

**INFRASTRUCTURE STATE REVOLVING FUND PROGRAM
ALTA IRRIGATION DISTRICT
STAFF REPORT**

Summary terms

Applicant:	Alta Irrigation District (Alta ID)
Project name:	Traver North Pond, Surface Water Utilization Project (Project)
Applicant eligibility category:	Public Development Facilities
Project eligibility category:	3. Drainage, Water Supply, and Flood Control
Project location:	Tulare County
Financing amount:	\$4,400,000
Financing term:	20 years
Interest rate:	All-in interest rate of 4.26% (inclusive of 0.15% servicing fee), based on Revenue scale (assumes Non-Investment Grade). Community and environmental subsidies have been applied to the rate %
Fees:	1% origination fee. To be paid by borrower
Source of repayment:	Borrower net revenues.
Security:	A pledge of net revenues and all legally available resources of the District.
Applicant credit rating:	None.
ISRF funding source(s):	Equity Funds- Bond Anticipation Loan to be reimbursed by the next ISRF Bond proceeds.
Applicant ISRF financing exposure:	None beyond this request.
IBank referral source	IBank (ACWA Conference)

Executive Summary

Alta Irrigation District (Alta or the District) is a California Irrigation District which has operated in some form since 1882. The District is a public agency that supplies irrigation services to agricultural customers and recharges the local groundwater supply. The District has approximately 2,900 users (all agricultural), 18 employees and seven board members. It is located on the east side of the San Joaquin Valley, in Tulare, Fresno, and a small portion of Kings Counties. The towns of Dinuba and Reedley are within the District's boundaries. Its surface water supply is from the Kings River, with irrigation releases from Pine Flat Dam. The District boundaries encompass approximately 129,000 acres, with 111,000 cropped acres. It operates 250 miles of open canals and 75 miles of pipelines. (Please see Exhibit 6 for District service area map.) Using Tulare County data, the District has an unemployment rate of 10.3% vs. August's State rate of 5.9%; Median Household income (MHI) of \$67,932 is 74.2% of the State figure.

Project description and benefits:

The requested ISRF loan will be used to finance the Traver North Pond, Surface Water Utilization Project, which entails the purchase and construction of a ± 40.5-acre water recharge facility on District property within Tulare County. The land purchase closed on 6/17/24, and the borrower's resolution was signed on 6/13/24, making the land purchase eligible to be included in the ISRF loan amount. Each successive drought period over the last fifty years has caused an increase in the agricultural groundwater pumping. This new recharge facility is needed in order to capture more groundwater to mitigate conditions created by drought. Water will be delivered to the site from the adjacent Traver Canal using surface water supplies

available to the District, which would primarily include Kings River floodwater. Low lying embankments less than 6-feet in height will be constructed from on-site soils for two or more basin cells. Existing turnouts on the Traver Canal will be modified to deliver water to the site by gravity methods. The Project is for the development of Public Facilities for drainage, water supply and flood control.

The chart below shows the Sources and Uses for the Project:

Project Uses	Project Sources for Alta Irrigation District		
	IBank	Alta Irrigation District	Total
Total Project Costs plus Contingency	\$4,400,000		\$4,400,000
Origination Fee		\$44,000	\$44,000
Total	\$4,400,000	\$44,000	\$4,444,000

The project costs include but are not limited to construction of basin, monitoring wells, recharge land purchase, and non-contract costs. The financing request is for 100% of the Project, and the borrower will pay the Origination Fee. The District has included a 25% contingency in the project budget. However, if there are additional unforeseen cost overruns, the District has Restricted cash and investment funds of \$3.6M as of Fiscal Year (FY) 2023, which a portion is designated to be used for Capital Improvement projects.

Public Benefits:

The Project will provide groundwater overdraft mitigation and supply, flood protection, and water conservation by capturing excess surface water during wet years to improve the groundwater table and increase the available supply for the District’s farmers. This stored water will help offset groundwater pumping by recharging the aquifer, creating a buffer during dry years when surface water is scarce. Additionally, these efforts contribute to the District’s groundwater sustainability efforts in compliance with the Sustainable Groundwater Management Act (SGMA). Additionally the project serves a disadvantaged community and will help with greenhouse gas reduction. The Project is expected to generate 15 temporary construction jobs.

Financial and Repayment Analysis:

As detailed in this report, the District’s historical cash flows for FY 2019 through FY 2022 would not have generated sufficient cash flow to meet debt service on the proposed loan (as well as an existing equipment loan). However, in FY23 the District implemented a large rate increase for the first time in several years. The resulting increase in revenue would have supported a very strong DSCR of 7.39X.

HISTORICAL CASH FLOW					
	2019	2020	2021	2022	2023
Net Income (Loss)	-\$486,197	\$263,058	-\$1,271,838	-\$657,262	\$3,288,394
Adjustments Specific to the Transactions					
Depreciation	\$275,184	\$280,401	\$280,935	\$264,666	\$260,076
Total Adjustments	\$275,184	\$280,401	\$280,935	\$264,666	\$260,076
Adjustments to Excess (Deficiency) of Revenues					
Proposed ISRF Debt Coverage Payment (1)	\$330,519	\$330,519	\$330,519	\$330,519	\$330,519
Other MADS General Fund Obligations	\$149,675	\$149,675	\$149,675	\$149,675	\$149,675
Debt Service Coverage Ratio (2)	-0.44	1.13	-2.06	-0.82	7.39

(1) Calculated at \$4,400,000 at an all-in rate of 4.26% (including a 0.15% annual servicing fee) for a term of 20 years.

(2) Existing Parity Debt Minimum Required DSCR 1.20X

Projected Cash Flows forecast DSCR's of at least 4.88X through FY 2027.

PROJECTED CASH FLOW					
For Fiscal Year Ending (FYE)	2023	2024	2025	2026	2027
Net Income (Loss)	\$3,288,394	\$2,041,766	\$2,167,033	\$2,176,545	\$2,115,361
Transaction Specific Adjustments					
+ Depreciation	\$260,076	\$300,000	\$310,000	\$310,000	\$310,000
Total of all Adjustments	\$260,076	\$300,000	\$310,000	\$310,000	\$310,000
Cash Available for Debt Service	\$3,548,470	\$2,341,766	\$2,477,033	\$2,486,545	\$2,425,361
Debt Service Calculation					
Total Existing MADS Debt Service	149,675	149,675	149,675	149,675	149,675
Proposed IBank MADS ⁽¹⁾	330,519	330,519	330,519	330,519	330,519
Total Obligations MADS	\$480,194	\$480,194	\$480,194	\$480,194	\$480,194
Debt Service Coverage Ratio ⁽²⁾	7.39	4.88	5.16	5.18	5.05

Risks and mitigants

Risk: The Fund historically has not had sufficient cash flow to meet minimum debt service requirements.

Mitigants:

- When new rate increases took effect in FY 2023, the DSCR dramatically increased, demonstrating more-than-sufficient cash flow to service the requested loan.
- Revenue and expense projections through FY 2027 estimate a minimum DSCR of 4.88x.
- Subject to Prop. 218 requirements, the District has the authority to implement additional rate increases when deemed necessary.
- The District will be required to maintain a Debt Service Financing Reserve fund equivalent to one year of debt service on the ISRF financing, to remain in place for at least three years (in IBank's reasonable discretion) after Project construction is complete, subject to timely debt service payments.
- Our standard financing agreement includes a requirement for the borrower to establish and fund a rate stabilization fund if it fails to maintain net revenue sufficient to meet its annual 120% DSCR covenant.

