

PRESIDENT

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To District Landowners:

At the July 23, 2026 Special Board Meeting, following extensive discussion, the Board of Directors approved the Engineer's Report and formally set the hearing date to request landowner approval for an increase in the District's land-based Benefit Assessment. This action initiates the District's Proposition 218 election process.

The District is requesting landowners to approve:

- An additional \$55.56 per acre assessment, and
- Authority for the Board to implement up to five (5) future increases of 3 percent each,
- Not to exceed a maximum assessment of \$147.15 per acre.

Table III-1 (Fiscal Year 2027 Budget), Table III-2 (Five-Year Financial Projections), Historical District Assessment and Water Rates, Historical SLDMWA and FWA OM &R Charges, Other District's Assessments Water Rate Summary, and US Bureau of Labor Statics Consumer Price Index — are enclosed and were used in developing the proposed assessment structure.

The District last sought an increase to the Benefit Assessment in 2015, at which time landowners approved:

- A \$30.40 per acre increase, added to the original \$27.00 per acre rate, resulting in a \$57.40 per acre assessment beginning in 2016.
- Authority for up to five (5) increases of 3 percent, not to exceed \$69.44 per acre, which is where the assessment is currently.

The proposed 2026 assessment structure reflects current operational, financial, and infrastructure conditions.

Increasing fixed-cost recovery through land assessments is necessary to:

- Ensure full funding of District fixed costs,
- Maintain long-term financial stability, and
- Protect landowner property values by sustaining reliable water delivery infrastructure.

Key cost drivers include:

Inflation, according to the U.S. Bureau of Labor Statistics, inflation has averaged 4.5% over the past five years, with a peak of 8.2% in 2022. Labor, materials, and contracted services have all experienced sustained cost escalation.

San Luis & Delta-Mendota Water Authority (SLDMWA) and Friant Water Authority (FWA) Ivanhoe Irrigation District, as a Central Valley Project contractor, is responsible for:

- Approximately 37% of SLDMWA operation, maintenance and replacement costs allocated to Friant-Kern contractors, and
- 100% of Friant-Kern Canal operation, maintenance and replacement costs.

Average OM&R cost increases have exceeded 6.5% annually, with additional upward pressure expected due to subsidence repair projects on both the Friant-Kern Canal and the Delta-Mendota Canal. These repairs are projected to cost hundreds of millions of dollars systemwide.

Infrastructure Replacement: The District operates roughly 35 miles of pipeline, most of which is more than 75 years old. To maintain system reliability, the District has established a \$400,000 annual pipeline replacement program, currently funded through water charges. Transitioning fixed-cost recovery to land assessments will stabilize revenue and reduce pressure on volumetric water rates.

Rationale for Land-Based Fixed Cost Recovery

A land-based assessment ensures that **all landowners who benefit from District operations**—including those who do not currently take surface water deliveries—contribute equitably to the foundational costs of service.

By securing fixed revenue through assessments rather than water rates, the District can:

- **Minimize per-acre-foot water charges,**
- Encourage growers to utilize available surface water supplies, and
- **Reduce groundwater pumping,** supporting long-term sustainability and SGMA compliance.

To support transparency and provide opportunities for discussion, the District will hold grower meetings at the **Ivanhoe Memorial Building** on:

- **August 17, 2026 – 4:00 p.m.**
- **September 14, 2026 – 4:00 p.m.**

In addition to the above scheduled meeting, the Board President and District Manager encourage any landowner with questions or concerns to contact the District office to schedule an individual meeting.

