

San Antonio Basin Water District

Board of Directors Regular Meeting

August 16, 2022, at 1:00 P.M.

Subject to the Board's approval of Resolution 22-10, the District will hold its regular Board of Directors meeting by teleconference. There will be no meeting site open to the public.

Public participation is encouraged using the teleconference information referenced below.

You can join on your computer and/or call in.
Screen share at <https://us02web.zoom.us/j/5896878298>

If you are unable to join via computer, or do not have speakers or a microphone on your computer, you can dial in for audio. Call +1 - 408-638-0968 or +1 - 669-900-6833 and enter ID: 589 687 8298

Meeting and Agenda

- 1) **Call to Order**
- 2) **Roll Call**
- 3) **Review and Adopt Resolution 22-10; Authorizing Renewal of Remote Teleconference Meetings Under AB361**
- 4) **Public Comment:** This portion of the meeting is set aside to provide the public an opportunity to bring to the attention of the Board members matters that are within the jurisdiction of the Board and that are not on today's agenda. No action will be taken on any matter discussed during this portion of the meeting. The total time allotted for this portion of the meeting may be limited to no more than 3 minutes per speaker.
- 5) **Minutes**
 - a. July 2022 Board Meeting Minutes – **Board Approval Needed**
- 6) **Financial Report**
 - a. Review and Approve July Financial Statements
 - b. Assessments Status Report
 - c. Consider Approval of 2022 Audit Engagement Letter
 - d. Review July GSA Financial Statements
- 7) **Informational Items**
 - a. Management/Administration Report
 - b. Update on Election Process for 2 Director Positions
 - c. 2022 Conflict of Interest Biennial Review Notice
 - d. Director Training Report
 - e. Update on San Antonio Basin Groundwater Sustainability Agency
 - i. Well Registration and Metering Program

- ii. Executive Order N-7-22
 - 1. Water Well Permitting/SABGSA Well Verification Framework

8) New Business— requests for items to be placed on next agenda.

9) Next Meeting Date – September 20, 2022

10) Adjournment

In compliance with the American with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), if you need special assistance to access the meeting room or otherwise participate at this meeting, including auxiliary aids or services, please contact Donna Glass, admin@sanantoniobasinwd.org or 805-928-8349. Notifications of at least forty-eight (48) hours prior to the meeting will help enable reasonable arrangements to ensure accessibility to the meeting.

Copies of Meeting Documents can be found on our District Webpage <https://sanantoniobasinwd.org/> or requested by contacting Donna Glass, admin@sanantoniobasinwd.org or 805-928-8349.

SAN ANTONIO BASIN WATER DISTRICT

RESOLUTION 22-10

RESOLUTION RENEWING USE OF REMOTE TELECONFERENCE MEETINGS UNDER AB361

WHEREAS, meetings of the Board of Directors (“Board”) of San Antonio Basin Water District (“District”) and its committees 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;

WHEREAS, Government Code section 54953(e), as amended by Assembly Bill 361 (2021) (“AB361”), signed by the Governor on September 16, 2021, provides 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, on January 18, 2022, in Resolution 22-01, the District invoked AB361 to authorize teleconference meetings subject to the modified standard of Government Code section 54953(e); and

WHEREAS, pursuant to Government Code section 54953(e)(3), the District is required to reconsider the state of emergency every 30 days.

NOW, THEREFORE, BE IT RESOLVED that:

Section 1. Findings. The Board hereby finds as follows:

- (a) The Board has reconsidered the circumstances of the state of emergency.
- (b) As a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

Section 2. Procedures for Teleconference Meetings. The District and its committees shall hold teleconference meetings pursuant to the requirements of Government Code section 54953(e).

Section 3. Effective Date. This resolution shall take effect immediately upon its adoption.

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Section 4. Renewal. Pursuant to Government Code section 54953(e)(3), the District will reconsider the state of emergency every 30 days.

PASSED AND ADOPTED by the Board of Directors of San Antonio Basin Water District on August 16, 2022, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

ATTEST:

Craig Reade, Secretary of the Board of Directors

San Antonio Basin Water District

Board of Directors Regular Meeting

July 19, 2022, at 1:00 P.M.