Risk: The District is not prohibited from incurring additional debt during the life of the Loan.

Mitigants:

- The District will be prohibited from issuing future debt senior to the IBank financing.
- New parity debt will only be permitted if Net Revenues support a Debt Service Coverage Ratio (DSCR) of at least 1.20x, based on Maximum Annual Debt Service (MADS).
- The District will be required to maintain rates and charges in an amount sufficient to support a minimum DSCR of 1.20x, based on Annual Debt Service (ADS), for the Loan and any parity debt.

Compliance with IBank Criteria, Priorities, and Guidelines

The application and the proposed financing are in accordance with IBank Criteria, Priorities and Guidelines (ISRF Criteria).

Staff Recommendation

Staff recommends that the Credit Risk Committee invite the Alta Irrigation District to apply for the ISRF Program Financing in an amount not to exceed \$4,400,000 for the Traver North Pond, Surface Water Utilization Project.

IBank Staff: Richard Nesbitt and Lina Moeller

Date of Staff Report: November 6, 2024

Date of IBank Board Meeting: November 20, 2024

Resolution Number: 24 – 21

Borrower background

The Alta Irrigation District's roots go back to 1882, when deliveries to the District's service area were initiated by the "76" Land and Water Company, a private company named after a large local ranch. In 1887, the State passed the Wright Act, which conferred on farming communities the powers of municipalities to purchase, construct and operate irrigation works. The following year local landowners came together to form the Alta Irrigation District, the second public irrigation district in the State. The District now comprises 130,000 acres in Fresno, Tulare and Kings Counties. The communities of Dinuba (the District's headquarters), Reedley, Traver, Cutler and Orosi lie within its borders. It is a member of the Kings River Water Association (KRWA) and Kings River East Groundwater Sustainability Agency (KREGSA). The District has 2,900 agricultural farm users. The District is governed by a seven-person Board of Directors. Each director represents a defined area or division and is elected to a term of four years by qualified voters.

The primary function of the District is to deliver surface water to agricultural parcels and administer its groundwater management program as provided for under AB 3030. The District owns and operates eight regulation/recharge reservoirs within the District where water can be captured and banked. It supplies water to users on a modified arranged schedule and charges for water on a volumetric basis. The District's system is a network of two hundred and fifty miles of canals and ninety miles of pipeline. During delivery seasons, landowners are able to take water off the Alta canal system through a District turnout. The landowner can take up to their set entitlement each cycle of the delivery season.

Local Economy

Much of the District's service area is located in Tulare County. According to the Tulare County Economic Development Corporation's Outlook for 2024, Tulare County's labor market has fully recovered from the COVID-19 pandemic and continues to show strength, with local employment growth outpacing the state in 2023. At the industry level, gains were led by education and health care, followed by retail trade, leisure and hospitality, manufacturing, financial activities, and other services. The county's labor force has also expanded, despite declines in the statewide labor force since the start of the pandemic. Additionally, average weekly wages in Tulare County have grown significantly over the past year, building on the wage gains local workers have enjoyed since the start of the pandemic. After surging in recent years, the housing market in Tulare County has slowed but remains stable. Although labor supply will constrain employment growth, the outlook for the county in 2024 is positive.

Tulare County is home to the World Ag Expo, the world's largest annual outdoor exposition, with over 100,000 attendees. The region is culturally diverse and agriculturally rich. Tulare County's main economic activities include agriculture, logistics, substantial packing and shipping operations, major manufacturing plants, healthcare, and bioeconomy. Milk continues to be the leading agricultural commodity in Tulare County.

Additionally, many agricultural companies like Paramount Farming have helped power economic growth and job creation for local residents. That said, while agriculture and related industries form the pillar of the District and the broader regional economy, as is frequent in the Central Valley economic indicators tend to be below State averages, with Tulare County unemployment at 10.3% vs. 5.9% for the State, and Median Household Income at 74% of the State figure.

Project background

Historically, in flood years when surface water is abundant, the District takes advantage of the increase in available water to recharge groundwater storage as much as possible, to support withdrawal by landowners in subsequent dry years. The District owns and operates eight regulation/recharge reservoirs where water can be captured and banked. It has typically concentrated its water banking facilities in areas of declining groundwater tables, or near urban areas dependent on groundwater for municipal supplies.

On June 17, 2024, the District closed on the purchase of 40.5 acres from a private farm in Tulare County, for \$1,255,500, to serve as the site for the Project. The \$4.4 million Project entails the construction of a recharge facility at the new site, which was previously farmed for stone fruit. Water will be delivered to the site from the District's adjacent Traver Canal, using surface water supplies available to the District, which would primarily include Kings River floodwater. Low lying embankments less than 6-feet in height will be constructed from on-site soils for two or more basin cells. Existing turnouts on the Traver Canal will be modified to deliver water to the site by gravity methods.

As noted in the executive summary, the total project budget is estimated at \$4.4M, which will be entirely financed by the requested ISRF loan. The budget includes a 25% (\$880K) contingency. The Data collection, Engineering design, and Construction planning period was started in July 2024 and will conclude by March 2025. The actual construction of the recharge facility should take approximately 4 months to complete beginning July 2025. However, depending on the upcoming rain season, the project may begin sooner depending on the weather.

Benefits:

The following are the project benefits per the District Engineer's report dated June 2024.

- Groundwater Overdraft Mitigation - The groundwater basin of the Kings Sub-basin is critically overdrafted, that is, water extraction greatly exceeds the influxes of water (mainly recharge). The Project will help mitigate groundwater overdraft conditions impacted by drought and over pumping and help the District and KREGSA achieve groundwater sustainability.
- Groundwater Supply - Based on recent geotechnical borings and the operation of the nearby Traver Pond (23 acres) the Project will expand the subject area to 35 acres, allowing for an annual benefit of approximately 1,000 (AF) acre feet of surface water per year.
- Flood Protection – With Alta ID being the most upstream diverter on the Kings River, the project will help provide flood protection benefits to all users downstream of the Kings and San Joaquin Rivers all the way to the Delta.
- Water Conservation – The Project is estimated to recharge an average annual 1,000 AF per year of surface water that would have been lost to the service area if it remained in the river, thereby providing groundwater for future use.
- Disadvantaged Community – The project will help replenish the aquifer for the benefit of the District and Groundwater Sustainability Agency (GSA), as well as the disadvantaged community of Traver and the greater rural Tulare County.
- Greenhouse Gas Reduction – Groundwater recharge reduces greenhouse gas by raising the water table, which in turn reduces energy use when pumping groundwater in the area.

The Project is expected to generate 15 temporary construction jobs.

Loan Security and Source of Repayment

The proposed ISRF financing will be secured by a pledge of the District’s net revenues and all other legally available resources and will be repaid from these amounts. An overview of the strength of the Fund’s system and finances appears below, in order to provide a sense of the reliability of this pledge.

