MADERA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash received from water sales and related activities	\$ 10,898,278	\$ 15,231,841
Cash received from assessments	6,560,192	6,441,019
Cash received from other operating activities	163,648	379,348
Cash paid for water purchases and related activities	(5,278,160)	(7,334,868)
Cash paid to other vendors for other operating activities	(2,216,889)	(3,530,466)
Cash paid to employees and related benefits	(4,664,423)	(4,712,153)
Net cash provided by operating activities	<u>5,462,646</u>	<u>6,474,721</u>
Cash flows from noncapital financing activities:		
Legal settlement income received	-	7,834,871
Net cash provided by noncapital financing activities	<u>-</u>	<u>7,834,871</u>
Cash flows from capital and related financing activities:		
Principal payments on long-term debt	(2,985,812)	(5,555,811)
Interest paid on long-term debt	(1,381,688)	(1,627,539)
Capital expenditures	(2,916,417)	(611,925)
Proceeds from the sale of capital assets	42,126	36,935
Grant proceeds	161,997	10,522
Long-term agreements	935,512	822,184
Other non-operating activities	1,622,515	285,750
Net cash used by capital and related financing activities	<u>(4,521,767)</u>	<u>(6,639,884)</u>
Cash flows from investing activities:		
Interest received	141,680	491,647
Net investments in water authorities	(214,586)	446,713
Net land lease revenue received	387,976	282,148
Net cash provided by investing activities	<u>315,070</u>	<u>1,220,508</u>
Net increase in cash and cash equivalents	1,255,949	8,890,216
Cash and cash equivalents at beginning of year	<u>42,306,278</u>	<u>33,416,062</u>
Cash and cash equivalents at end of year	<u>\$ 43,562,227</u>	<u>\$ 42,306,278</u>
Reconciliation of cash and cash equivalents to the Statements of Net Position:		
Unrestricted cash and cash equivalents	\$ 41,496,224	\$ 40,240,275
Restricted cash and cash equivalents	2,066,003	2,066,003
Total cash and cash equivalents	<u>\$ 43,562,227</u>	<u>\$ 42,306,278</u>

The accompanying notes are an integral part of the financial statements.

**MADERA IRRIGATION DISTRICT
STATEMENTS OF CASH FLOWS (continued)
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
Reconciliation of net income from operations to net cash provided by operating activities:		
Net income from operations	\$ 5,037,367	\$ 4,572,308
Adjustments to reconcile net income from operations to net cash provided by operating activities:		
Depreciation and amortization	740,574	685,671
(Increase) decrease in:		
Receivables	361,749	907,565
Supplies inventory	60,611	(55,704)
Prepaid expenses	(33,480)	(26,339)
Increase (decrease) in:		
Accounts payable	(161,245)	(288,198)
Other liabilities	87	(1,584)
Accrued salaries and related liabilities	7,302	40,993
Accrued compensated absences	22,550	9,795
Unearned revenue	(802,219)	425,488
Water deposits	100,000	100,000
Unearned assessment revenue	129,350	104,726
Total adjustments	<u>425,279</u>	<u>1,902,413</u>
Net cash provided by operating activities	<u>\$ 5,462,646</u>	<u>\$ 6,474,721</u>

The accompanying notes are an integral part of the financial statements.

**MADERA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The Madera Irrigation District (the District) is located in Madera County and covers an area of approximately 140,000 acres. The primary function of the District is to divert and distribute water to agricultural lands.

Financial Reporting Entity: The District's financial reporting entity comprises the following:

Primary Government	Madera Irrigation District
Blended Component Units	Madera Irrigation Financing Authority Improvement District No. 05-01

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the District's Board, or the component unit provides services entirely to the District. Those component unit funds are blended into those of the District's by appropriate activity type to compose the primary government presentation.

Component units that are blended into the reporting activity types of the District's report are presented below:

The Madera Irrigation Financing Authority is a joint powers authority between the Improvement District No. 05-01 and the Madera Irrigation District. The Authority is authorized to borrow money to provide financing and refinancing for public capital improvements of the Improvement District and to provide funds for the financing of the acquisition and construction of certain improvements to the District's irrigation system.

The Improvement District No. 05-01 was formed under the Water Code of the State of California for the purpose of cooperating and contracting with the United States and agencies pursuant to the Irrigation District Federal Cooperation Law and for the purpose of providing irrigation water service by a system of pumps or conduits or both, maintenance of irrigation works, and acquiring and distributing water.

Measurement Focus, Accounting Basis, and Financial Statement Presentation:

The District's resources are allocated to and accounted for in these financial statements as an enterprise fund type of the proprietary fund group. The enterprise fund is used to account for operations that are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/ or net income is appropriate for capital maintenance, public policy, management control, accountability, or other policies. Net position represents the amount available for future operations.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The enterprise fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of the District are included on the Statements of Net Position. Net position is segregated into net investment in capital assets, restricted, and unrestricted. Enterprise fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

The District uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. When funds are received in advance of program, they are recorded as unearned revenues until earned. Earned but unbilled electric and water services are accrued as revenue.