Meeting Minutes

Subject to the Board's approval of Resolution 22-08, the District will hold its regular Board of Directors meeting by teleconference. There will be no meeting site open to the public.

Public participation is encouraged using the teleconference information referenced below.

You can join on your computer and/or call in.

Screen share at <https://us02web.zoom.us/j/5896878298>

If you are unable to join via computer, or do not have speakers or a microphone on your computer, you can dial in for audio. Call +1 - 408-638-0968 or +1 - 669-900-6833 and enter ID: 589 687 8298

1) Call to Order

The meeting was called to order at 1:00 p.m. by President Merrill.

2) Roll Call

The following directors were present, constituting a quorum for the transaction of business.

Directors Present:

Kevin Merrill
Randy Sharer
Craig Reade

Directors absent: Ken Hunter and Victor Schaff

Others in attendance: Donna Glass - District Manager, Ginalisa Tamayo – Jackson Family Wines and Leta Spencer - Westchester Group Investment Management, Inc.

3) Review and Adopt Resolution 22-08; Authorizing Renewal of Remote Teleconference Meetings Under AB361

Motion was made by Director Reade to Adopt Resolution 22-08 Authorizing Renewal of Remote Teleconference Meetings Under AB361 as presented. **Motion seconded** by Director Sharer.

A roll call vote was taken and the motion carried.

AYES: Director, Merrill, Sharer, and Reade

NOES: None; **ABSTAIN:** None; **ABSENT:** Director Hunter and Schaff

4) Public Comment: This portion of the meeting is set aside to provide the public an opportunity to bring to the attention of the Board members matters that are within the jurisdiction of the Board and that are not on today's agenda. No action will be taken on any matter discussed during this portion of the meeting. The total time allotted for this portion of the meeting may be limited to no more than 3 minutes per speaker.

There were no public comments.

5) **Minutes**

a. **June 2022 Board Meeting Minutes – Board Approval Needed**

Motion was made by Director Sharer to approve the June 2022 Minutes as presented.
Motion seconded by Director Reade.

A roll call vote was taken and the motion carried.

AYES: Director, Merrill, Sharer, and Reade

NOES: None; **ABSTAIN:** None; **ABSENT:** Director Hunter and Schaff

6) **Financial Report**

a. **Review and Approve June Financial Statements**

Donna Glass provided a report on the June statements included in the board packet. As of June 30, 2022, 100% of the year had elapsed. The SABWD collected \$744,720 or 93% of the Assessments. The expenses through June were \$745,124 or 91% of the budget.

Net Income YTD has been \$0 because 100% of the net income was designated to the Reserves. Checking balance is \$896,425 which includes \$405,771 designated toward Reserves. Year-end Total Reserves are \$896,425 which included adding the retained earnings of \$19,246 from 2020-21 to the Reserves.

Motion was made by Director Sharer to approve the June Financial Statements as presented. **Motion seconded** by Director Reade.

A roll call vote was taken and the motion carried.

AYES: Director, Merrill, Sharer, and Reade

NOES: None; **ABSTAIN:** None; **ABSENT:** Director Hunter and Schaff

b. **Assessments Status Report**

The Delinquencies for the 2021-22 assessment role were submitted to SB County on July 18th. They will be placed on the Property Tax Bill for 2022-23. There were 22 parcels for a total of \$55,773 which included the 5% late fee.

c. **Review June GSA Financial Statements**

The June Statement was included in the board packet for review only. As of June 30, 2022, 100% of the year has elapsed. The SABGSA bank accounts total \$25,861. The expenses YTD have been \$444,240 or 105% of the budget however they have received \$260,000 from the SABWD YTD or 77% of the Budget. Year-end net income was \$15,972.

As of June 30th, Grant A has a remaining balance of \$28,806,750. Grant B's remaining balance is \$23,199. Total remaining of grant funds is \$51,924.

d. **GSA Request for Funds**

The GSA requested \$27,000. Anticipated expenses are for:

1. Executive Director - \$5,000
2. Previous ED - \$1,040

3. GSI Quarterly Monitoring Contract - \$8,560.87
4. Insurance Renewal - \$1,734.00
5. Legal - \$10,746.50
6. Accountant - \$655
7. Meeting room rental \$200

Motion was made by Director Merrill to approve the SABGSA request for the accountant to transfer \$27,000 from the SABWD to the SABGSA within 10 days. **Motion seconded** by Director Sharer.