System Overview

The Alta Irrigation District is a 130,000-acre District in portions of Fresno, Tulare, and Kings Counties. The primary function of the district is to deliver surface water to agricultural parcels and administer its groundwater management program. The District only serves agricultural customers.

Asset description

The District has remained the same size for many years. Given the reliability of the District’s water supply, irrigated acreage has stayed relatively constant over the past decade. Net Fixed Assets have declined over the 5 years reviewed by \$1,021,291 or 10.86% mainly due to depreciation and reduced capital expenditures. The remaining useful life of these assets average 32 years as of FY 2023.

Source of Supply	
Equipment	Life Expectancy in Years
Intake Structures	35-45
Wells and Springs	25-35
Galleries and Tunnels	30-40
Transmission Mains	35-40

Component	Life Expectancy in Years
Land	100
Earthen Embankments	60
Concrete Structures	60
Monitoring Wells	35
Concrete Pipelines	40

The District plans to continue to rehabilitate portions of the water conveyance system as needed each year. The District establishes a priority list each year to repair/rehabilitate the system each maintenance season between water runs. It currently has plans to purchase and develop an additional 160 acres of recharge basins within the next 5 years.

At the current time, the District does not anticipate any material changes to regulations or compliance other than the implementation of SGMA, which the current project will support.

Water Rights Protection Efforts

The Kings River water rights have been challenged by entities from outside the KRWA for the first time in its history, and the District's proportionate share of the costs to defend the rights is estimated to be about \$200,000 per year (funds are held in Restricted Funds), if they have to litigate a lawsuit. The reason for this, is that the Kings River is a fully appropriated stream, but there are entities petitioning the State Water

Resources Control Board to lift the fully appropriated stream status. Alta Irrigation District is petitioning the State Water Resources Control Board in conjunction with other members of KRWA to not lift the fully appropriated stream status. However, if this were to happen, the District will still receive the water it currently has rights to, so the impact would be minimal and there will be no impact to the repayment source of the proposed ISRF loan as the repayment source comes from the land-based assessments. The District receives the land-based assessment every year regardless of whether water is delivered. The land-based assessments are 78% of the District budget. The water delivery charges amount to 16% of the District budget. The District will still have water to deliver as some of the District water rights are pre-1914 water rights, over which the State Board does not have jurisdiction. The District has and continues to be proactive in the defense of its Kings River water rights.

Rate and customer information:

In 2022 the District approved its first new rate increase since 2009, which took effect on October 1, 2022. The District completed the Proposition 218 procedure to levy certain assessments and charges to lands. The District had did not raised rates for many years because prior management never completed the Proposition 218 process. When new management took over in 2017 and initiated the Prop. 18 process, it had to be put on hold due to the pandemic, and was finally completed in 2022.

The two tables below show the total number of agricultural customers the district serves and Gross Annual Revenues these customers provide to the District. The District only has agricultural customers that use 100% of the system usage. Within the District, no material changes are expected in service demand over the next 5 years.

NUMBER OF USERS BY CATEGORY					
For Fiscal Year Ending (FYE)	2020	2021	2022	2023	2024
Residential					
Commercial					
Industrial					
Other (Agricultural)	2,016	2,020	2,020	2,022	2,029
Total	2,016	2,020	2,020	2,022	2,029
% change	N/A	0.2%	0.0%	0.1%	0.3%

Source: Special Fund Addendum

CURRENT SYSTEM USAGE & REVENUE				
	Annual Usage (CCF) ⁽¹⁾	% Annual Usage	Gross Annual Revenue	% Gross Annual Revenue
Residential		0.0%		0.0%
Commercial		0.0%		0.0%
Industrial		0.0%		0.0%
Other (Agricultural)	46,349	100.0%	\$6,632,826	100.0%
Total	46,349	100.0%	\$6,632,826	100.0%

Source: Special Fund Addendum ⁽¹⁾ Hundred cubic feet

The following table displays the top ten Users and reflects the top ten users provide 11.9% of revenues and use 29% of the System.

TOP 10 SYSTEM USERS AS OF JULY 12, 2024				
	User	% System Use	% System Revenues	Customer Class (Residential/ Commercial/ Industrial/Other)
1	Wawona Farm Co. LLC	9.0%	6.0%	Other
2	TaMan Properties LLC	3.0%	0.4%	Other
3	De Jong Dairy Farms Inc.	3.0%	1.0%	Other
4	Denken Farms	3.0%	1.0%	Other
5	Patricia Jones	3.0%	0.5%	Other
6	Glen Myers	2.0%	0.5%	Other
7	David & Alice Te Vede	2.0%	1.0%	Other
8	Wonderful Citrus LLC	2.0%	0.3%	Other
9	Gerben & Pauline Leyendekker	1.0%	0.7%	Other
10	Rijlaarsdam Farms GP	1.0%	0.5%	Other
Total		29.0%	11.9%	

Source: Special Fund Addendum

The July 1, 2022 rate increase was from \$19.95 to \$45.22, or over 126%. An additional 3.5% rate increase was approved on July 1, 2023, and took effect on 10/1/2023. The increases were meant to generate additional revenue in order to cover additional District operating costs, including, but not limited to, water rights defense, emergency reserves for facilities, infrastructure deferred maintenance, weed management and capital improvements, such as the Project. The rates are in the form of an acreage-based assessment in two categories: 1) Surface Water Supply, and 2) Groundwater Replenishment. Subject to Prop. 218 requirements, the District has the authority to pursue future rate Increases when it deems it necessary.

HISTORICAL RATE INCREASES OF THE PAST FIVE YEARS		
Date Adopted	Date Effective	Percent Increase
7/25/2022	10/1/2022	126.70%
9/25/2023	10/1/2023	3.50%

Per Engineer’s report dated May 2022, beginning FY 2024 the proposed new Surface Water Supply assessment would provide approximately \$1.4 million in additional annual revenue, while the proposed Groundwater Replenishment assessment would generate almost \$1.3 million.

The chart below shows that while the percentage of MHI of the user charge increased from 0.4% to 0.8%, it still remains low. This is well below the best practice maximum of 2% of MHI. This gives the District greater financial flexibility for setting rates in the future.

HISTORICAL AND CURRENT AVERAGE PER ACRE USER CHARGE PER AGRICULTURAL/FARM LAND					
For Fiscal Year Ending (FYE)	2019	2020	2021	2022	2023
Agricultural/Farm Land	\$19.95	\$19.95	\$19.95	\$19.95	\$45.22
% change	N/A	0.0%	0.0%	0.0%	126.7%
% of MHI (2022 at \$67932)	0.4%	0.4%	0.4%	0.4%	0.8%

Source: Alta Irrigation District's Engineer Report Table RS-1 dated May 2022

Agricultural and Farmland user charges will increase by approximately 3.5% per year, from \$45.22 to \$51.89 per month/per Ac, by 2027.