MADERA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Accounting Basis, and Financial Statement Presentation (continued):

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

The District maintains both restricted and unrestricted cash. Restricted cash is held in reserve and is spent exclusively for the intended purpose. In the event that the restricted cash is insufficient to complete the intended purpose, unrestricted cash is utilized.

Inventory: Supplies consist of construction material, herbicides, fuel, and rodenticides. They are recorded at the lower of cost, determined primarily under the first-in first-out method or estimated market value.

Investments in Power Authorities: For investments in power authorities classified as joint ventures, where the District participates in the profit and losses of the joint venture, the initial investment is recorded at cost and adjusted to reflect the District's share of the joint venture's profit or losses. If the District is involved in joint control of the power authority but there is no ongoing financial interest or ongoing financial responsibility, the entity is considered a jointly governed organization and not a joint venture.

Capital Assets: Capital assets are recorded at cost less accumulated depreciation. Included in the total cost of utility plant is the cost of the property owners' participation in District improvements. Repairs and maintenance and minor alterations are charged to expense as incurred. Costs which are considered improvements are added to the appropriate capital asset account. Gains and losses on the disposition of utility plant assets are reported and recognized in the year of disposition.

Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000, and an estimated useful life of at least five years. Depreciable assets are depreciated over their estimated useful lives using the straight-line method. Estimated useful lives are as follows:

Transmission/distribution system	10 - 99 Years
Madera Ranch - improvements	5 - 15 Years
Buildings	7 - 40 Years
Construction and shop equipment	10 - 15 Years
Transportation equipment	10 - 20 Years
Office furniture and equipment	5 - 10 Years
Yards and grounds	10 - 40 Years

Deferred Outflows and Inflows of Resources: Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the District that is applicable to a future reporting period.

In addition to liabilities, the Statements of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period.

MADERA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred Outflows and Inflows of Resources (continued):

Unearned Assessment Revenues – In accordance with provisions of Division 11 of the Water Code of the State of California an annual assessment is levied upon the land within the District to provide the funds necessary for the District to meet its financial obligations. The assessment levied in June of each year is to acquire funds for operations and debt service during the next calendar year. To properly match revenues with expenses, the revenues from 2021 assessments, levied in 2021, are considered unearned at year-end.

Non-Exchange Transactions: Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property tax increments and other grants. With the accrual basis of accounting, revenue from assessments is recognized in the fiscal year for which the assessments are levied or assessed. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Compensated Absences: The District’s employees are granted sick leave and paid time-off benefits in varying amounts depending on the number of years of service and other factors. Vested leave is recorded as an expense and a liability of the District as the benefits accrue.

Bad Debts: The District utilizes the direct write-off method for bad debts. No allowance for bad debts has been provided as no material write-offs are expected for receivables at December 31, 2021 and 2020.

Cash and Cash Equivalents: For the purpose of the Statements of Cash Flows, the District considers all cash and cash deposits, investments in the State Treasurer’s Local Agency Investment Fund (LAIF), and other investments with initial maturities of less than 90 days to be cash and cash equivalents, which are available upon demand.

Income Tax: The District qualifies for tax-exempt status as an integral part of the State of California or a political subdivision in accordance with Internal Revenue Code (IRC) Section 115. As a result, no tax provisions apply to the District’s income.

Use of Estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Investments: All investments are stated at fair value. Fair value is the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Authorized investments include deposits in the State of California administered Local Agency Investment Fund (LAIF), insured certificates of deposits, collateralized certificates of deposits, money market funds and securities backed by the U.S. Government.

Budgeting Procedures: Each year management of the District prepares a proposed budget, which is presented to the District’s Board of Directors. The annual budget is then legally enacted through adoption of a budget resolution.

Fair value of financial instruments: Financial instruments include cash and cash equivalents, receivables, supplies inventory, prepaid expenses, accounts payable, other liabilities, accrued salaries and related liabilities, accrued compensated absences, accrued interest, unearned revenue, and water deposits, none of which are held for trading purposes. The fair values of all financial instruments do not differ materially from the aggregate carrying values of the financial instruments recorded in the accompanying Statements of Net Position.

MADERA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position: Net Position is the excess of all District's assets and deferred outflows over all its liabilities and deferred inflows. Net position is divided into the following three categories:

Net Investment in Capital Assets – describes the portion of net position which is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted – describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the District cannot unilaterally alter. These principally include facility capacity fees received for use on capital projects, fees charged for the provision of future water resources and debt service reserve funds.

Unrestricted – describes the portion of net position which is not restricted as to use.

Governmental Accounting Standards Update: During the year ending December 31, 2021, the District implemented the following standards:

GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to December 15, 2020.

Released GASB Statements to be implemented in future financial statements are as follows:

GASB Statement No. 87 – *Leases*. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting period beginning after June 15, 2021.

GASB Statement No. 91 – *Conduit Debt Obligations*. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting period beginning after December 15, 2021.