TABLE III-1
FISCAL YEAR 2027 BUDGET
PROPOSITION 218 ENGINEER'S REPORT
IVANHOE IRRIGATION DISTRICT

EXPENSES	FIXED	VARIABLE
ADMINISTRATION		
Tri-District General Manager Salary	\$ 125,731	\$
Tri-District General Manager Health Benefits	11,704	
Tri-District General Manager Pension Contribution	10,059	
Tri-District General Manager Vehicle Allowance		5,400
Tri-District Financial Officer Salary		49,180
Tri-District Financial Officer Health Benefits		7,347
Tri-District Financial Officer Pension Contribution		3,935
Office Manager Salary	59,452	
Office Manager Health Benefits	23,794	
Office Manager Pension Contribution	4,757	
Water Specialist Salaries		49,028
Water Specialist Health Benefits		13,279
Water Specialist Pension Contribution		3,923
ACWA Membership Dues	16,000	
Bonds	325	
Office Expenses	25,000	17,000
Office Utilities	6,200	
Payroll Expenses		
Payroll Services	500	200
Medicare	4,500	2,500
Social Security	19,500	10,500
Pre-Employment	300	200
Property Insurance	3,300	
Liability Insurance	18,700	
Cyber Insurance	300	
Unemployment Insurance		3,000
Workers Compensation Insurance	28,797	6,203
TRANSMISSION & DISTRIBUTION		
Field Staff Salaries	\$ 200,000	\$ 110,650
Field Staff - Medical, Vision & Dental Benefits	47,000	25,740
Field Staff - Health Retired EE		18,000
Field Staff - Pension Contribution	25,000	
Equipment Maintenance	9,000	
Equipment Purchase/Lease	11,000	
Equipment Rental		2,000
Field Utilities		90,000
Fuel	7,000	23,000
Meter Repairs & Replacement		10,000
Office Well Maintenance	500	
Operating Expenses/Shop Supplies	6,000	
Pump Station Oil		1,500
Reservoir Maintenance		10,000
Safety/Incentives		1,000
Shop Maintenance	1,000	
Shop Tools	3,500	
Shop Utility - Gas	600	
SCADA Maintenance	10,000	50,000
Screen Maintenance	2,000	
Vegetation Control		3,500
Vehicle Maintenance & Repair	10,000	4,000
Wutchumna Pumping Plants		15,000
Yard Maintenance	500	

OTHER		
Legal	\$ 25,000	\$ 15,000
Audit	20,000	15,000
East Kaweah GSA		36,000
Engineering	15,000	13,500
FWA Dues	70,000	
FWA/O&M	100,000	
SLDMWA O&M	134,000	
State Water Rights Fees	11,500	
USA Alert	400	
Other Expenses	4,000	
NON-OPERATING		
Capital Improvements	\$ 400,000	\$ 225,000
Land Lease		13,000
Pipeline Repairs & Maintenance		315,000
WATER		
Water Purchases (100% Class 1, 0% Class 2)		
Cost of Service	\$	\$ 148,980
Restoration Fund		88,660
Friant Surcharge		45,500
Water Purchases (WWCo.)		50,000
Water Purchases (Longs Canal Co.)		32,000
Water Purchases (SJR Recaptured Class 1 and/or Class 2)		6,000
Water Purchases (Additional)		1,669,154
WWCo. Grower Conveyance Fee		10,500
TOTALS \$ 1,471,919		\$ 3,219,379
REVENUES		
	FIXED	VARIABLE
Interest Income - Citizens Business Bank T-Bill	\$	\$ 0
Interest Income - Mission Bank MM		48,000
Interest Income - LAIF		20,000
Interest Income - Stiefel Investment MM		28,000
East Kaweah GSA Reimbursement		0
Tulare County Tax Increment	150,000	90,000
Transfer Conveyance Fee		12,500
Current Assessments (1)	280,978	
Current Non-Delivered Irrigable Assessment (2)	3,241	
Current Potential Irrigable Assessment (3)	36	
Current Open Ditch Assessment (4)	72	
Current Non-Irrigable Assessment (5)	102	
2016 Supplemental Assessment (6)	449,297	
2027 Supplemental Assessment (7)	588,193	
Water Sales (8)		3,020,879
TOTALS \$ 1,471,919		\$ 3,219,379

