

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)
EXECUTIVE OFFICER'S REPORT

AGENDA ITEM No. 10

DATE: July 9, 2025

TO: Fresno Local Agency Formation Commission

FROM: Brian Spaunhurst, Executive Officer 

BY: Jessica Gibson, Analyst

SUBJECT: **Consider Adoption** – Municipal Service Review and Sphere of Influence Update Prepared for Raisin City Water District (LAFCo File No. MSR-24-01/RSOI-211)

Attachment A – Proposed Raisin City Water District Sphere of Influence Update Map
Attachment B – Draft Raisin City Water District Municipal Service Review
Attachment C – McMullin Area Groundwater Sustainability Agency Map
Attachment D – Indemnification Agreement
Attachment E – James Irrigation District Comments
Attachment F – Reclamation District No. 1606 Comments
Attachment G – Fresno Irrigation District Comments
Attachment H – Fresno County Comments
Attachment I – Kings River Conservation District Comments
Attachment J – Kings River Water Association Comments
Attachment K – Jerry Rai Comments

Recommendation:

Conditional Approval of the Municipal Service Review and Sphere of Influence Update prepared for Raisin City Water District.

Action 1: Municipal Service Review (“MSR”)

- A. Acting as Lead Agency pursuant to California Environmental Quality Act (“CEQA”) Guidelines find that the MSR prepared for Raisin City Water District (“RCWD” or the “District”) is Categorically Exempt from the provisions of CEQA under section 15306, “Information Collection.”

Action 2: Raisin City Water District Sphere of Influence (“SOI”) Update

- A. Find that LAFCo, as a Responsible Agency pursuant to CEQA considered the Notice of Exemption prepared by RCWD, Lead Agency, for its review and update of the RCWD SOI.
- B. Find that LAFCo, as a Responsible Agency, has determined that the RCWD SOI update does not have the potential to result in a significant effect on the environment,

and that the SOI update is not subject to CEQA pursuant to CEQA Guidelines section 15061(b)(3).

Action 3: Written Determinations and Recommendations

- A. Receive this report and any public testimony regarding the proposed MSR and proposed SOI update.
- B. Find that approval of the requested RCWD SOI update is based on sufficient information provided to the Commission in the MSR and SOI determinations, all other testimony, evidence and information provided by persons and interested agencies, and is in compliance with the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH").
- C. Approve the MSR, subject to any changes the Commission deems appropriate.
- D. Adopt the written determinations for the RCWD SOI update as recommended in the MSR pursuant to Government Code section 56425(e).
- E. Approve and adopt the proposed revision to RCWD's SOI to include an additional 27,137 acres. (**Attachment A**)
- F. Approve the Indemnification Agreement in the form attached (**Attachment D**) and authorize the Executive Officer to execute said agreement, subject to any minor revisions or corrections as approved by the Commission's legal counsel.

Action 4: Conditions of Approval

- A. RCWD's execution of an Indemnification Agreement in the form attached as (**Attachment D**) or substantially similar.
- B. Prepare an MSR Update or Addendum with the inclusion of a Master Service Plan before additional powers are activated per RCWD's principal act authority.
 - a) Upon pursuit of additional activation of powers enumerated in the RCWD's principal act, the District will conduct CEQA analysis according to State guidelines and amend the MSR to provide a service plan for providing water services, which may include administration of a Proposition 218 election or other fee, charge, or ratemaking procedures consistent with the California Constitution to fund water projects.

Executive Summary

The proposal is a request by RCWD, via District Resolution, to reduce the Mid-Valley Water District ("MVWD") SOI by 28,874 acres and increase the RCWD SOI by 27,137 acres.¹ The proposed territory is generally located approximately nine miles southwest of the City of Fresno, 12 miles southeast of Kerman, and five miles northwest of Caruthers. The RCWD SOI boundary

¹ Any local agency may file a written request to amend a SOI pursuant to Government Code section 56428, subdivision (a).

expansion differs from the MVWD SOI reduction in three areas: the first area will be removed from the MVWD SOI and not included in the RCWD SOI, bounded by the San Joaquin River to the north, Lake Avenue to the east, Ashlan Avenue to the south, and Yuba Avenue to the west; the second area is not in the MVWD SOI but will be included in the RCWD SOI, bounded by Ashlan Avenue to the north, Butte Avenue to the east, Belmont Avenue to the south, and Yuba Avenue to the west; the third area will be removed from the RCWD SOI altogether, bounded by the north/east bank of the James Bypass, McMullin Grade to the east, south/west bank of the James Bypass, and Lake Avenue to the west. Presently, RCWD provides the following authorized services – levy and collect assessments and standby charges, perform agreements, enter contracts, and plan for the distribution of water for irrigation purposes.