GASB Statement No. 92 – *Omnibus 2020*. The requirements of this statement are effective for reporting periods beginning after June 15, 2020. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting period beginning after June 15, 2021.

GASB Statement No. 93 – *Replacement of Interbank Offered Rates*. The requirements of this statement are effective for reporting periods beginning after June 15, 2021. Subsequent to issuance, GASB Statement No. 95 postponed the requirements of this statement to reporting period beginning after June 15, 2021.

GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The requirements of this statement are effective for reporting periods beginning after June 15, 2021.

GASB Statement No. 98 – *The Annual Comprehensive Financial Report*. The requirements of this statement are effective for reporting periods beginning after December 15, 2021.

**MADERA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events: In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in the financial statements. Management has determined that no events require disclosure in accordance with accounting standards. These subsequent events have been evaluated through April 19, 2022, which is the date the financial statements were available to be issued.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments held by the District are reflected in the accompanying Statements of Net Position at December 31, 2021 and 2020, as follows:

	2021	2020
Cash and cash equivalents:		
Unrestricted	\$ 41,496,224	\$ 40,240,275
Restricted	2,066,003	2,066,003
Total cash and cash equivalents	\$ 43,562,227	\$ 42,306,278

Cash and cash equivalents as of December 31, 2021 and 2020, consist of the following:

Cash on hand	\$ 400	\$ 300
Deposits with financial institutions	11,548,531	10,423,561
Investments	32,013,296	31,882,417
Total cash and cash equivalents	\$ 43,562,227	\$ 42,306,278

The District’s cash and cash equivalents, except for investments in the State of California Local Agency Investment Fund (LAIF) and sweep account balances, are entirely insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pools of securities held by the pledging financial institution’s trust department or agent, but not in the District’s name. Statutes authorize the District to invest in U.S. Treasury and registered state warrants, notes, bonds, bills or certificates, commercial paper, repurchase agreements, and other similar instruments. The District’s cash and investments approximate market value at December 31, 2021 and 2020.

The District’s investment policy requires all deposits to be fully insured by the FDIC or otherwise collateralized with government securities (110% of the amount on deposit); investment in LAIF is limited to 95% of the total investment portfolio; investment maturities shall not exceed one year and six months with the exception of Treasury Notes, Bonds, and Federal Agency Obligations at three years and investments in the instruments fully guaranteed by the Federal Government shall be placed only through the District’s service bank or a broker/dealer approved by the Administrative and Finance Committee, and are limited to maturities no greater than three years. Although permitted under the District’s investment policy, sweep account balances are not insured or collateralized.

Interest Rate Risk: Interest rate risk is the risk in market rate changes that could adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The policy of the District is to limit the maturity of the District’s investments as stated above.

MADERA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 2 – CASH AND INVESTMENTS (continued)

Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity at December 31, 2021 and 2020.

December 31, 2021 Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
State Investment Pool-LAIF	\$ 32,013,296	\$ 32,013,296	\$ -	\$ -

December 31, 2020 Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
State Investment Pool-LAIF	\$ 31,882,417	\$ 31,882,417	\$ -	\$ -

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of an investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The policy of the District is to invest only in very safe institutions. Presented below is the minimum rating required by (where applicable) the California Government Code, the District’s investment policy, or debt agreements, and the actual Standard and Poor’s rating as of December 31, 2021 and 2020 for each investment type.

December 31, 2021 Investment Type	Fair Value	Minimum Legal Rating	AAAm	Not Rated
State Investment Pool-LAIF	\$ 32,013,296	N/A	\$ -	\$ 32,013,296

December 31, 2020 Investment Type	Fair Value	Minimum Legal Rating	AAAm	Not Rated
State Investment Pool-LAIF	\$ 31,882,417	N/A	\$ -	\$ 31,882,417

Concentrations of Credit Risk: The policy of the District is to diversify investments so that the failure of any one issuer would not unduly harm the District’s cash flow.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial risk for investments is the risk that, in the event of the failure of the counter-party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code requires that a financial institution secure deposits made by state and local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure District deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits.

**MADERA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)**

NOTE 2 – CASH AND INVESTMENTS (continued)

Custodial Credit Risk (continued): The District’s deposits with financial institutions held in uncollateralized accounts are subject to custodial credit risk for deposits, including investments that were subject to custodial credit risk. The amount of collateralized funds in excess of the Federal Deposit Insurance Corporation coverage was \$11,312,628 and \$10,238,666 at December 31, 2021 and 2020, respectively. However, the excess funds held at December 31, 2021 and 2020 are still secured by the pledged securities in the collateral pool at 110% as noted in the paragraph above and as such are secure in that manner. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool: The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on the amortized cost basis.

NOTE 3 – RECEIVABLES

In 2017, the District transferred the billing and collection duties for assessments and standby charges to the County of Madera. The transfer took place with the District’s 2017 assessments and 2016 standby charges. The assessment and standby charges receivable balance at December 31, 2021 and 2020, was \$8,019,788 and \$7,986,266, respectively. All assessments are considered to be collectible because any delinquent assessments remain on the County property tax roll and will be received by the District when the property is sold.