(1) 10,406.58 acres @ \$27.00/acre

(2) 180.05 acres @ \$18.00/acre

(3) 4.03 acres @ \$9.00/acre

(4) 59.74 acres @ \$1.20/acre

(5) 170.38 acres @ \$0.60/acre

(6) 10,586.63 acres @ \$42.44/acre

(7) 10,586.63 acres @ \$55.56/acre

(8) 6,175 af (CVP) + 4,640 af (Kaweah) + 2,137 af (Additional) @ \$233.24/af

TOTAL PROPOSED ASSESSMENT RATE: \$ 125.00/Acre

PROPOSED WATER RATE: \$ 233.24/Acre-Foot

TABLE III-2
PROPOSED FIVE-YEAR BUDGET PROJECTIONS
PROPOSITION 218 ENGINEER'S REPORT
IVANHOE IRRIGATION DISTRICT

EXPENSES	FIXED				
	2028	2029	2030	2031	2032
ADMINISTRATION					
Tri-District General Manager Salary	\$ 129,503	133,388	137,390	141,512	145,757
Tri-District General Manager Health Benefits	12,055	12,417	12,790	13,174	13,569
Tri-District General Manager Pension Contribution	10,361	10,672	10,992	11,322	11,662
Tri-District General Manager Vehicle Allowance					
Tri-District Financial Officer Salary					
Tri-District Financial Officer Health Benefits					
Tri-District Financial Officer Pension Contribution					
Office Manager Salary	61,236	63,073	64,965	66,914	68,921
Office Manager Health Benefits	24,508	25,243	26,000	26,780	27,583
Office Manager Pension Contribution	4,900	5,047	5,198	5,354	5,515
Water Specialist Salaries					
Water Specialist Health Benefits					
Water Specialist Pension Contribution					
ACWA Membership Dues	16,480	16,975	17,484	18,009	18,549
Bonds	335	345	355	366	377
Office Expenses	25,750	26,523	27,319	28,139	28,983
Office Utilities	6,386	6,578	6,775	6,978	7,187
Payroll Expenses					
Payroll Services	515	530	546	562	579
Medicare	4,635	4,774	4,917	5,065	5,217
Social Security	20,085	20,688	21,309	21,948	22,606
Pre-Employment	309	318	328	338	348
Property Insurance	3,399	3,501	3,606	3,714	3,825
Liability Insurance	19,261	19,839	20,434	21,047	21,678
Cyber Insurance	309	318	328	338	348
Unemployment Insurance					
Workers Compensation Insurance	29,661	30,551	31,468	32,412	33,384
TRANSMISSION & DISTRIBUTION					
Field Staff Salaries	\$ 206,000	212,180	218,546	225,102	231,855
Field Staff - Medical, Vision & Dental Benefits	48,410	49,862	51,358	52,899	54,486
Field Staff - Health Retired EE					
Field Staff - Pension Contribution	25,750	26,523	27,319	28,139	28,983
Equipment Maintenance	9,270	9,548	9,834	10,129	10,433
Equipment Purchase/Lease	11,330	11,670	12,020	12,381	12,752
Equipment Rental					
Field Utilities					
Fuel	7,210	7,426	7,649	7,878	8,114
Meter Repairs & Replacement					
Office Well Maintenance	515	530	546	562	579
Operating Expenses/Shop Supplies	6,180	6,365	6,556	6,753	6,956
Pump Station Oil					
Reservoir Maintenance					
Safety/Incentives					
Shop Maintenance	1,030	1,061	1,093	1,126	1,160
Shop Tools	3,605	3,713	3,824	3,939	4,057
Shop Utility - Gas	618	637	656	676	696
SCADA Maintenance	10,300	10,609	10,927	11,255	11,593
Screen Maintenance	2,060	2,122	2,186	2,252	2,320
Vegetation Control					
Vehicle Maintenance & Repair	10,300	10,609	10,927	11,255	11,593
Wutchumna Pumping Plants					
Yard Maintenance	515	530	546	562	579

OTHER						
Legal	\$	25,750	26,523	27,319	28,139	28,983
Audit		20,600	21,218	21,855	22,511	23,186
East Kaweah GSA						
Engineering		15,450	15,914	16,391	16,883	17,390
FWA Dues		72,100	74,263	76,491	78,786	81,150
FWA/O&M		103,000	106,090	109,273	112,551	115,928
SLDMWA O&M		138,020	142,161	146,426	150,819	155,344
State Water Rights Fees		11,845	12,200	12,566	12,943	13,331
USA Alert		412	424	437	450	464
Other Expenses		4,120	4,244	4,371	4,502	4,637
NON-OPERATING						
Capital Improvements	\$	412,000	424,360	437,090	450,203	463,709
Land Lease						
Pipeline Repairs & Maintenance						
WATER						
Water Purchases (100% Class 1, 0% Class 2)						
Cost of Service	\$					
Restoration Fund						
Friant Surcharge						
Water Purchases (WWCo.)						
Water Purchases (Longs Canal Co.)						
Water Purchases (SJR Recaptured Class 1 and/or Class 2)						
Water Purchases (Additional)						
WWCo. Grower Conveyance Fee						
TOTALS \$		1,516,078	1,561,562	1,608,410	1,656,667	1,706,366
REVENUES						
		FIXED				
Interest Income - Citizens Business Bank T-Bill	\$					
Interest Income - Mission Bank MM						
Interest Income - LAIF						
Interest Income - Stiefel Investment MM						
East Kaweah GSA Reimbursement						
Tulare County Tax Increment		150,000	150,000	150,000	150,000	150,000
Transfer Conveyance Fee						
Current Assessments (1)		280,978	280,978	280,978	280,978	280,978
Current Non-Delivered Irrigable Assessment (2)		3,241	3,241	3,241	3,241	3,241
Current Potential Irrigable Assessment (3)		36	36	36	36	36
Current Open Ditch Assessment (4)		72	72	72	72	72
Current Non-Irrigable Assessment (5)		102	102	102	102	102
2016 Supplemental Assessment (6)		449,297	449,297	449,297	449,297	449,297
2026 Supplemental Assessment (7)		632,352	677,836	724,684	772,941	822,640
Water Sales (8)						
TOTALS \$		1,516,078	1,561,562	1,608,410	1,656,667	1,706,366
(1) 10,495.61 acres @ \$27.00/acre (2) 134.50 acres @ \$18.00/acre (3) 4.03 acres @ \$9.00/acre (4) 60.74 acres @ \$1.20/acre (5) 170.38 acres @ \$0.60/acre (6) 10,586.63 acres @ \$42.44/acre (7) 10,586.63 acres @ \$59.73/acre for 2028, \$64.03/acre for 2029, \$68.45/acre for 2030, \$73.01/acre for 2031 and \$77.71/acre for 2032						
TOTAL PROPOSED ASSESSMENT RATE PER ACRE:		\$ 129.17	133.47	137.89	142.45	147.15
MAXIMUM ANNUAL INCREASE:		\$ 4.17	4.30	4.42	4.56	4.70