Principal Act – California Water District Law

California Water Code (“WAT”) sections 34000 thru 38501 for California Water Districts enables the formation of water districts to “acquire, plan, construct, maintain, improve, operate, and keep in repair the necessary works for the production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes, and any drainage or reclamation works connected therewith or incidental thereto.” (WAT section 35401)

Sustainable Groundwater Management Act

California’s Sustainable Groundwater Management Act (“SGMA”) was signed into law on September 16, 2014. This three-part legislation requires local agencies to develop groundwater sustainability plans that are compatible with their regional economic and environmental needs. SGMA creates a framework for sustainable local groundwater management.

SGMA required local agencies to form Groundwater Sustainability Agencies (“GSAs”) in local groundwater basins by June 2017, and required the adoption of Groundwater Sustainability Plans (“GSPs”) for groundwater basins deemed critically overdrafted by year 2020. SGMA legislation created the requirements for governments and water agencies of high- and medium-priority basins to halt overdraft and bring groundwater basins into balanced levels of pumping and recharge. Under SGMA, these basins should reach sustainability within 20 years of implementing their sustainability plans. RCWD is a participant in the McMullin Area GSP and is a member agency of the McMullin Area GSA (“MAGSA”). **(Attachment C)**

Background

On October 14, 2015, Fresno LAFCo adopted an MSR for RCWD. The 2015 MSR made the following critical determinations about the District:

- RCWD does not provide direct water services.
- MVWD entered into a Memorandum of Understanding (“MOU”) for coordinating the implementation of the SGMA in the Lower Kings Groundwater Basin.
- RCWD expressed interest in annexing land to the District due to the potential groundwater overdraft issues occurring in properties west of the District service area.
- Since the District’s formation in 1962, Fresno LAFCo records indicate that RCWD owns no public facilities or physical infrastructure. No direct water services to landowners are currently provided by the District.
- RCWD has no existing surface water entitlements so farmers within the District service area irrigate land by pumping groundwater.

- RCWD is primarily financed by annual property assessments charged to all landowners within the District.
- Annual land assessments are collected by RCWD and are utilized to provide some direct services. Other services are provided through cooperative agreements with other local agencies. RCWD uses land assessment to maintain the operation of the District, help fund the development of future RCWD recharge projects, conduct groundwater studies, represent and advocate for landowners within the District.
- RCWD does not presently charge fees for any of its provided services; however, it historically has relied on the collection of land assessments and state grant opportunities to fund its ongoing operation.
- Fresno LAFCo notes that the current land assessments collected by RCWD appear to be inadequate to finance the planned construction and operation of canals necessary to convey water delivery services as presented by the 2012 feasibility study.
- Fresno LAFCo observes that RCWD primarily provides intangible services; these are services that are not physically measurable. RCWD provides landowner representation among other local agencies involved with the organization and implementation of SGMA in the Lower Kings Groundwater Basin.

The 2015 MSR made the following determinations in relation to the District's SOI:

- RCWD has been taking an active role in the implementation of California's Sustainable Groundwater Management Act and intends to participate in the planning efforts of the GSA on behalf of its landowners in the District. The District intends to advocate and protect its landowners' interests as the Groundwater Sustainable Plan is prepared by the GSA.
- RCWD states that it is in place to advocate and represent its landowners as this new SGMA legislation is implemented.
- Since the District's formation in 1962, Fresno LAFCo records indicate that RCWD owns no public facilities or physical infrastructure. No direct water services to landowners are currently being provided by the District.
- RCWD has no existing surface water entitlements so farmers within the District service area irrigate land by pumping groundwater. Fresno LAFCo observes that the District currently provides intangible services; these are services that are not physically measurable.
- RCWD states that it may need to impose fees, increase assessments, or receive some other source of revenue at such time as it expands its services. District informed LAFCo that it does not have any outstanding debt.
- RCWD informed Fresno LAFCo that it is evaluating potential annexation opportunities for lands currently outside its service area. Land available for annexation is generally north and west of the existing service area. This area is within the Lower Kings Basin, but at this time is not technically represented by a local agency to protect its interests as it relates to farming operation and irrigation water. It is Fresno LAFCo's observation that areas located outside of any local agency's service area would be represented by the County as SGMA is implemented.
- RCWD intends to annex land into its service area so that landowners could be represented by the District once the implementation of SGMA begins to occur circa June 2017. The District did not provide an annexation timeline; however, Fresno LAFCo encourages the District develop an annexation program. Such a program would assist the District develop policy that will ultimately guide the District's annexation program.