PROJECTED AVERAGE PER ACRE USER CHARGE PER AGRICULTURAL/FARM LAND					
For Fiscal Year Ending (FYE)	2023	2024	2025	2026	2027
AGRICULTURAL/FARM LAND	\$45.22	\$46.80	\$48.44	\$50.14	\$51.89
% change		3.49%	3.50%	3.51%	3.49%

Source: Alta Irrigation District's Engineer Report Table RS-1 dated May 2022

CURRENT AVERAGE ANNUAL SYSTEM USER CHARGE PER ACRE COMPARED TO NEARBY SYSTEMS			
System Name	Distance in Miles	Location	Average Monthly Residential Rate
Alta Irrigation District	N/A	Dinuba, CA	\$51.89
Consolidated Irrigation District	14.0	Selma, CA	\$53.00
Fresno Irrigation District	26.0	Fresno, CA	\$99.00
Average Annual Charge per acre			\$67.96

Source: Financing Application Addendum

These rates are an annual per acre rate, not a monthly rate. These charges are on the land assessments only and not include water surcharge rates. Consolidated and Fresno Irrigation Districts only charge the annual assessment rate, and do not charge a water surcharge rate like Alta. Alta's water surcharge average rate is \$19.84, which when combined with the assessment charge would be \$71.73, placing the District in the mid-range of Consolidated and Fresno.

Credit Analysis:

The District's audited financial statements are presented for fiscal years 2019 through 2023 in Exhibits 1 and 2. Since the District is engaged in a single governmental activity and has no component units, all activities are presented as a single enterprise fund. These statements follow the accrual basis of accounting, similar to a private-sector business.

A key indicators ratio table is presented in Exhibit 3. Median household income and unemployment rate are reported for Tulare County, while full value per capita is for Tulare County.

After a string of deficits, the District's financial performance improved dramatically after implementing new assessments in FY 2023. Net position increased \$3,060,764 that year, and net revenues provided a very strong DSCR of 7.39X, based on the current financing request.

Comparative Balance Sheet Analysis (Exhibit 1):

The District has maintained Cash and Investment accounts over \$1.3M in all fiscal years reviewed. The board has designated restricted funds for Surface Water Utilization, Capital Equipment Purchases, Dry

Year Water Run Reserve, Facility Emergency Reserve and Water Rights Reserve. Including these amounts, total cash stood at nearly \$5M at the end of FY23. [Days Cash on Hand as of FYE Sept. 2023 was 477 i.e. (\$4,981,505)]. The Current Ratio (current assets divided by current liabilities) reflects the District's strong liquidity in all historical years at over 3.9 or higher.

Accounts payables had a significant increase in FY 23 due to flood damage repairs, an extended water run that was ongoing, plus dam maintenance was billed earlier than in previous years. The majority of the unearned revenue, approximately \$329,000, is attributed to pending claims filed with FEMA for flood damage. In addition, the District has a policy that requires Developers to make cash deposits for the entire cost of a project in the event that they cannot finish the project.

Deferred Pensions had a 61.3% increase in FY 2023 and Net Pension liabilities doubled in FY 2023. These are directly related to the District's unfunded CalPERS pension liability, which is a function of the rate of return assumed by CalPERS. According to the latest report the plan was only 68.8% funded.

Non-current (fixed) assets declined steadily over the period, from \$11.6M to \$10.6M, reflecting the need for renewed capital investment such as the current project. At the same time, total assets grew by 17.4% over the same period, mainly due to the increase in cash in FY23, and the accounting treatment for deferred outflow of resources.

The Leverage Ratio (total liabilities-to-net position) has remained very low throughout the period, averaging just 0.55. However, the District relied very little on debt in recent years, having only taken out a \$650,000 equipment loan with Flagstar Public Funding in November 2023. (A \$400K line of credit was paid off in April 2024.).

Fund Net Position declined in FY 21 and 22 before the rate increases, however, over the five-year period Fund Net Position increased by 14.2%. While the unrestricted net position was negative throughout the period (to --\$4.6M in FY22), the impact of rate increases improved the position to --\$2.8M in FY23. The District reports that its unrestricted net position is now positive.

Comparative Income Statement Analysis (Exhibit 2):

The District's Operating Margin (the Operating Result as a % of Operating Revenues) was negative in each year from FY19 to FY22, before rate increases led to a very strong 42.6% operating surplus in FY23. According to District management, when new management took over in 2017 it recognized the need for a rate increase and began laying the groundwork for the Prop. 218 process, reaching out to landowners and holding educational meetings. However the effort was put on hold during the pandemic. After the pandemic subsided the District was finally able to complete the Prop. 218 process and implement the long overdue rate increases, which led to the improved performance in FY23. In that year Total Operating Revenues increased by \$3.9M or 58.2%.

Total Operating Expenses have increased by 5.5% from FY 2019 to FY 2023. This is even after payroll related expenses declined by 38.6% in FY 2023, since the District was in the process of labor contract negotiations (new contract wages were applied in FY 2024). Maintenance and Operation expenses increased significantly in FY23 as well, primarily due flood damage repairs and dam maintenance, as well as adjustments to pension contributions resulting from CalPERS' revised actuarial assumptions. The District had also been selectively deferring maintenance in the years leading up to the rate increase.

Non-Operating Revenue (expenses) also increased by \$123,699 or 26.7%. The Fund’s average Operating Margin (the Operating Result as a % of Operating Revenues) is negative in all years reviewed, except in FY 2023 which reflected a very strong 42.6% margin. Although the Operating Margin was negative in 4 of the years reviewed, averaging a -35.54% margin, performance per Projections will rebound in FY 2024 and remain strong through Projected FY 2027.

Besides assessment revenue, in FY20 and FY22 the District booked water sales of \$1.05M and \$400K. However, rather than applying these funds to operating expenses, they were allocated to restricted reserves for future groundwater recharge projects. With respect to non-operating revenues, revenue from the Pine Flat Power Plant jumped from \$20,896 in FY 22 to \$200,860 in FY 23. Pine Flat revenues fluctuate depending on the amount of water storage in the dam, and FY23 was a strong year.

While the District’s performance depends heavily on water availability (wet and dry years), and the long delay in rate increases compelled it to engage in various forms of belt tightening, the FY23 rate increases have greatly improved performance, and projects such as the one presented here will serve to mitigate the District’s vulnerability to annual water fluctuations.

Repayment Analysis:

the District’s historical cash flows for FY 2019 through FY 2022 would not have generated sufficient cash flow to meet debt service on the proposed loan. However, the FY23 rate increase led to a very strong DSCR of 7.39X. Projected Cash Flows forecast DSCR’s of at least 4.88X through FY 2027.

HISTORICAL CASH FLOW					
	2019	2020	2021	2022	2023
Net Income (Loss)	-\$486,197	\$263,058	-\$1,271,838	-\$657,262	\$3,288,394
Adjustments Specific to the Transactions					
Depreciation	\$275,184	\$280,401	\$280,935	\$264,666	\$260,076
Total Adjustments	\$275,184	\$280,401	\$280,935	\$264,666	\$260,076
Adjustments to Excess (Deficiency) of Revenues					
Proposed ISRF Debt Coverage Payment (1)	\$330,519	\$330,519	\$330,519	\$330,519	\$330,519
Other MADS General Fund Obligations	\$149,675	\$149,675	\$149,675	\$149,675	\$149,675
<i>Debt Service Coverage Ratio (2)</i>	-0.44	1.13	-2.06	-0.82	7.39

(1) Calculated at \$4,400,000 at an all-in rate of 4.26% (including a 0.15% annual servicing fee) for a term of 20 years.