Accounts receivable consists of the following at December 31, 2021 and 2020:

	2021	2020
Water	\$ 53,576	\$ 151,597
Recirculated water	-	54,205
Interest	18,430	50,410
Miscellaneous	108,815	130,712
United States Bureau of Reclamation refund	-	225,795
Root Creek permits	27,300	50,700
Grant	102,244	102,244
Reservation fee - Tesoro Viejo	172,717	138,784
Insurance damage claim	3,660	3,660
	\$ 486,742	\$ 908,107

MADERA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4 – INVESTMENT IN WATER AND POWER AUTHORITIES

The District participates in several joint powers authorities (JPA's) organized to develop hydroelectric power for use by public agencies and for other functions related to the purpose of the District. The JPA's are not component units of the District, however the following are considered joint ventures as defined by GASB No.14. If the District is to share in the profits and losses of the joint venture, the initial investment is recorded at cost and then adjusted to reflect the joint venture's results of operations. If the District does not have an ongoing financial responsibility for the joint venture's debts, the investment account is not reduced below zero. If the District does not have an ongoing financial interest or an ongoing financial responsibility, the power authority is classified as a joint governed organization.

Investments in water and power authorities were as follows at December 31, 2021 and 2020:

<u>Investment in Joint Ventures</u>	<u>2021</u>	<u>2020</u>
Madera-Chowchilla Water & Power Authority	\$ 389,879	\$ 397,040
Friant Power Authority	4,575,958	4,556,056
	<u>\$ 4,965,837</u>	<u>\$ 4,953,096</u>

Madera-Chowchilla Water & Power Authority: The District entered into a joint powers agreement with the Chowchilla Water District to form the Madera-Chowchilla Water & Power Authority (MCW&PA). The Authority is administered by the Board of Directors of each District. The Authority handles electrical generation projects that are to be shared between the two districts equally and the operations and maintenance of the Madera Canal.

Separate financial statements are available from the Madera-Chowchilla Water & Power Authority. Condensed financial information of MCW&PA is as follows as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Total Assets	<u>\$ 925,518</u>	<u>\$ 1,020,907</u>
Total Liabilities	145,759	226,827
Total Net Position	<u>779,759</u>	<u>794,080</u>
Total Liabilities and Net Position	<u>\$ 925,518</u>	<u>\$ 1,020,907</u>
Total Operating Revenues	\$ 1,290,065	\$ 1,485,518
Total Operating Expenses	<u>1,279,837</u>	<u>1,424,492</u>
Net Income (Loss) from Operations	10,228	61,026
Total Nonoperating Revenues (Expenses)	<u>(24,549)</u>	<u>(327,782)</u>
Change in Net Position	(14,321)	(266,756)
Net Position, Beginning of Year	<u>794,080</u>	<u>1,060,836</u>
Net Position, End of Year	<u>\$ 779,759</u>	<u>\$ 794,080</u>

MADERA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 4 – INVESTMENT IN WATER AND POWER AUTHORITIES (continued)

Friant Power Authority: The Friant Power Authority (FPA) is comprised of eight special districts to develop hydroelectric power for use by public agencies. The District has a participation interest of 12.5% in the Quinten Luallen Power Plant and 9.25% in the remaining net position of the Authority. FPA currently operates plants at the Friant Dam. Separate financial statements of FPA are available through the Authority. Condensed financial information of FPA is as follows as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Total Assets	<u>\$ 39,602,922</u>	<u>\$ 39,411,880</u>
Total Liabilities	109,365	265,087
Total Net Position	<u>39,493,557</u>	<u>39,146,793</u>
Total Liabilities and Net Position	<u>\$ 39,602,922</u>	<u>\$ 39,411,880</u>
Total Operating Revenues	\$ 715,271	\$ 3,529,462
Total Operating Expenses	<u>715,163</u>	<u>1,278,855</u>
Net Income from Operations	108	2,250,607
Total Nonoperating Revenues (Expenses)	31	15,001
Total Contributions from Members (Distributions)	<u>(62,902)</u>	<u>(4,154,180)</u>
Change in Net Position	(62,763)	(1,888,572)
Net Position, Beginning of Year	39,146,793	40,771,938
Prior Period Adjustment	<u>409,527</u>	<u>263,427</u>
Net Position, End of Year	<u>\$ 39,493,557</u>	<u>\$ 39,146,793</u>

Jointly Governed Organizations:

Friant Water Authority

The Friant Water Authority (FWA) is comprised of 15 special districts to operate the Friant-Kern Canal. FWA is governed by a Board consisting of a representative from each member district. The Board controls the operations of FWA, including selection of management and approval of operating budgets, independent of influence by the member district beyond their representation on the Board. Each member is assessed for administrative costs of FWA based on their proportionate share of water received from the United States Bureau of Reclamation. Separate financial statements are available through the Authority.