On October 14, 2015, LAFCo recommends the dissolution of the District due to its failure to provide services to its constituents. LAFCo granted the District a one-year period to address identified deficiencies and to establish a renewed purpose for serving its constituency. Since then, the District has made substantial progress toward fulfilling these requirements.

In October 2016, as a one-year follow-up to prior MSR findings, RCWD submitted the 2016 Strategic Plan, prepared by Provost & Pritchard Consulting Group. The 2016 Strategic Plan was developed to assess and address the District's operational needs, opportunities, management practices, and overall functionality. The document also references a 1975 report in which LAFCo recommended the dissolution of the District should the Mid-Valley Canal project fail to materialize and no alternative source of irrigation water become available.

On May 13, 2024, RCWD formally submitted to Fresno LAFCo an application for an SOI expansion and annexation, including the initial draft of the MSR prepared by Provost & Pritchard, and all associated fees.

On July 24, 2024, Fresno LAFCo completed its review of the draft MSR and issued comments to RCWD, requesting additional information regarding the MVWD portion of the draft MSR.

On July 30, 2024, Fresno LAFCo convened an in-person meeting with representatives from RCWD and James Irrigation District ("JID") to discuss concerns related to the RCWD's proposal for SOI expansion and annexation, including the existing JID well field and easements. RCWD and JID agreed to pursue an MOU to formalize their cooperation. After several months of discussions and negotiations, the two districts were unable to reach a mutually acceptable agreement.

On December 23, 2024, RCWD submitted revisions to the RCWD and MVWD draft MSRs to incorporate references to JID well fields and to update the language within the MSRs.

On February 11, 2025, Fresno LAFCo routed RCWD's application and sent out request for comments for affected agencies via mail and email.

On February 26, 2025, the Fresno County Assessor's Office returned the boundary report, identifying a few necessary corrections to the map and legal description. RCWD incorporated the required revisions and submitted the corrected documents to LAFCo within the week. RCWD also amended its resolution to reflect the updated map and legal description acreage.

On February 26, 2025, the comment period was extended by ten business days at the request of Fresno County, with the new deadline set for March 11, 2025.

On March 7, 2025, Fresno LAFCo issued a Certificate of Filing pursuant to Section 56658(f) of the Government Code for the proposed RCWD Reorganization and RCWD SOI Revision-Municipal Service Review / MVWD SOI Revision-Municipal Service Review. It states LAFCo may consider the subject proposal at a public hearing on April 9, 2025, but not later than ninety days after issuance of the Certificate of Filing, except as such hearing may be continued from time to time pursuant to GC Section 56666(a). Any continuance shall be to a date certain and noticed in accordance with applicable law.

On March 13, 2025, Fresno LAFCo met with representatives of RCWD to review comments received on the draft MSR from JID, Reclamation District No. 1606 ("RD No. 1606"), Fresno Irrigation District ("FID"), and Fresno County. The RCWD representatives agreed to revise

portions of the draft MSR in response to the feedback and to reschedule the hearing from April 9, 2025 to May 14, 2025, to allow sufficient time for the proposed edits.

On April 23, 2025, Fresno LAFCo received the revised draft MSR from RCWD, with all requested edits completed. In accordance with CKH, the draft MSR was posted 21 days prior to the scheduled public hearing. Notices of the hearing were mailed to all registered voters and landowners within the affected territory, as well as to those within a 300-foot buffer surrounding the area in compliance with CKH.

On May 14, 2025, the Commission considered all relevant factors and evidence and heard all interested parties wishing to speak on the proposal. The Commission voted to continue the public hearing to consider approval of the MSR and SOI Update for RCWD and MVWD, along with the subsequent RCWD annexation, to the July 9, 2025 hearing to allow additional time for further analysis of late-received comments prior to full consideration by the Commission.

MSR Summary – Raisin City Water District

Raisin City Water District is located in central Fresno County, three miles southwest of the City of Fresno, three miles south of Kerman, and just northwest of the community of Caruthers. The community of Raisin City is located within the District. The District encompasses approximately 51,719 acres (80.8 square miles). The District's SOI encompasses approximately 80,125 acres (125.2 square miles). Land uses within RCWD are primarily agricultural.