(2) Existing Parity Debt Minimum Required DSCR 1.20X

PROJECTED CASH FLOW						
For Fiscal Year Ending (FYE)		2023	2024	2025	2026	2027
Net Income (Loss)		\$3,288,394	\$2,041,766	\$2,167,033	\$2,176,545	\$2,115,361
Transaction Specific Adjustments						
+ Depreciation		\$260,076	\$300,000	\$310,000	\$310,000	\$310,000
Total of all Adjustments		\$260,076	\$300,000	\$310,000	\$310,000	\$310,000
Cash Available for Debt Service		\$3,548,470	\$2,341,766	\$2,477,033	\$2,486,545	\$2,425,361
Debt Service Calculation						
Total Existing MADS Debt Service		149,675	149,675	149,675	149,675	149,675
Proposed IBank MADS ⁽¹⁾		330,519	330,519	330,519	330,519	330,519
Total Obligations MADS		\$480,194	\$480,194	\$480,194	\$480,194	\$480,194
Debt Service Coverage Ratio ⁽²⁾		7.39	4.88	5.16	5.18	5.05
Total MADS including est. projected additional \$12M project ⁽³⁾					901,406	901,416
Debt Service Coverage Ratio ⁽⁴⁾					1.80	1.76
⁽¹⁾ Calculated at \$4,400,000 at an all-in rate of 4.26% (including a 0.15% annual servicing fee) for a term of 20 years.						
⁽²⁾ Existing Parity Debt Minimum Required DSCR 1.20						
⁽³⁾ Future Project MADS calculated at 4.26% for a term of 20 years.						
⁽⁴⁾ Total DSCR including future project MADS						

The projected cashflow supports the proposed ISRF loan and all existing debt in the projected years. Complete projections appear in Exhibit #4. The main assumptions are as follows:

Assumptions:

- Assessments – Remains constant, already at the max rate as of the last Prop. 218 approvals.
- Water Use and Surcharges – Based on Prop. 218 approved increases, this is an escalation in water surcharge rate.
- Other Operating Revenues – This is for pipeline projects coming up in the next year or two.
- Payroll – Based on a 3% annual COLA increase.
- General Administration – 2% escalation factor.
- Maintenance – 2% escalation factor.
- Operations – 1% escalation factor, based on a 4-month operating cycle for each year’s budget.
- Interest Income – Projected based on current interest rates.
- Penalties and costs – District liens on properties, water supply past due bills.
- Administrative fees – District has a long-term agreement; this is an annual fee.
- Pine Flat Power – Based on average years revenues.
- Miscellaneous – Mostly insurance refunds. This is an annual average of refunds.

The District has plans to expand this project to a larger area over the next few years. The project is expected to cost \$10 to \$12 million. With additional debt service for a \$12M loan calculated at the same term and interest rate the lowest DSCR is 1.76x in the projected years as shown in the projected cash flow chart above.

TERMS AND CONDITIONS

Staff recommends approval of Resolution No. 24-21 authorizing ISRF Program financing to the Alta Irrigation District Traver North Pond, Surface Water Utilization Project, subject to the following key terms and conditions:

- 1. Applicant/Borrower:** Alta Irrigation District (Borrower)
- 2. Project Name:** Traver North Pond, Surface Water Utilization Project.
- 3. Amount of ISRF Program financing:** \$4,400,000 (Tax-exempt Financing)
- 4. Maturity:** Not to exceed 20 years. Financing may not be prepaid during the first 10 years.
- 5. Repayment/Security:** The Financing will be secured by a senior lien on net system revenues (Net Revenues) from the District's General Fund (Fund) and all legally available amounts in the Fund.
- 6. Interest Rate:** All-in 4.26% which includes annual servicing fee described in item 7 below. The rate will be locked as outlined in item 8 below.
- 7. Fees:** Borrower to pay the origination fee of 1.00%, \$44,000 of the Financing amount upon close of Financing, and an annual servicing fee of 0.15% of the outstanding balance.
- 8. Rate Lock:** The interest rate in item 6 will be locked in for a period of 90 calendar days after IBank Board (Board) approval of the ISRF financing (the Rate Lock Period). After the Rate Lock Period, and up until IBank's Financing commitment expires (as described in item 9 below), the interest rate may be reset at the discretion of IBank's Credit Committee.
- 9. Limited Time:** Subject to the Board's approval of the Financing resolution, IBank's Financing commitment expires 180 calendar days from the date of its adoption. If the Borrower and IBank have not executed a financing agreement (Financing Agreement) before the commitment expires, there can be no assurances that IBank will be able to grant the Financing to the Borrower or consider extending the commitment period.
- 10. Not an Unconditional Commitment:** If the IBank Board (Board) approves the resolution authorizing the Financing request, the resolution shall not be construed as an unconditional commitment to finance the Project, but rather is conditioned upon entry by IBank and the Borrower into a Financing Agreement (or Agreements), in form and substance satisfactory to IBank.
- 11. ISRF Program Financing Agreement Covenants and Conditions:** The Financing Agreement shall include, among other things, the following covenants:
 - a.** The Fund has no debt secured by senior lien on Net Revenues, and the Borrower will be prohibited
 - b.** A debt service Financing Reserve Fund equivalent to one year of debt service on the ISRF financing will be required to remain in place for a period of at least three years (in IBank's reasonable discretion) after the project construction is complete, subject to timely debt service payments.
 - c.** Parity debt will be allowed if Net Revenues amount to at least 1.20 times the Maximum Annual Debt Service (MADS) taking into consideration the MADS payable in any Fiscal Year on all existing parity debt and the Financing, and the proposed parity debt, payable from the Fund.
 - d.** Subordinate debt will be allowed if Net Revenues are at least 1.00 time the sum of the MADS on all outstanding debt payable from the Fund.
 - e.** The Borrower will be required to maintain rates and charges in an amount sufficient to ensure in each fiscal year that Net Revenues produce a minimum 1.20 times aggregate annual debt service coverage ratio for the Financing and all parity debt, and a minimum 1.00 times annual debt service coverage ratio when including subordinate debt.
 - f.** The Borrower will covenant against reducing rates below levels used for all debt service payable from the Fund, and to take actions to increase rates or Fund a rate stabilization Fund if debt

service coverage ratios fall below required levels.

g. Upon implementing rates and charges, the Borrower to covenant to ensure that its rate structure conforms to the requirements of Proposition 218 and those of the statutes implementing it and the cases interpreting it. Further, the Borrower to covenant to notify IBank immediately upon the filing of any legal challenge to its rates or charges.

h. The Borrower to comply with the requirements of the ISRF Program Criteria and all applicable laws, regulations, and permitting requirements associated with public works projects.

i. The Borrower shall meet standard insurance requirements with respect to the enterprise system, general liability insurance, worker's compensation, and builder's risk insurance.

j. The Borrower to provide to IBank annually, within 180 days of the end of each of the Borrower's fiscal years, a copy of its audited financial statements together with an annual certificate demonstrating compliance with the foregoing covenants, as well as any other information IBank may reasonably request from time to time.

k. Such other covenants and conditions that IBank or its counsel may reasonably require.