A roll call vote was taken and the motion carried.

AYES: Director, Merrill, Sharer, and Reade

NOES: None; **ABSTAIN:** None; **ABSENT:** Director Hunter and Schaff

7) **2022-23 Budget and Assessment**

a. **Review and Approve 2022-23 Budget**

After some review and discussion, a **Motion** was made by Director Reade to approve the 2022/2023 Budget as presented with the Assessment Fee for 2022/2023 set at \$60.00 for Irrigated Acres and \$0.50 for Non-Irrigated Acres. **Motion seconded** by Director Sharer.

A roll call vote was taken and the motion carried.

AYES: Director, Merrill, Sharer, and Reade

NOES: None; **ABSTAIN:** None; **ABSENT:** Director Hunter and Schaff

b. **Consider Resolution Authorizing Levy and Collection of 2022-23 Assessment**

Motion was made by Director Merrill to approve the Resolution Authorizing Levy and Collection of 2022-23 Assessment as presented with the Assessment Fee for 2022/2023 set at \$60.00 for Irrigated Acres and \$0.50 for Non-Irrigated Acres. **Motion seconded** by Director Reade.

A roll call vote was taken and the motion carried.

AYES: Director, Merrill, Sharer, and Reade

NOES: None; **ABSTAIN:** None; **ABSENT:** Director Hunter and Schaff

c. **Review and Approve Contract Amendment with Wallace Group to Prepare Tax Roll**

Motion was made by Director Merrill to approve the Contract Amendment with the Wallace Group to Prepare Tax Roll. **Motion seconded** by Director Sharer.

A roll call vote was taken and the motion carried.

AYES: Director, Merrill, Sharer, and Reade

NOES: None; **ABSTAIN:** None; **ABSENT:** Director Hunter and Schaff

8) **Informational Items**

a. **Management/Administration Report**

Donna Glass provided updates during the agenda items.

b. **Update on Election Process for 2 Director Positions**

Donna Glass provided an update on the Election process.

c. Director Training Report

One board member needs to take his harassment training.

d. Update on San Antonio Basin Groundwater Sustainability Agency

Director Sharer provided a brief update and some discussion took place.

i. Well Registration and Metering Program

No update or Ad Hoc Committee meeting currently scheduled.

ii. LACSD Rescission of Withdrawal from the SABGSA

The LACSD rescinded their withdrawal from the GSA.

iii. Executive Order N-7-22

1. Water Well Permitting/SABGSA Well Verification Framework

At tonight's meeting the Board will review, discuss, and may adopt Resolution No. 22-001 Approving a Well Verification Policy in compliance with Executive Order N-722 as well as the draft Well Verification Request form. The Board may take other action or provide specific direction related to this item.

9) New Business— requests for items to be placed on next agenda.

No new business was requested.

10) Next Meeting Date – August 16, 2022

The next meeting date will be August 16, 2022.

11) Adjournment

Meeting was adjourned by Director Merrill at 1:20 p.m.