Association of California Water Agencies Joint Powers Insurance Authority

The District entered into a joint powers agreement, along with other members of the Association of California Water Agencies (ACWA), to form a self-insuring pool for liability coverage. ACWA is governed by a Board of Directors composed of one representative from each member agency. The governing board controls the operation independent of any influence by the District other than that District's representation on the governing board. Separate financial statements of ACWA are available through the Authority.

MADERA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions / Completions	Retirements / Adjustments	Ending Balance
Capital assets not being depreciated				
Land and tax title property	\$ 19,908,628	\$ -	\$ -	\$ 19,908,628
Madera Ranch - Vernal Pools	899,588	-	-	899,588
Construction in progress	125,715	2,460,502	(328,617)	2,257,600
Total capital assets not being depreciated	20,933,931	2,460,502	(328,617)	23,065,816
Capital assets being depreciated:				
Transmission/distribution system	28,665,449	474,286	(367,955)	28,771,780
Madera Ranch - improvements	273,364	-	(164,386)	108,978
Buildings	736,582	-	(18,090)	718,492
Construction and shop equipment	2,785,519	162,762	(145,678)	2,802,603
Transportation equipment	1,664,995	114,288	(155,137)	1,624,146
Office furniture	490,124	33,196	(255,901)	267,419
Yards and grounds	202,897	-	(35,619)	167,278
Total capital assets being depreciated	34,818,930	784,532	(1,142,766)	34,460,696
Less accumulated depreciation for:				
Transmission/distribution system	(22,242,679)	(332,579)	352,087	(22,223,171)
Madera Ranch - improvements	(223,926)	(3,625)	164,386	(63,165)
Buildings	(669,026)	(11,165)	18,089	(662,102)
Construction and shop equipment	(1,643,321)	(204,949)	129,489	(1,718,781)
Transportation equipment	(1,028,248)	(148,610)	155,137	(1,021,721)
Office furniture and equipment	(392,680)	(25,965)	248,084	(170,561)
Yards and grounds	(118,296)	(13,681)	34,097	(97,880)
Total accumulated depreciation	(26,318,176)	(740,574)	1,101,369	(25,957,381)
Total Capital Assets being Depreciated, Net	8,500,754	43,958	(41,397)	8,503,315
Total Capital Assets, Net	\$ 29,434,685	\$ 2,504,460	\$ (370,014)	\$ 31,569,131

Depreciation and amortization expense for the year ended December 31, 2021, was \$740,574.

MADERA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 5 – CAPITAL ASSETS (continued)

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Additions / Completions	Retirements / Adjustments	Ending Balance
Capital assets not being depreciated				
Land and tax title property	\$ 19,908,628	\$ -	\$ -	\$ 19,908,628
Madera Ranch - Vernal Pools	899,588	-	-	899,588
Construction in progress	349,977	482,538	(706,800)	125,715
Total capital assets not being depreciated	21,158,193	482,538	(706,800)	20,933,931
Capital assets being depreciated:				
Transmission/distribution system	28,236,803	428,646	-	28,665,449
Madera Ranch - improvements	273,364	-	-	273,364
Buildings	736,583	-	(1)	736,582
Construction and shop equipment	2,668,593	153,496	(36,570)	2,785,519
Transportation equipment	1,446,926	243,795	(25,726)	1,664,995
Office furniture	479,874	10,250	-	490,124
Yards and grounds	202,897	-	-	202,897
Total capital assets being depreciated	34,045,040	836,187	(62,297)	34,818,930
Less accumulated depreciation for:				
Transmission/distribution system	(21,919,837)	(322,842)	-	(22,242,679)
Madera Ranch - improvements	(220,302)	(3,624)	-	(223,926)
Buildings	(657,861)	(11,165)	-	(669,026)
Construction and shop equipment	(1,495,830)	(184,061)	36,570	(1,643,321)
Transportation equipment	(917,114)	(123,078)	11,944	(1,028,248)
Office furniture and equipment	(366,349)	(26,332)	1	(392,680)
Yards and grounds	(103,727)	(14,569)	-	(118,296)
Total accumulated depreciation	(25,681,020)	(685,671)	48,515	(26,318,176)
Total Capital Assets being Depreciated, Net	8,364,020	150,516	(13,782)	8,500,754
Total Capital Assets, Net	\$ 29,522,213	\$ 633,054	\$ (720,582)	\$ 29,434,685

Depreciation and amortization expense for the year ended December 31, 2020, was \$685,671.