Exhibit #1

ALTA IRRIGATION DISTRICT GENERAL FUND STATEMENT OF NET POSITION										
For Fiscal Year Ending (FYE) September 30	2019		2020		2021		2022		2023	
Source:	ACFR	%	ACFR	%	ACFR	%	ACFR	%	ACFR	%
Assets										
Current Assets:										
Cash and Investments	\$1,322,015	9.8%	\$2,307,307	16.5%	\$186,434	1.4%			\$1,331,434	8.1%
Restricted cash and investments					\$1,556,989		\$1,559,459		\$3,650,071	
Receivables:										
Assessments receivable	\$288,157	2.1%	\$232,561	1.7%	\$117,694	0.9%	\$139,541	1.1%	\$543,135	3.3%
Interest	\$7,017	0.1%	\$562	0.0%	\$1	0.0%	\$6	0.0%	\$17	0.0%
Other	\$61,204	0.5%								
Prepaid Expenses	\$167,053	1.2%	\$51,310	0.4%	\$147,615	1.1%	\$212,117	1.7%	\$206,495	1.3%
Inventories	\$58,567	0.4%	\$40,580	0.3%	\$32,437	0.2%	\$69,705	0.5%	\$48,480	0.3%
Total Current Assets	\$1,904,013	14.1%	\$2,632,320	18.8%	\$2,041,170	15.6%	\$1,980,828	15.5%	\$5,779,632	35.3%
Non-current Assets:										
Deposits	\$10,901	0.1%	\$10,901	0.1%	\$10,901	0.1%				
Capital assets, not being depreciated	\$2,197,603	16.3%	\$2,193,853	15.7%	\$2,193,853	16.7%	\$2,193,853	17.2%	\$2,193,853	13.4%
Capital assets, net of accum. Depreciation	\$9,399,524	69.6%	\$9,158,136	65.4%	\$8,877,201	67.6%	\$8,612,535	67.4%	\$8,378,233	51.2%
Total Non-current Assets:	\$11,608,028	85.9%	\$11,362,890	81.2%	\$11,081,955	84.4%	\$10,806,388	84.5%	\$10,572,086	64.7%
Total Assets	\$13,512,041	100.0%	\$13,995,210	100.0%	\$13,123,125	100.0%	\$12,787,216	100.0%	\$16,351,718	100.0%
Deferred Outflow of Resources										
Deferred pensions	\$777,173	5.8%	\$777,787	5.6%	\$644,359	4.9%	\$591,493	4.6%	\$1,530,214	9.4%
Deferred OPEB	\$175,120	1.3%	\$131,340	0.9%	\$124,331	0.9%	\$73,047	0.6%	\$21,763	0.1%
Total Deferred Outflows of Resources	\$952,293	7.0%	\$909,127	6.5%	\$768,690	5.9%	\$664,540	5.2%	\$1,551,977	9.5%
Total Assets and Deferred Outflows of Resources	\$14,464,334	107.0%	\$14,904,337	106.5%	\$13,891,815	105.9%	\$13,451,756	105.2%	\$17,903,695	109.5%
Liabilities										
Current Liabilities:										
Accounts Payable	\$222,634	1.6%	\$165,145	1.2%	\$163,178	1.2%	\$142,755	1.1%	\$656,866	4.0%
Accrued wages and payroll liabilities	\$41,021	0.3%	\$41,671	0.3%	\$41,587	0.3%	\$40,868	0.3%	\$83,048	0.5%
Accrued compensated absences	\$77,851	0.6%	\$65,419	0.5%	\$80,436	0.6%	\$77,435	0.6%	\$99,364	0.6%
Unearned revenues	\$62,052	0.5%	\$117,671	0.8%	\$213,100	1.6%	\$196,214	1.5%	\$646,566	4.0%
Line of Credit							\$50,000	0.4%		
Total Current Liabilities	\$403,558	3.0%	\$389,906	2.8%	\$498,301	3.8%	\$507,272	4.0%	\$1,485,844	9.1%
Noncurrent Liabilities:										
Net OPEB liability	\$1,741,652	12.9%	\$1,491,470	10.7%	\$1,571,021	12.0%	\$1,201,972	9.4%	\$1,223,640	7.5%
Net pension liability	\$2,122,348	15.7%	\$2,352,967	16.8%	\$2,574,546	19.6%	\$1,512,972	11.8%	\$3,056,098	18.7%
Total Noncurrent liabilities	\$3,864,000	28.6%	\$3,844,437	27.5%	\$4,145,567	31.6%	\$2,714,944	21.2%	\$4,279,738	26.2%
Total Liabilities	\$4,267,558		\$4,234,343		\$4,643,868		\$3,222,216		\$5,765,582	
Deferred Inflows of Resources										
Deferred pensions	\$313,802	2.3%	\$298,618	2.1%	\$211,505	1.6%	\$1,579,137	12.3%	\$295,103	1.8%
Deferred OPEB	\$56,350	0.4%	\$281,694	2.0%	\$218,598	1.7%	\$489,821	3.8%	\$394,034	2.4%
Total Deferred Inflows of Resources	\$370,152	2.7%	\$580,312	4.1%	\$430,103	3.3%	\$2,068,958	16.2%	\$689,137	4.2%
Total Liabilities and Deferred Inflows of Resources	\$4,637,710	34.3%	\$4,814,655	34.4%	\$5,073,971	38.7%	\$5,291,174	41.4%	\$6,454,719	39.5%
Net Position										
Net investment in capital assets	\$11,597,127	85.8%	\$11,351,989	81.1%	\$11,071,054	84.4%	\$10,806,388	84.5%	\$10,572,086	64.7%
Restricted	\$482,246	3.6%	\$1,497,726	10.7%	\$1,556,989	11.9%	\$1,942,924	15.2%	\$3,650,071	22.3%
Unrestricted	(\$2,252,749)	-16.7%	(\$2,760,033)	-19.7%	(\$3,810,199)	-29.0%	(\$4,588,730)	-35.9%	(\$2,773,181)	-17.0%
Net Position	\$9,826,624	72.7%	\$10,089,682	72.1%	\$8,817,844	67.2%	\$8,160,582	63.8%	\$11,448,976	70.0%
Total Liabilities, Deferred Inflows of Resources and Net Position	\$14,464,334	107.0%	\$14,904,337	106.5%	\$13,891,815	105.9%	\$13,451,756	105.2%	\$17,903,695	109.5%