San Antonio Basin Water District
Profit & Loss Budget vs. Actual 22/23
July 2022

8.33% of the year has elapsed	<u>Jul 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
Assessments	0.00	799,286.00	-799,286.00	0.0%
Misc Payments	0.00	56,821.00	-56,821.00	0.0%
Total Income	<u>0.00</u>	<u>856,107.00</u>	<u>-856,107.00</u>	<u>0.0%</u>
Expense				
01 · General Manager	3,900.00	58,500.00	-54,600.00	6.67%
03 · Audit & Financial Reporting	675.00	12,000.00	-11,325.00	5.63%
04 · Contract Admin(Assesmt Billing)	805.00	20,000.00	-19,195.00	4.03%
05 · Legal Services	1,223.40	20,000.00	-18,776.60	6.12%
06 · Meeting Room Lease	0.00	1,300.00	-1,300.00	0.0%
07 · Web Page Support	0.00	1,200.00	-1,200.00	0.0%
08 · Conferences/Training	0.00	5,400.00	-5,400.00	0.0%
09 · Travel	0.00	3,700.00	-3,700.00	0.0%
10 · Insurance E&O; Board	1,982.00	2,100.00	-118.00	94.38%
11 · Office Supplies	30.00	1,000.00	-970.00	3.0%
12 · Postage/Printing	13.00	1,000.00	-987.00	1.3%
13 · Board Elections	113.58	2,200.00	-2,086.42	5.16%
14 · CSDA Membership	0.00	1,100.00	-1,100.00	0.0%
15 · LAFCO District Fees	0.00	1,100.00	-1,100.00	0.0%
16 · Telephone/Computer/Internet	0.00	1,000.00	-1,000.00	0.0%
17 · Contingency 10%	0.00	13,160.00	-13,160.00	0.0%
18 · GSA Budget	27,000.00	762,300.00	-735,300.00	3.54%
19 · Designation to District Reserve	0.00	-50,953.00	50,953.00	0.0%
Total Expense	<u>35,741.98</u>	<u>856,107.00</u>	<u>-820,365.02</u>	<u>4.18%</u>
Net Ordinary Income	<u>-35,741.98</u>	<u>0.00</u>	<u>-35,741.98</u>	<u>100.0%</u>
Net Income	<u><u>-35,741.98</u></u>	<u><u>0.00</u></u>	<u><u>-35,741.98</u></u>	<u><u>100.0%</u></u>

San Antonio Basin Water District
Balance Sheet
As of July 31, 2022

Jul 31, 22

ASSETS

Current Assets

Checking/Savings

Community Bank - Checking 860,327.75

Total Checking/Savings 860,327.75

Other Current Assets

Accounts Receivable 355.58

Total Other Current Assets 355.58

Total Current Assets 860,683.33

TOTAL ASSETS 860,683.33

LIABILITIES & EQUITY

Equity

Board Designated Reserves 896,425.31

Net Income -35,741.98

Total Equity 860,683.33

TOTAL LIABILITIES & EQUITY 860,683.33

**San Antonio Basin Water District
Transaction List by Vendor
July 2022**

Type	Date	Num	Memo	Account	Amount
CARRIE TROUP					
Check	07/15/2022	5097	INV# 0722SABWD	Community Bank - Chec...	-675.00
Donna Glass					
Check	07/15/2022	5099	INV# 2206	Community Bank - Chec...	-3,900.00
Check	07/19/2022	5101	ELECTION NOTI...	Community Bank - Chec...	-113.58
Golden State Risk Management Authority					
Check	07/01/2022	5094	ACCT# SANANT...	Community Bank - Chec...	-1,982.00
SAN ANTONIO BASIN GSA					
Check	07/21/2022	EFT		Community Bank - Chec...	-27,000.00
The Law Offices of Young Wooldridge					
Check	07/15/2022	5098	CLIENT ID 2108...	Community Bank - Chec...	-1,236.40
Wallace Group					
Check	07/15/2022	5100	1591-0002-00	Community Bank - Chec...	-805.00

Donna Glass Administrative Services
 Santa Maria, CA 93454

Invoice

DATE	INVOICE #
7/5/2022	2206

BILL TO
San Antonio Basin Water Disrict 1005 S Broadway Santa Maria, CA 93454

DESCRIPTION	AMOUNT
<p>Basic Monthly Administrative Services - June 1 through June 30, 2022 Coordinate/attend board meetings, prepare agendas/board packets, review monthly financials/accounts receivable, prepare meeting minutes/follow-up, general admin duties, coordinate with accountant/legal counsel/assessment engineer, compile/ maintain records, update website and provide property owners with information regarding their groundwater interests. Attend SABGSA board/advisory committee meetings, if held. Prepare draft 2022-23 budget, review/finalize audit w/auditor, work with legal on board election and prepare delinquency 2021-22 list.</p>	3,900.00

Due On Receipt
 Please remit to above address.
 Thank you!!