Since its inception, RCWD has not been able to secure a source of surface water entitlement. Farmers within the District obtain water for irrigation purposes by pumping groundwater. The District's primary purpose is to improve groundwater conditions throughout the Raisin City area.

RCWD is a participating member of the MAGSA pursuant to SGMA, which was signed into law on September 16, 2014.

The District is an independent special district which has a five-member board of directors not governed by another legislative body (either a city council or a county board of supervisors). Candidates eligible to serve as the board of directors must be a holder of title to land within the District boundaries or the legal representative of the holder of title to land within the District boundaries. District board members are subject to election of four-year staggered terms; in the event no candidates file election papers, members are appointed in lieu of an election by the Fresno County Board of Supervisors based on recommendation provided from the District's board of directors.

The District currently provides its landowners with representation, advocacy and information services regarding statewide water policy, water rights, new state legislation, and other issues affecting local agricultural irrigation.

The District does not own any public facilities or infrastructure, nor does it have any surface water rights. There is no surface water available for irrigation purposes within the District. District landowners are solely reliant on groundwater for their farming operations. Although the District does not provide any tangible services to its landowners, the District has plans for the construction of groundwater storage basins and related infrastructure and pipelines to eventually convey water within the District.

The District is primarily financed by annual property assessments charged to all landowners within the District. The District collects an annual land assessment of \$0.75 per acre with a minimum assessment of \$2 per parcel. According to the District, annual land assessments are collected by the District and are used to provide indirect services through cooperative agreements with other local agencies and to administer District operations, fund the development of future District recharge projects, conduct groundwater studies, and advocate and represent landowners within the District. The District does not presently charge fees for any of these services outside of its assessments.

The District's adopted budget for fiscal year ("FY") 2023-24 shows a total of \$68,060 with an estimated expenditure of \$243,300. In the most recent FY 2022-23 audit, the District's net position decreased from FY 2021-22 to FY 2022-23. This was due to the increase in engineering expenses related to the McMullin On-Farm Recharge Project and other planning and engineering expenses.

MSR Summary of Comments and Responses

FIRST PUBLIC REVIEW PERIOD

James Irrigation District

- Comment:
 - Concerned reorganization could interfere with operations of the JID well field facilities and the JID/FID jointly owned and operated Southwest Banking Facility.
 - Concerned future RCWD projects could impact JID.
- Response:
 - Addressed interference with well field operations by including language recognizing JID well field easements. RCWD further stated it would not interfere with operations (II-17) and documented JID facilities/easements on Figures II-1, II-3, III-1, and III-3.
 - Stated future projects, if any, would be evaluated under CEQA. **(Attachment E)**

Reclamation District No. 1606

- Comment:
 - Shared concerns with JID.
 - Concern related to proposed SOI and reorganization boundaries.
- Response:
 - Revised the proposed SOI to eliminate overlap with RD 1606 facilities and the James Bypass.
 - Stated future projects, if any, would be evaluated under CEQA.
 - Understood projects requiring use of RD 1606 facilities will need an agreement. **(Attachment F)**

Fresno Irrigation District

- Comment:
 - Concerned reorganization could interfere with FID facilities, and jointly owned and operated (JID/FID) Southwest Banking Facility.
- Response:
 - Addressed interference with FID operations and JID/FID Southwest Banking Facility by including language recognizing FID facilities and easements. RCWD further stated it would not interfere with operations (II-17), and documented facilities/easements on Figures II-1, II-3, III-1, and III-3. **(Attachment G)**

County of Fresno

- Comment:
 - Supports the proposed reorganization.
 - Concern related to SOI overlap with RD 1606.
- Response:
 - Revised the proposed SOI to eliminate overlap with RD 1606 and the James Bypass. **(Attachment H)**

SECOND PUBLIC REVIEW PERIOD

Kings River Conservation District

- Comment:
 - Concerned reorganization could interfere with KRCD facilities and easements.
- Response:
 - Addressed interference with KRCD operations by including language recognizing KRCD facilities and easements. RCWD further stated it would not interfere with operations (II-17), and documented facilities/easements on Figures II-1, II-3, III-1, and III-3, also including the McMullin On-Farm Project on Figures II-2 and III-2. **(Attachment I)**

Kings River Water Association

- Comment:
 - Concern related to the potential diversion of water from the Kings River for the McMullin On-Farm Project and future projects.
- Response:
 - Addressed concerns to add clarifying language in the MSR (II-12) to state Kings River water would only be diverted lawfully and with all required approvals in coordination with KRWA. **(Attachment J)**

Jerry Rai

- Comment:
 - Requested postponement of annexation vote for reasons pertaining to unfair representation and voice dilution, increased liability with respect to the JID well field, no access to surface water supply, and oil field contamination risks.
- Response:
 - No response as of yet, provided that comments were submitted to LAFCo via email at 5:09 p.m. on Tuesday, July 1, 2025, published on the LAFCo website on July 2, 2025, and emailed the linked comments to a RCWD representative on July 2, 2025.