MADERA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 6 – LONG-TERM DEBT

Long-term debt activity for the years ended December 31, 2021 and 2020, was as follows:

	Balance January 1, 2021	Additions	Reductions	Balance December 31, 2021	Amounts Due Within One Year
Water Revenue Refunding					
Bond Series 2015	\$ 19,045,000	\$ -	\$(1,725,000)	\$ 17,320,000	\$ 1,815,000
Add issuance premium	2,571,672	-	(285,742)	2,285,930	-
	<u>21,616,672</u>	<u>-</u>	<u>(2,010,742)</u>	<u>19,605,930</u>	<u>1,815,000</u>
Water Revenue Refunding					
Bonds Series 2016	20,670,000	-	(820,000)	19,850,000	860,000
Add issuance premium	2,590,964	-	(155,070)	2,435,894	-
	<u>23,260,964</u>	<u>-</u>	<u>(975,070)</u>	<u>22,285,894</u>	<u>860,000</u>
	<u>\$ 44,877,636</u>	<u>\$ -</u>	<u>\$(2,985,812)</u>	<u>\$ 41,891,824</u>	<u>\$ 2,675,000</u>
	Balance January 1, 2020	Additions	Reductions	Balance December 31, 2020	Amounts Due Within One Year
Water Revenue Refunding					
Bond Series 2015	\$ 23,370,000	\$ -	\$(4,325,000)	\$ 19,045,000	\$ 1,725,000
Add issuance premium	2,857,413	-	(285,741)	2,571,672	-
	<u>26,227,413</u>	<u>-</u>	<u>(4,610,741)</u>	<u>21,616,672</u>	<u>1,725,000</u>
Water Revenue Refunding					
Bonds Series 2016	21,460,000	-	(790,000)	20,670,000	820,000
Add issuance premium	2,746,034	-	(155,070)	2,590,964	-
	<u>24,206,034</u>	<u>-</u>	<u>(945,070)</u>	<u>23,260,964</u>	<u>820,000</u>
	<u>\$ 50,433,447</u>	<u>\$ -</u>	<u>\$(5,555,811)</u>	<u>\$ 44,877,636</u>	<u>\$ 2,545,000</u>

2015 Water Revenue Refunding Bonds: In September 2015, the District issued \$29,275,000 in water revenue refunding bonds to advance refund \$32,365,000 of outstanding 2011 Series bonds. The net bond proceeds of \$32,729,008 (including a premium of \$3,987,088 and reduced by payments of \$533,080 in issuance costs) plus an additional \$6,470,872 in 2011 sinking fund monies and assessments on hand with the District, were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2011 bonds. As a result, the 2011 Series bonds are considered to be defeased and the liability for those bonds has been removed from the Statements of Net Position.

The 2015 water revenue refunding bonds bear interest at 2.0% to 5.0% and are payable semi-annually on March 1, and September 1, commencing March 1, 2016. The bonds mature annually at various amounts through September 1, 2030. The bonds are payable primarily from the proceeds of the 2011 assessments levied as a result of Proposition 218. The aggregate debt service payments on the new debt are approximately \$20,927,405 less than the old debt. The issuance of the new debt resulted in an economic gain (the difference between the present value of the old and new debt payments) of approximately \$7,627,614.

**MADERA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)**

NOTE 6 – LONG-TERM DEBT (continued)

2015 Water Revenue Refunding Bonds (continued):

The following are significant terms that pertain to the 2015 Water Revenue Refunding Bonds. Acceleration clause: in the event of default, the Trustee, upon notice in writing to the District, to declare the principal of all the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately. Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due will have been obtained or entered, the District may deposit with the Trustee a sum sufficient to pay all the principal or and installments of interest on the bond payments of which are overdue, with interest on such overdue principal at the rate borne by the respective bonds, and the reasonable charges and expenses of the Trustee, and any all other defaults known to the Trustee. Events of default: default in the due and punctual payment of the principal, default in the due and punctual payment of any installment of interest, default by the District in the observance of any of the covenants, abandonment of the District of the enterprise, the District's filing a petition in voluntary bankruptcy, or an event of default with respect to any Parity Obligation.

The annual debt service requirements to maturity for the 2015 water revenue refunding bonds are as follows:

Year Ending December 31,	Principal	Interest	Total Debt Service
2022	\$ 1,815,000	\$ 866,000	\$ 2,681,000
2023	1,905,000	775,250	2,680,250
2024	2,000,000	680,000	2,680,000
2025	2,100,000	580,000	2,680,000
2026	2,205,000	475,000	2,680,000
2027-2030	<u>7,295,000</u>	<u>741,250</u>	<u>8,036,250</u>
Totals	<u>\$ 17,320,000</u>	<u>\$ 4,117,500</u>	<u>\$ 21,437,500</u>

Interest expense on the 2015 Water Revenue Refunding Bonds for the years ended December 31, 2021 and 2020 was \$1,169,595 and \$1,339,439, respectively.

2016 Water Revenue Refunding Bonds: In September 2016, the District issued \$23,710,000 in water revenue refunding bonds to advance refund \$34,280,000 of outstanding 2008 Series bonds. The bonds were issued to provide funds to defease the outstanding 2008 water revenue bonds, pay the costs of a municipal bond insurance policy and a reserve fund surety policy, and to pay bond issuance costs. The net bond proceeds of \$26,495,574 (including a premium of \$3,256,473 and reduced by payments of \$470,899 in issuance costs) plus an additional contribution from the District of \$7,500,000 and 2008 reserve funds of \$2,667,925 were used to purchase U.S. government securities.

Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2008 bonds. As a result, the 2008 Series bonds are considered to be defeased and the liability for those bonds has been removed from the Statements of Net Position.

The 2016 revenue bonds bear interest at 3.0% to 5.0% and are payable semi-annually on March 1, and September 1, commencing March 1, 2017. The bonds mature annually at various amounts through September 1, 2037. The bonds are payable from net revenues of the District. The aggregate debt service payments on the new debt are approximately \$20,785,987 less that the old debt. The issuance of the new debt resulted in an economic gain (the difference between the present value of the old and new debt payments) of approximately \$9,137,686.

**MADERA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)**

NOTE 6 – LONG-TERM DEBT (continued)

2016 Water Revenue Refunding Bonds (continued):

The following are significant terms that pertain to the 2016 Water Revenue Refunding Bonds. Acceleration clause: in the event of default, the Trustee, upon notice in writing to the District, to declare the principal of all the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately. Any such declaration, however, is subject to the condition that if, at any time after such declaration and before any judgment or decree for the payment of the moneys due will have been obtained or entered, the District may deposit with the Trustee a sum sufficient to pay all the principal or and installments of interest on the bond payments of which are overdue, with interest on such overdue principal at the rate borne by the respective bonds, and the reasonable charges and expenses of the Trustee, and any all other defaults known to the Trustee. Events of default: default in the due and punctual payment of the principal, default in the due and punctual payment of any installment of interest, default by the District in the observance of any of the covenants, abandonment of the District of the enterprise, the District's filing a petition in voluntary bankruptcy, or an event of default with respect to any Parity Obligation.

The annual debt service requirements to maturity for the 2016 water revenue refunding bonds are as follows:

Year Ending December 31,	Principal	Interest	Total Debt Service
2022	\$ 860,000	\$ 814,000	\$ 1,674,000
2023	905,000	771,000	1,676,000
2024	950,000	725,750	1,675,750
2025	995,000	678,250	1,673,250
2026	1,050,000	628,500	1,678,500
2027-2031	6,060,000	2,314,950	8,374,950
2032-2036	7,405,000	968,000	8,373,000
2037	1,625,000	48,750	1,673,750
Totals	<u>\$ 19,850,000</u>	<u>\$ 6,949,200</u>	<u>\$ 26,799,200</u>

Interest expense on the 2016 Water Revenue Refunding Bonds for the years ended December 31, 2021 and 2020 was \$845,518 and \$881,178, respectively.

NOTE 7 – LEASES

On October 6, 2017, the District entered into a five-year lease agreement with TF Farms, which was amended on January 16, 2018. The lease agreement expires on January 15, 2023, with an option to extend through January 15, 2028. The District leases 10,816.44 acres to TF Farms for cattle grazing purposes. Lease payments received for years ending December 31, 2021 and 2020 were \$348,682.24 and \$343,234.08, respectively.

On October 19, 2021, the District entered into a five-year lease agreement which begins January 1, 2022 and expires December 31, 2026, with an option to extend through December 31, 2031. The District will lease 1,069 acres to Houret Cattle Co., Inc. and Diamond Ring Livestock for cattle grazing purposes. Lease payments are due annually starting in January 2022 to the District in the amount of \$50,500.

MADERA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 8 – SOQUEL ELECTRIC GENERATION REVENUE

The District and Pacific Gas and Electric Company (PG&E) entered into a contract for the use of the water by PG&E under the rights owned by the District in the operation of the hydroelectric development on the North Fork Willow Creek. In accordance with this contract, PG&E is committed to make annual payments on September 30 of each year based on energy delivered for the period October 1 – July 31. The contract has been renewed on a continuing basis from year to year.

The District has recognized revenue payments from Pacific Gas and Electric for the years ended December 31, 2021 and 2020, of \$94,605 and \$277,244, respectively.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

- A. Under its 9(d) repayment contract with the U.S. Bureau of Reclamation, the District is committed on an annual basis to pay the published water marketing and storage costs for 24,000 acre feet of stored water in Hidden Dam. The estimated total cost for 2021 is \$684,720 plus an additional \$11.11 per acre foot Restoration Fund charge on 24,000 acre feet, required by the Central Valley Improvement Act.
- B. Under its new 9(d) contract with USBR, the District is entitled to receive (if available) up to 85,000 acre feet of Class 1 Friant water and up to 186,000 acre feet of Class 2 Friant water. The District is obligated to pay only for water actually delivered at the 2021 rates of \$43.64 per acre foot for Class 1 water and \$26.94 per acre foot for Class 2 water inclusive of all applicable USBR charges.
- C. The District holds a Warren Act Contract with the United States Bureau of Reclamation for the storage and conveyance of non-CVP water behind Friant Dam. The District pays the USBR at the rate of \$22.55 per acre foot on the actual quantities stored and conveyed on behalf of the District.
- D. The District has established a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan, available to all full-time employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All amounts deferred under the plan and all income attributable to those amounts are solely the property and rights of the plan participants and accordingly are not reported on the District's financial statements in accordance with Governmental Accounting Standards Board Statement No. 32 – "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans."
- E. The District adopted effective August 1, 2019, a defined contribution 401(a) Retirement Plan covering substantially all of its employees. The District contributes 4% of the employee's regular annual compensation. In addition, the District will match the employees' contribution 4.5% (a total of 8.5%).