Total	3,900.00
Balance Due	3,900.00



INVOICE

Account No.: SANANTO1
 Policy Period: 07/01/2022 to 07/01/2023
 Annual Pay Plan

Prepared For: San Antonio Basin Water District
 Attn: Accounts Payable
 1005 S. Broadway
 Santa Maria, CA 93454

Customer Service	
For information on your Account visit	www.gsrma.org
Mail Payments and all other inquiries to	GSRMA PO Box 706 Willows, CA 95988
Phone	530-934-5633
FAX	530-934-8133

Billing Cycle and Payment Information				
Statement Date	Payment Terms	Delinquent After	To Pay in Full	Amount Due This Invoice
07/01/2022	Due and Payable Upon Receipt.	07/16/2022	\$1,982.00	\$1,982.00

Billing Information			
07/01/2022	GL Dividend		-25.00
07/01/2022	General Liability Contribution		1,991.00
07/01/2022	Crime/Bond Contribution		16.00
Balance			1,982.00

GSRMA accepts ACH payments - contact financedept@gsrma.org for details



 Please cut on dashed line to detach and return with payment.

Important Information

**Please make all checks payable to: Golden State Risk Management Authority
 To ensure proper credit, be sure to write your account number on your check.**

Prepared For: San Antonio Basin Water District

Mail this payment coupon along with a check or money order payable to:

Golden State Risk Management Authority
 PO Box 706
 Willows, CA 95988

Payment Information	
Account Number:	SANANTO1
Invoice Number:	GS2207100652
Payment Due Date:	07/01/2022
Minimum Due:	\$1,982.00
To Pay in Full:	\$1,982.00
Amount Paid:	\$ _____





THE LAW OFFICES OF

A LIMITED LIABILITY PARTNERSHIP · EST. 1939
 1800 30TH STREET, FOURTH FLOOR
 BAKERSFIELD . CA. 93301

HTTP://WWW.YOUNGWOOLDRIDGE.COM
 EMAIL: ACCOUNTING@YOUNGWOOLDRIDGE.COM
 PHONE: (661) 327-9661
 FACSIMILE: (661) 327-1087

PRIVILEGED AND CONFIDENTIAL ATTORNEY-CLIENT COMMUNICATIONS

CONFIDENTIAL

SAN ANTONIO BASIN WATER DISTRICT
 1005 S. BROADWAY
 SANTA MARIA, CA 93454

June 30, 2022

Client ID 21089 AFD

Statement for period through June 30, 2022

Summary by Matter

Matter	Description	Prior Balance	Payments & Adjustments	Current Charges	Total Due
1	ACCOUNTING AND AUDIT	\$0.00	\$0.00	\$51.00	\$51.00
4	BOARD MEETINGS AND MATTERS (INCL. BROWN ACT)	\$472.00	-\$472.00	\$147.50	\$147.50
22	ELECTION MATTERS	\$0.00	\$0.00	\$1,024.90	\$1,024.90
100	COSTS	\$4.00	-\$4.00	\$13.00	\$13.00
PRIOR STATEMENT BALANCE					\$476.00
TOTAL PAYMENTS AND ADJUSTMENTS					-\$476.00
CURRENT CHARGES					\$1,236.40
PAY THIS AMOUNT					\$1,236.40

Any Payments Received After 06/30/22 Will Appear on Your Next Statement

Visa, MasterCard and Discover accepted

A FINANCE CHARGE OF 1.5% WILL BE ADDED TO YOUR BALANCE 30 DAYS AFTER STATEMENT DATE



WALLACE GROUP

Wallace Group
A California Corporation
612 Clarion Court
San Luis Obispo, CA 93401
Phone: 805-544-4011 Fax: 805-544-4294

San Antonio Basin Water District
 1005 South Broadway
 Santa Maria, CA 93454

June 27, 2022
 Project No: 1591-0002-00
 Invoice No: 56599
Invoice Total \$805.00

Project 1591-0002-00 San Antonio Basin Water District, Tax Roll Preparation

Professional services rendered through May 31, 2022

Phase 00100 Tax Roll Preparation

Labor

	Hours	Rate	Amount	
Principal	2.00	238.00	476.00	
Senior Project Analyst I	1.00	147.00	147.00	
Senior Mechanical Engineer II	1.00	182.00	182.00	
Totals	4.00		805.00	
Total Labor				805.00
				Total this Phase \$805.00