IVANHOE IRRIGATION DISTRICT

YEAR	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Due: Dec. 20th & Jun. 20th																	
Irrigable	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00	\$18.00
Assessment	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00
Benefit Assessment	42.44	42.44	42.44	42.44	42.44	42.44	\$39.84	\$37.38	\$35.00	\$32.66	\$30.40	N/A	N/A	N/A	N/A	N/A	N/A
Potential Irrigable	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	\$9.00	2010-2005 \$9.00
Open Ditch	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	\$1.20	2010-2005 \$1.20
Non-Irrigable	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	2010-2005 \$.60
BOR Allocation	100%	100%	90%	100%	30-50%	40%	60%	80%	85%	90%	80%	18%	25%	50-55%	35-50%	100%	100%
Grower Allocation	1.08	1.15	1.45	unlimited	0.38	0.40	0.60	0.80	0.85	0.90	0.80	0.18	0.25			1.00	1.00
Water Rate	\$280.00	\$300.00	\$250.00	\$180.00	\$400.00	\$300.00	\$150.00	\$85.00	\$100.00	\$65.00	\$92.00	\$450-\$1,200	\$400.00	\$40.00-\$50.00	\$50.00	\$40.00-\$50.00	\$24.20-\$28.35
Notes:						*2014- CVP contractors 25% allocation. \$400 per acre foot charge for water. (Dry year)											
						*2015- Board adopted Resolution#2015-04 Certifying the Results of the Proposition 218 Assessment Ballot Election, increasing the current standby from \$27 to \$57.40 with inflationary increases over the following five years (not to exceed \$69.44 in 2021) Current											
						2020: \$66.83											
						*2015- Emergency water the district purchased in 2014 will be available at the rate of \$1,200 per acre ft.											
						*2015- 0% Class I allocation issued from Bureau											
						*2016- Standby charge hereby set at \$57.40 from \$27.00											
						*2017- Uncontrolled water into July, Allocation set at 0.9 July-											
						*2023 Uncontrolled Season into July, no allocation											
						*2024 Uncontrolled until March											

ndby Charges:

2017: Increase of \$2.26; Total of \$59.66
2018: Increase of \$2.34; Total of \$62.00
2019: Increase of \$2.38; Total of \$64.38
2020: Increase of \$2.46; Total of \$66.84
2021: Increase of \$2.60; Total of \$69.44

Water Acquisition Notes:

2021 Escrow Water	2022 Subscription Water
\$1700 AF	\$1,700 AF
\$750 AF	\$1,200 AF
	\$400 AF

FID 5-Year Purchase Agreement

2024: 1500 AF Water Purchase \$750 AF
2025: 2250 AF Water Purchase \$714 AF
2026: 2250 AF Water Purchase \$737 AF
2026:2250 AF Water Purchase \$737 * CPI
2026: 2250 AF Water Purchase (\$737 * CPI)