Employees are fully vested in the District's contribution upon completion of six years of service. The 401(a) Retirement Plan expense for 2021 and 2020 was approximately \$250,512 and \$227,707, respectively. The payroll for employees covered by the District 401(a) Plan for the year ended December 31, 2021 and 2020 was approximately \$2,497,198 and \$2,678,903, respectively.

- F. The District has entered into a Joint Powers Agreement along with other members of the Association of California Water Agencies (ACWA) to form a self-insuring pool for liability coverage up to \$11,000,000. Insurance in excess of \$11,000,000 is collectively purchased through an umbrella policy covering all included members. The excess insurance is for \$49,000,000 per occurrence for a total coverage of \$60,000,000.

During 2021, there were no reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for each of the three prior years.

MADERA IRRIGATION DISTRICT
NOTES TO FINANCIAL STATEMENTS (continued)

NOTE 9 – COMMITMENTS AND CONTINGENCIES (continued)

- G. The District is also party to other legal proceedings and claims which arise during the ordinary course of business. In the opinion of management, the ultimate outcome of the claims and litigation will not have a material adverse effect on the District's financial position.

- H. Management has determined the events regarding the novel coronavirus require disclosure in accordance with accounting standards. On March 4, 2020, Governor Newsom issued an emergency proclamation declaring a State of Emergency in California due to the novel coronavirus (COVID-19). The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak and the economic and other action that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate impact of COVID-19 on the operations and finances of the Authority is unknown.



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Madera Irrigation District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Madera Irrigation District (the District), as of and for the years ended December 31, 2021 and 2020, and the related notes to the basic financial statements, which collectively comprise the District's financial statements, and have issued our report thereon dated April 19, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audits of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The District's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HUDSON HENDERSON & COMPANY, INC.

A handwritten signature in blue ink that reads "Hudson Henderson & Company, Inc." in a cursive script.

Fresno, California
April 19, 2022

**MADERA IRRIGATION DISTRICT
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

Finding 2021-001 – Significant Deficiency

Procurement Process – Obtaining Bids and Documenting Bids Obtained

Criteria:

In accordance with accounting principles generally accepted in the United States of America, adequate internal controls should be implemented to ensure that all District policies and procedures adopted are followed.

Condition:

During our testing of internal controls over cash disbursements, it was noted that five out of our forty selections did not obtain the required three bids as per the District's policies and procedures when making a purchase requiring bids or the verbal bids obtained were not documented with the purchase order provided.

Cause of Condition:

The process of obtaining the three bids or documenting that the three bids were obtained was not being performed consistently within each department.

Effect of Condition:

Not properly obtaining three bids could result in overspending or an employee fraudulently accepting bids from related parties that are higher than necessary.

Recommendation:

We recommend that the District monitor and ensure that the bid process during the procurement process is properly being followed by all personnel of the District.

Management Response:

We agree with this recommendation and will enhance our monitoring of the procurement process in order to ensure that all purchases requiring three bids receive those three bids. It should be noted that there are times when only one vendor is responsive to the District's request for bids. There are also instances that require specialized services or products where multiple vendors are not available. The District has already taken steps to improve our documentation of these types of instances.

**MADERA IRRIGATION DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

Finding 2020-001 – Significant Deficiency

Procurement Process – Obtaining Bids and Documenting Bids Obtained

Criteria:

In accordance with accounting principles generally accepted in the United States of America, adequate internal controls should be implemented to ensure that all District policies and procedures adopted are followed.

Condition:

During our testing of internal controls over cash disbursements, it was noted that three out of our forty selections did not obtain the required three bids as per the District’s policies and procedures when making a purchase requiring bids or the verbal bids obtained were not documented with the purchase order provided.

Cause of Condition:

The process of obtaining the three bids or documenting that the three bids were obtained was not being performed consistently within each department.

Effect of Condition:

Not properly obtaining three bids could result in overspending or an employee fraudulently accepting bids from related parties that are higher than necessary.

Recommendation:

We recommend that the District monitor and ensure that the bid process during the procurement process is properly being followed by all personnel of the District.

Management Response:

We agree with this recommendation and will enhance our monitoring of the procurement process in order to ensure that all purchases requiring three bids receive those three bids. It should be noted that there are times when only one vendor is responsive to the District’s request for bids. There are also instances that require specialized services or products where multiple vendors are not available. The District has already taken steps to improve our documentation of these types of instances.

Current Year Status:

Not implemented.