Budget	Current	Prior	To-Date	
Labor	805.00	40,625.75	41,430.75	
Limit			48,000.00	
Remaining			6,569.25	
				Total this Invoice \$805.00

Outstanding Invoices

Number	Date	Balance
54750	11/12/2021	29.75
56293	5/28/2022	402.50
Total		432.25

Billing Backup

Monday, June 27, 2022

Wallace Group

Invoice 56599 Dated 6/27/2022

1:26:40 PM

Project	1591-0002-00	San Antonio Basin Water District, Tax Roll Preparation
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Phase	00100	Tax Roll Preparation
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Labor

			Hours	Rate	Amount	
Principal						
Wagner, Kari	5/11/2022		1.50	238.00	357.00	
Change Request Memo Prep						
Wagner, Kari	5/18/2022		.25	238.00	59.50	
Project Coordination						
Wagner, Kari	5/23/2022		.25	238.00	59.50	
Project management						
Senior Project Analyst I						
Richardson, Lonnie	5/16/2022		1.00	147.00	147.00	
2021 EAR						
Senior Mechanical Engineer II						
Lindahl, Nels	5/18/2022		1.00	182.00	182.00	
Acreage Changes and Balance w/ Tax Roll;						
Totals			4.00		805.00	
Total Labor						805.00
				Total this Phase		\$805.00
				Total this Project		\$805.00
				Total this Report		\$805.00

help@column.us

Receipt number
Invoice number E9CBE4AF-0001
Date paid Jul 19, 2022
Payment method VISA - 2067
Notice Id sIXpOljCeWjbApmdBS6g
Publisher Santa Maria Times

Paid by
San Antonio Basin Water District

\$113.58 paid on Jul 19, 2022

=== Notes ===

Notice Name: Notice of Election
Order Number: 90275

Description	Qty	Unit price	Amount
07/16/2022: Other Notice	1	103.25	103.25
Subtotal			\$103.25
Tax (0%)			0.00
Processing Fee			10.33
Amount paid			\$113.58

**SAN ANTONIO BASIN WATER
DISTRICT**

NOTICE OF ELECTION

NOTICE IS HEREBY GIVEN that a general election is scheduled to be held in San Antonio Basin Water District on November 8, 2022 for the office of Director. There are two (2) four-year terms to be filled. To be qualified, a candidate must be over the age of 18 years and either a holder of title to land within the District or the legal representative of a holder of title to land within the District.

Official declaration of candidacy forms for eligible candidates desiring to file for the offices may be obtained from the office of the District's Manager, 82 North St. Joseph Street, Los Alamos, CA 93440. The forms are available commencing July 18, 2022 and must be filed in the District office no later than August 12, 2022, at 5:00 p.m. This election shall be at large, rather than by divisions.

Appointment to each elective office will be made as prescribed by Section 10515 of the Elections Code in the event there are no nominees or an insufficient number of nominees for such office and a petition for an election is not filed within the time period prescribed by Section 10515 of the Elections Code.

As authorized by Elections Code §4002, the election will be conducted as an all-mailed election.

Anyone desiring further information regarding filing for these elective district offices should contact Donna Glass, San Antonio Basin Water District, at (805) 928-8349.

Dated: July 11, 2022

SAN ANTONIO BASIN
WATER DISTRICT

/s/ Craig Reade, Secretary of the
Board
Pub date: Jul 16, 2022



July 5, 2022

San Antonio Basin Water District
1005 S. Broadway
Santa Maria, CA 93454

We are pleased to confirm our understanding of the services we are to provide San Antonio Basin Water District for the fiscal year ended June 30, 2022.

Audit Scope and Objectives

We will audit the financial statements of the governmental activities, the major fund, the aggregate remaining fund information, and the disclosures, which collectively comprise the basic financial statements of San Antonio Basin Water District as of and for the fiscal year ended June 30, 2022. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement San Antonio Basin Water District's 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. As part of our engagement, we will apply certain limited procedures to San Antonio Basin Water District's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding 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 will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of San Antonio Basin Water District and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

2400 Professional Parkway, Suite 205 Santa Maria, CA 93455 Tel 805.925.2579 Fax 805.925.2147 mlhcpas.com

BEVERLY HILLS · CULVER CITY · SANTA MARIA

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. 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, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of San Antonio Basin Water District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of San Antonio Basin Water District in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and

such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the

prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to San Antonio Basin Water District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Moss, Levy & Hartzheim LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Moss, Levy & Hartzheim LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Alexander C. Hom is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately August 1, 2022, and to issue our reports no later than December 31, 2022.