Exhibit #2

ALTA IRRIGATION DISTRICT GENERAL FUNDS STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION											
	For Fiscal Year Ending (FYE) September30	2019	%	2020	%	2021	%	2022	%	2023	%
	Source:	ACFR		ACFR		ACFR		ACFR		ACFR	
	% Change Year-over-Year in Total Revenues		N/A		20.10%		-70.90%		22.93%		60.29%
Operating Revenues											
Assessments		\$2,059,336	74.3%	\$2,145,781	61.8%	\$2,029,614	100.0%	\$2,119,063	80.4%	\$5,232,331	78.9%
Water use and surcharges		\$712,833	25.7%	\$273,564	7.9%	\$415	0.0%	\$115,102	4.4%	\$1,234,016	18.6%
Water sales				\$1,050,000	30.3%			\$400,000	15.2%		
Other Operating Revenue										\$166,479	2.5%
Total Operating Revenues		\$2,772,169	100.0%	\$3,469,345	100.0%	\$2,030,029	100.0%	\$2,634,165	100.0%	\$6,632,826	100.0%
Operating Expenses											
Payroll and related expenses		\$2,002,893	72.3%	\$1,965,578	56.7%	\$1,771,952	87.3%	\$1,867,063	70.9%	\$1,347,276	20.3%
Depreciation		\$275,184	9.9%	\$280,401	8.1%	\$280,935	13.8%	\$264,666	10.0%	\$260,076	3.9%
General and administrative		\$839,584	30.3%	\$813,524	23.4%	\$964,505	47.5%	\$1,014,665	38.5%	\$924,039	13.9%
Maintenance		\$289,356	10.4%	\$419,808	12.1%	\$437,315	21.5%	\$249,230	9.5%	\$1,067,769	16.1%
Operations		\$189,934	6.9%	\$92,638	2.7%	\$6,282	0.3%	\$54,335	2.1%	\$203,579	3.1%
Urban expenses		\$1,273	0.0%	\$7,477	0.2%	\$6,523	0.3%	\$7,477	0.3%	\$5,250	0.1%
Total Operating Expenses		\$3,598,224	129.8%	\$3,579,426	103.2%	\$3,467,512	170.8%	\$3,457,436	131.3%	\$3,807,989	57.4%
Net Operating Income (Loss)		(\$826,055)	-29.8%	\$ (110,081)	-3.2%	(\$1,437,483)	-70.8%	(\$823,271)	-31.3%	\$2,824,837	42.6%
Non-Operating Revenues (Expenses)											
Interest Income		\$44,950	1.6%	\$29,041	0.8%	\$6,111	0.3%	\$26,736	1.0%	\$198,273	3.0%
Gain (loss) on disposition of capital assets		(\$495)	0.0%	\$135	0.0%						
Equipment income		\$37,326	1.3%	\$1,671	0.0%	\$2,477	0.1%	\$352	0.0%		
Penalties and costs		\$9,867	0.4%	\$14,578	0.4%	\$4,949	0.2%	\$3,439	0.1%	\$2,493	0.0%
Equipment lease and rents		\$3,700	0.1%	\$3,700	0.1%	\$3,700	0.2%	\$3,700	0.1%	\$3,700	0.1%
Administrative fees		\$10,100	0.4%	\$97,710	2.8%	\$10,050	0.5%	\$10,050	0.4%	\$20,267	0.3%
Pine Flat power		\$215,094	7.8%	\$209,398	6.0%	\$72,916	3.6%	\$20,896	0.8%	\$200,860	3.0%
Miscellaneous		\$19,316	0.7%	\$16,906	0.5%	\$65,442	3.2%	\$100,836	3.8%	\$37,964	0.6%
Interest Expense											
Total Non-Operating Revenues (Expenses)		\$339,858	12.3%	\$373,139	10.8%	\$165,645	8.2%	\$166,009	6.3%	\$463,557	7.0%
Income (loss) before capital contributions		(\$486,197)	-17.5%	\$263,058	7.6%	(\$1,271,838)	-62.7%	(\$657,262)	-25.0%	\$3,288,394	49.6%
Capital contributions		\$164,592									
Capital Contributions		\$164,592		\$0		\$0		\$0		\$0	
Change in net position		(\$321,605)		\$263,058		(\$1,271,838)		(\$657,262)		\$3,288,394	
Net Position, Beginning of Year		\$10,148,229		\$9,826,624		\$10,089,682		\$8,817,844		\$8,160,582	
Prior Year Adjustment											
Net Position, End of Year		\$9,826,624		\$10,089,682		\$8,817,844		\$8,160,582		\$11,448,976	

Exhibit #3

<i>Alta Irrigation District / Tulare County</i>					
Key Indicators	2019	2020	2021	2022	2023
Economy					
Median Household Income (as % of US Median)[5]	66.0%	66.8%	68.3%	70.2%	72.4%
Unemployment rate (%) [6]	9.8%	13.4%	10.6%	8.3%	10.8%
Full value per capita (\$)	\$74,428.92	\$77,932.87	\$80,956.06	\$84,444.74	\$89,041.35
System Characteristics					
Net Fixed Assets (\$)	\$9,399,524	\$9,158,136	\$8,877,201	\$8,612,535	\$8,378,233
Remaining useful life of NFA (years)	34	33	32	33	32
Number of system users	2016	2020	2020	2022	2029
Average annual agricultural charge per unit (\$)	\$19.95	\$19.95	\$19.95	\$19.95	\$45.22
Agricultural charge as % of MHI	0.04%	0.05%	0.03%	0.03%	0.06%
Liquidity					
Cash Balances	\$1,322,015	\$2,307,307	\$1,743,423	\$1,559,459	\$4,981,505
Current Ratio [1]	4.72	6.75	4.10	3.90	3.89
Days Cash on Hand [2]	134	235	184	165	477
Performance					
Operating Revenue	\$2,772,169	\$3,469,345	\$2,030,029	\$2,634,165	\$6,632,826
Operating Margin [3]	-29.8%	-3.2%	-70.8%	-31.3%	42.6%
Fund Balances as % of Operating Revenue	354.5%	290.8%	434.4%	309.8%	172.6%
Leverage					
Fund Balances	\$9,826,624	\$10,089,682	\$8,817,844	\$8,160,582	\$11,448,976
Leverage Ratio [4]	0.47	0.48	0.58	0.65	0.56