HISTORIC OM&R Cost Tracking

FY 2018 - FY 2025
Prepared by Wilson Orvis - March 22, 2026

DISTRICT
(SELECT DROP
DOWN)--> Ivanhoe ID

Sources of Costs	District's FY 2026 Allocation %	FY 2018	FY 2019		FY 2020		FY 2021		FY 2022		FY 2023		FY 2024		FY 2025	
		District Alloc (est)	District Alloc (est)	Percent of Change	District Alloc (est)	Percent of Change	District Alloc (est)	Percent of Change	District Alloc (est)	Percent of Change	District Alloc (est)	Percent of Change	District Alloc (est)	Percent of Change	District Alloc (est)	Percent of Change
Routine Costs																
FKC Routine OM&R	0.69%	\$ 57,094	\$ 63,675	10.3%	\$ 68,168	6.6%	\$ 66,287	-2.8%	\$ 67,049	1.1%	\$ 83,890	20.1%	\$ 87,574	4.2%	\$ 93,348	6.2%
SLDMWA Routine OM&R	0.70%	\$ 80,531	\$ 82,129	1.9%	\$ 112,950	27.3%	\$ 129,314	12.7%	\$ 95,602	-35.3%	\$ 56,744	-68.5%	\$ 97,820	42.0%	\$ 116,382	15.9%
Extraordinary Maintenance																
MRCCP Phase 1 (FKC)		\$ -	\$ -		\$ 33,908	100.0%	\$ 32,815	-3.3%	\$ 164,590	80.1%	\$ 106,413	-54.7%	\$ -		\$ -	
MRCCP Phase 2 (FKC)\$\$\$\$		\$ -	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ -	
Jones Pumping Plant Rewinds		\$ -	\$ -		\$ -		\$ 18,466	100.0%	\$ 15,031	-22.9%	\$ -		\$ -		\$ -	
Other																
Healthy Rivers and Landscape \$\$\$\$\$																
South Valley Water Association Membership		\$ 49,173	\$ 57,597	14.6%	\$ 37,382	-54.1%	\$ 43,343	13.8%	\$ 34,361	-26.1%	\$ 29,574	-16.2%	\$ 24,558	-20.4%	\$ -	
FWA General Membership	2.42%	\$ -	\$ -		\$ -		\$ -		\$ -		\$ -		\$ -		\$ 49,015	100.0%
Total (During Year)		\$ 186,798	\$ 203,401	8.2%	\$ 252,408	19.4%	\$ 290,225	13.0%	\$ 376,632	22.9%	\$ 276,621	-36.2%	\$ 209,952	-31.8%	\$ 258,745	18.9%

Footnotes:

1. The "Fiscal Year" used in these tables depends on the source of OM&R Costs. For FKC, FY = Oct 1 - Sept 30, 20FY. For SLDMWA, FY = Mar 1, 20FY - Feb 28, FY+1
For example, FY 2018 is Oct 1, 2017 - Sept 30, 2018 for FKC, Mar 1, 2018 - Feb 28, 2019 for SLDMWA
2. Final Accountings are conducted after the fiscal year is concluded. For FKC, FWA generally aims to complete audit and issue final accountings within 6 months of FYE.
For SLDMWA, the delay between FYE and final accountings can be years.
3. The costs in these tables are derived from past billings. Costs for each District are derived based upon total billings for the FY using the cost allocation % in place at the time.
The District costs have NOT been reconciled to actual monthly billings and, therefore, the District costs represent ESTIMATED historic costs as timing and amounts could differ, but not materially.
4. The costs in this table represent budgeted and/or actuals during the year in which they were billed. They do NOT include offsets (+ or -) as a result of final accountings
5. For the General Membership Costs, used approved budgeted numbers and then reduced by 75% as, in most years, only 3 out of the 4 quarterly call-for-funds were needed to meet cash needs during the year.

[illegible]

Consumer Price Index for All Urban Consumers (CPI-U)
12-Month Percent Change

Series CUURN400SA0

Not Seasonally Adjusted

Series All items in West - Size Class B/C, all urban consumers,

Area: West - Size Class B/C

Item: All items

Base DECEMBER 1996=100

Years: 2019 to 2026

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2021	1.6	1.8	2.6	3.9	5.4	6.0	6.0	5.6	5.7	6.3	6.9	7.4	4.9
2022	8.1	8.5	9.0	8.6	8.4	8.5	8.3	8.3	8.3	8.3	7.2	6.3	8.2
2023	6.0	5.7	5.2	4.8	4.4	3.6	3.5	3.7	3.9	3.2	3.1	3.5	4.2
2024	3.7	3.2	3.6	3.7	3.1	2.6	1.9	1.7	1.6	1.7	2.1	2.3	2.6
2025	1.9	2.3	1.8	2.0	2.5	2.7	3.3	3.5	3.5	3.0	3.0	2.8	2.6
2026	2.6	2.5	2.8	3.2	3.1	2.9							