Our fee for services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$2,685. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

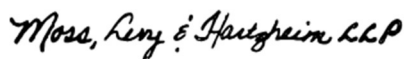
Reporting

We will issue a written report upon completion of our audit of San Antonio Basin Water District's financial statements. Our report will be addressed to management of San Antonio Basin Water District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that San Antonio Basin Water District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to San Antonio Basin Water District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,



Moss, Levy & Hartzheim LLP

RESPONSE:

This letter correctly sets forth the understanding of San Antonio Basin Water District.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____

San Antonio Basin GSA
Profit & Loss Budget vs. Actual
July 2022

8% of the year has elapsed	<u>Jul 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
01 DWR Grant #1 Payments	0.00	29,000.00	-29,000.00	0.0%
01 DWR Grant #2 Payments	40,852.88	63,000.00	-22,147.12	64.85%
4-Interest Income	1.06			
Total Income	<u>40,853.94</u>	<u>92,000.00</u>	<u>-51,146.06</u>	<u>44.41%</u>
Expense				
Administration and Operation				
01Administrative Exp/Office Ex	6,150.98	91,000.00	-84,849.02	6.76%
02-Accountant	665.00	10,000.00	-9,335.00	6.65%
03-Comm Eng Grant Wrtnng NonGSP	0.00	35,000.00	-35,000.00	0.0%
04-Monitoring	1,755.00	63,145.00	-61,390.00	2.78%
05-Legal Counsel	14,402.23	80,000.00	-65,597.77	18.0%
06-Insurance	0.00	2,500.00	-2,500.00	0.0%
07-Audit Fees	0.00	3,500.00	-3,500.00	0.0%
09-GSP Related Costs-Annual Rep	0.00	75,000.00	-75,000.00	0.0%
10-GSP Implementation / PMAs	14,260.00	226,500.00	-212,240.00	6.3%
11- Executive Order	0.00	25,000.00	-25,000.00	0.0%
Total Administration and Operation	<u>37,233.21</u>	<u>611,645.00</u>	<u>-574,411.79</u>	<u>6.09%</u>
Total Expense	<u>37,233.21</u>	<u>611,645.00</u>	<u>-574,411.79</u>	<u>6.09%</u>
Net Ordinary Income	<u>3,620.73</u>	<u>-519,645.00</u>	<u>523,265.73</u>	<u>-0.7%</u>
Other Income/Expense				
Other Income				
11 Operating Transfers	27,000.00	762,300.00	-735,300.00	3.54%
Total Other Income	<u>27,000.00</u>	<u>762,300.00</u>	<u>-735,300.00</u>	<u>3.54%</u>
Other Expense				
Contingency (10%)	0.00	242,655.00	-242,655.00	0.0%
Total Other Expense	<u>0.00</u>	<u>242,655.00</u>	<u>-242,655.00</u>	<u>0.0%</u>
Net Other Income	<u>27,000.00</u>	<u>519,645.00</u>	<u>-492,645.00</u>	<u>5.2%</u>
Net Income	<u><u>30,620.73</u></u>	<u><u>0.00</u></u>	<u><u>30,620.73</u></u>	<u><u>100.0%</u></u>