[1] $Current\ Assets \div Current\ Liabilities$

[2] $(Cash\ and\ Investments * 365) \div Operating\ Expenses$

[3] $Operating\ Income\ as\ \% \ of\ Operating\ Revenues$

[4] $Total\ Liabilities \div Fund\ Balances$

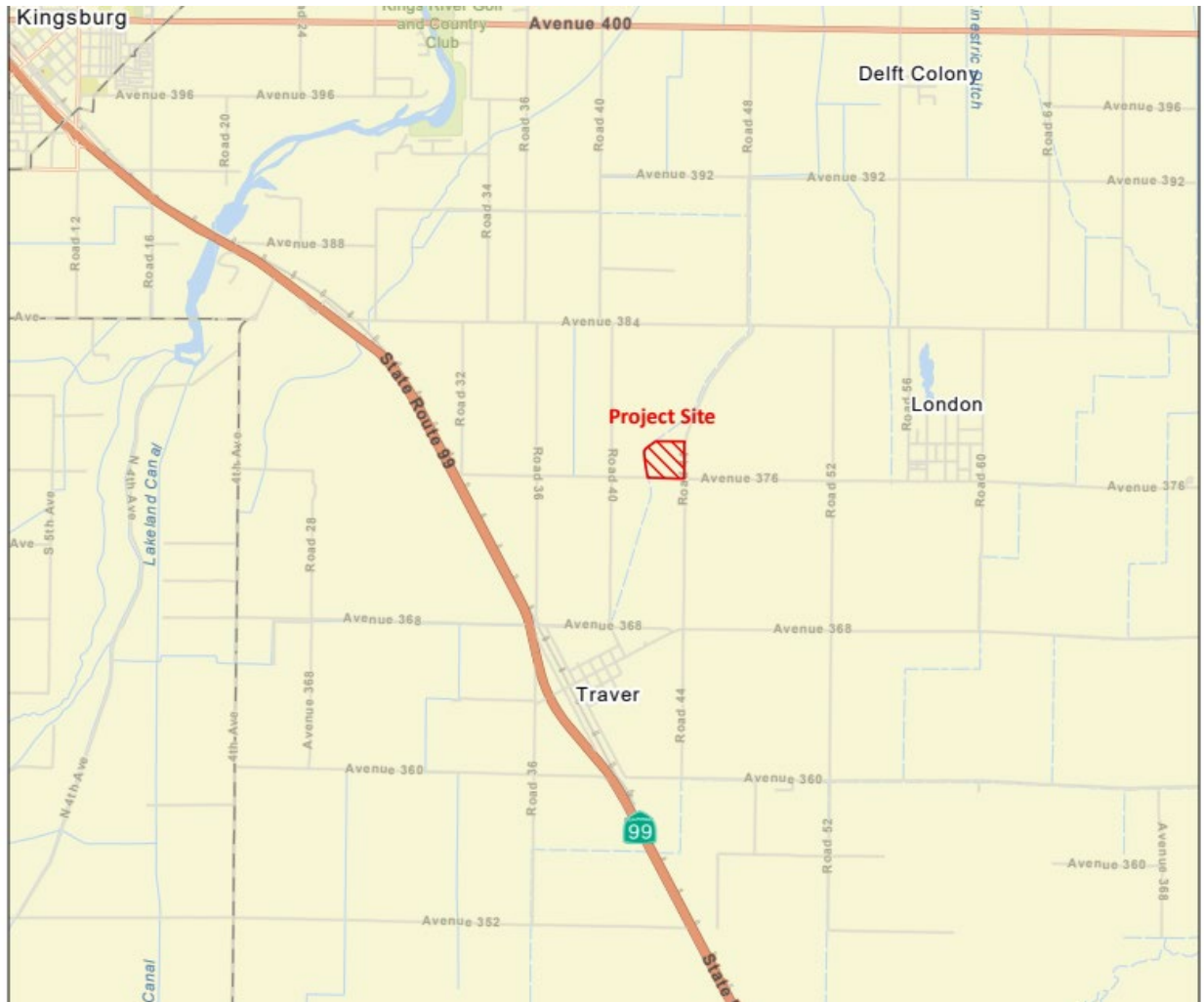
[5] Median HH Income go to: <https://dof.ca.gov/reports/demographic-reports/american-community-survey/>

[6] Unemployment: <https://labormarketinfo.edd.ca.gov/data-release-schedule.html>

Exhibit #4

ALTA IRRIGATION DISTRICT										
PROJECTED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION										
For Fiscal Year Ending (FYE)	2023		2024		2025		2026		2027	
Source:	ACFR	%	Projections	%	Projections	%	Projections	%	Projections	%
% Change		N/A		-0.028		0.000		0.011		0.001
Operation Revenue										
Assessments	\$5,232,331	78.9%	\$5,267,551	81.6%	\$5,232,331	81.1%	5,267,551	80.7%	\$5,232,331	80.1%
Water use and surcharges	\$1,234,016	18.6%	\$1,161,000	18.0%	\$1,198,000	18.6%	\$1,236,000	18.9%	\$1,276,000	19.5%
Water sales			\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Other Operating Revenue	\$166,479	2.5%	\$23,000	0.4%	\$20,000	0.3%	\$20,000	0.3%	\$20,000	0.3%
Total Operating Revenues	\$6,632,826	100.0%	\$6,451,551	100.0%	\$6,450,331	100.0%	\$6,523,551	100.0%	\$6,528,331	100.0%
Operating Expenses										
Payroll and related expenses	\$1,347,276	20.3%	\$1,388,944	21.5%	\$1,431,901	22.2%	\$1,476,186	22.6%	\$1,521,842	23.3%
Depreciation	\$260,076	3.9%	\$300,000	4.7%	\$310,000	4.8%	\$310,000	4.8%	\$310,000	4.7%
General and administrative	\$924,039	13.9%	\$942,896	14.6%	\$962,139	14.9%	\$981,775	15.0%	\$1,001,811	15.3%
Maintenance	\$1,067,769	16.1%	\$1,089,560	16.9%	\$1,111,796	17.2%	\$1,134,485	17.4%	\$1,157,638	17.7%
Operations	\$203,579	3.1%	\$205,635	3.2%	\$207,712	3.2%	\$209,810	3.2%	\$211,929	3.2%
Urban expenses	\$5,250	0.1%	\$7,000	0.1%	\$7,000	0.1%	\$7,000	0.1%	\$7,000	0.1%
Total Operating Expenses	\$3,807,989	57.4%	\$3,934,035	61.0%	\$4,030,548	62.5%	\$4,119,256	63.1%	\$4,210,220	64.5%
Net Operating Income (Loss)	\$2,824,837	42.6%	\$2,517,516	39.0%	\$2,419,783	37.5%	\$2,404,295	36.9%	\$2,318,111	35.5%
Nonoperating Revenues (Expenses)										
Interest Income	\$198,273	3.0%	\$250,000	3.9%	\$125,000	1.9%	\$100,000	1.5%	\$75,000	1.1%
Gain (loss) on disposition of capital assets			\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Equipment income			\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Pacific Gas & Electric evaporation			\$0	0.0%	\$0	0.0%	\$0	0.0%	\$0	0.0%
Penalties and costs	\$2,493	0.0%	\$18,000	0.3%	\$4,000	0.1%	\$4,000	0.1%	\$4,000	0.1%
Equipment lease and rents	\$3,700	0.1%	\$3,700	0.1%	\$3,700	0.1%	\$3,700	0.1%	\$3,700	0.1%
Administrative fees	\$20,267	0.3%	\$10,050	0.2%	\$10,050	0.2%	\$10,050	0.2%	\$10,050	0.2%
Pine Flat power	\$200,860	3.0%	\$170,000	2.6%	\$100,000	1.6%	\$100,000	1.5%	\$100,000	1.5%
Miscellaneous	\$37,964	0.6%	\$24,000	0.4%	\$10,000	0.2%	\$10,000	0.2%	\$10,000	0.2%
Interest Expense										
Net Non-operating Revenues (Expenses)	\$463,557	7.0%	\$475,750	7.4%	\$252,750	3.9%	\$227,750	3.5%	\$202,750	3.1%
Income (Loss) before capital contributions	\$3,288,394	49.6%	\$2,041,766	31.6%	\$2,167,033	33.6%	\$2,176,545	33.4%	\$2,115,361	32.4%
Capital Contributions and Transfers										
Capital Contributions										
Transfers										
Total Capital Contributions	\$0		\$0		\$0		\$0		\$0	
Change in net position	\$3,288,394		\$2,041,766		\$2,167,033		\$2,176,545		\$2,115,361	
Net Position, Beginning of Year	\$8,160,582		\$11,448,976		\$13,490,742		\$15,657,775		\$17,834,320	
Prior Year Adjustment										
Total Fund Balances - Year -End	\$11,448,976		\$13,490,742		\$15,657,775		\$17,834,320		\$19,949,681	
Increase (decrease) in Net Position	\$3,288,394		\$2,041,766		\$2,167,033		\$2,176,545		\$2,115,361	

Exhibit #5





Alta ID Traver North Site
Tulare County APN 043-010-037

Exhibit #6 Map of District