San Antonio Basin GSA

Balance Sheet

As of July 31, 2022

Jul 31, 22

ASSETS

Current Assets

Checking/Savings

Community Bank of Santa Maria 31,463.16

Community Bank of SM MMKT -2449 25,018.08

Total Checking/Savings 56,481.24

Other Current Assets

Prepaid Insurance 1,783.00

Total Other Current Assets 1,783.00

Total Current Assets 58,264.24

TOTAL ASSETS **58,264.24**

LIABILITIES & EQUITY

Equity

Retained Earnings 27,643.51

Net Income 30,620.73

Total Equity 58,264.24

TOTAL LIABILITIES & EQUITY **58,264.24**

**San Antonio Basin GSA
Expenses by Vendor Detail**

July 2022

	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Account</u>	<u>Split</u>	<u>Amount</u>
BERTOUX & COMPANY						
	Check	07/31/2022	2322	01Administrative Exp/Office Ex	Community Bank of Santa Maria	<u>5,000.00</u>
Total BERTOUX & COMPANY						5,000.00
Brownstein Hyatt Farber Schreck						
	Check	07/31/2022	2323	05-Legal Counsel	Community Bank of Santa Maria	<u>14,402.23</u>
Total Brownstein Hyatt Farber Schreck						14,402.23
Cachuma Resource Conservation District						
	Check	07/31/2022	2324	01Administrative Exp/Office Ex	Community Bank of Santa Maria	40.98
	Check	07/31/2022	2325	01Administrative Exp/Office Ex	Community Bank of Santa Maria	<u>910.00</u>
Total Cachuma Resource Conservation District						950.98
Carrie Troup, C.P.A.						
	Check	07/31/2022	2328	02-Accountant	Community Bank of Santa Maria	<u>665.00</u>
Total Carrie Troup, C.P.A.						665.00
GSI WATER SOLUTIONS, INC.						
	Check	07/31/2022	2326	09-GSP Related Costs-Annual Rep	Community Bank of Santa Maria	14,260.00
	Check	07/31/2022	2327	04-Monitoring	Community Bank of Santa Maria	<u>1,755.00</u>
Total GSI WATER SOLUTIONS, INC.						16,015.00
Los Alamos CSD						
	Check	07/31/2022	2329	01Administrative Exp/Office Ex	Community Bank of Santa Maria	<u>200.00</u>
Total Los Alamos CSD						200.00
TOTAL						<u><u>37,233.21</u></u>

**SAN ANTONIO BASIN GROUNDWATER SUSTAINABILITY AGENCY
ACCOUNTS RECEIVABLE**

Name	Total per agreement	Amount Invoiced	Amount Paid	Invoices Due	Retention Due
DWR Agreement A	300,000.00				
DWR 4600012675 Inv #1		16,690.68	16,690.68	-	1,854.52
DWR 4600012675 Inv #2		8,118.26	8,118.26	-	902.03
DWR 4600012675 Inv #3		3,312.97	3,312.97	-	368.11
DWR 4600012675 Inv #4		2,750.75	2,750.75	-	305.64
DWR 4600012675 Inv #5		1,968.90	1,968.90	-	218.77
DWR 4600012675 Inv #6		5,129.04	5,129.04	-	569.89
DWR 4600012675 Inv #7		34,047.11	34,047.11	-	3,783.01
DWR 4600012675 Inv #8A		30,533.31	30,533.31	-	3,392.59
DWR 4600012675 Inv #9A		28,065.35	28,065.35	-	3,118.37
DWR 4600012675 Inv #10A		34,725.16	34,725.16	-	3,858.35
DWR 4600012675 Inv #11A		35,988.84	35,988.84	-	3,998.76
DWR 4600012675 Inv #12A		46,747.57	46,747.58	(0.01)	5,194.16
DWR 4600012675 Inv #13A		10,321.78	10,321.78	-	1,146.86
DWR 4600012675 Inv #14A		850.50	850.50	-	94.50
Total Grant A	300,000.00				
		259,250.22	259,250.23	(0.01)	28,805.57
DWR Agreement B	249,400.00				
DWR 4600012675 Inv #8B		8,032.57	8,032.57	-	892.51
DWR 4600012675 Inv #9B		28,772.16	28,772.16	-	3,196.91
DWR 4600012675 Inv #10B		24,128.96	24,128.96	-	2,681.00
DWR 4600012675 Inv #11B		27,580.90	27,580.90	-	3,064.54
DWR 4600012675 Inv #12B		41,750.42	41,750.42	-	4,638.94
DWR 4600012675 Inv #13B		36,955.38	36,955.38	-	4,106.15
DWR 4600012675 Inv #14B		40,852.88	40,852.88	-	4,539.21
Total Grant B	249,400.00				
		208,073.27	208,073.27	-	23,119.25
				Invoices Due	Retention Due
				(0.01)	51,924.82
Total Due (Grants A and B)					51,924.81