Legislative Summary of Required Determinations

CKH requires LAFCo to review and update, as necessary, special districts' SOIs before January 1, 2008, and every five years thereafter. Prior to, or in conjunction with an agency's SOI update, LAFCo is required to conduct an MSR for each local agency.

MSRs provide a comprehensive review of the services provided by a city or special district and present recommendations with regard to the condition and adequacy of these services and whether or not any modifications to a city or special district's SOI is necessary. The MSR can be used as informational tools by LAFCo and local agencies in evaluating the efficiencies of current district operations and may suggest changes in order to effectively serve the public.

SOI updates may recommend affirmation, consolidation, or dissolution of the existing SOI boundary or recommend modifications to the SOI boundary. LAFCo is not required to initiate changes to an SOI based on its determinations and recommendations of the service review, although it does have the power to do so if such changes are consistent with recommendations or a conclusion of a study prepared pursuant to section 56378, 56425, or 56430 and the commission makes the necessary determinations as specified in subdivision (b) of section 56881. Such updates are required by State law to be conducted every five years, as necessary. MSRs are required to be prepared prior to, or in conjunction with SOI updates.

State law requires that the Commission in its consideration of the MSRs adopt written determinations for each of the following nine criteria:

1. Growth and population projections for the affected area.
2. The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.
3. Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies.
4. Financial ability of agencies to provide services.
5. Status of, and Opportunities for, shared facilities.
6. Accountability for community service needs, including governmental structure and operational efficiencies.
7. Anything other matters related to effective or efficient service delivery, as required by commission policy.

As part of the SOI update, the Commission is required to consider and make appropriate determinations in relationship to each of the following:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area.
5. For a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, the present and probable need for those services of any disadvantaged unincorporated communities within the existing sphere of influence.

Environmental Determination

CEQA requires that the Commission undertake and review an environmental analysis before granting approval of a project, as defined by CEQA. MSRs are categorically exempt from CEQA under a classification related to information gathering (Class 6 - Regulation section 15306), which states: "Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded." Indeed, these MSRs collect data for the purpose of evaluating municipal services provided by the agencies. There are no land use changes or environmental impacts created by such studies.

Furthermore, MSRs qualify for a general exemption from environmental review based upon CEQA Guidelines section 15061(b)(3), which states: "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA." Additionally, the SOI updates qualify for the same general exemption from environmental review based upon CEQA Guidelines section 15061(b)(3).

There is no possibility that the MSR or SOI updates may have a significant effect on the environment because there are no land use changes associated with the documents. If the Commission approves and adopts the MSRs and SOI updates and determines that the projects are exempt from CEQA, staff will prepare and file a notice of exemption with the County of Fresno, as required by CEQA Guidelines section 15062.

Portion not included in proposed
Mid-Valley WD or Raisin City WD SOI or
Service Area boundaries.

Big Sandridge
Spillway No. 142

Big Sandridge
No. 65

Houghton Waste
No. 195

Biola

Fresno

145

180

Kerman

Lower Dry
Creek Ext.
No. 561

Lower Dry
Creek No. 77

Adams Waste
No. 198

San Joaquin

Raisin City

Caruthers

- Fresno I.D. Conveyance Facilities
- James I.D. Conveyance Facilities
- Southwest Banking Facility No. 583 (Fresno I.D. and James I.D.)
- Fresno I.D. Pond
- Fresno I.D. Flood Rights Area
- James I.D. Well Field Easement (As Recorded in Book 6, Page 1 of Fresno County Official Records)
- McMullin On-Farm Project
- Proposed Raisin City W.D.
- Proposed Mid-Valley W.D.
- Proposed Raisin City W.D. SOI
- Proposed Mid-Valley W.D. SOI
- Kings River Conservation District
- Fresno I.D.



0 1 2
Miles

Proposed Service Area and SOI

Raisin City Water District

PROVOST &
PRITCHARD

2025 Municipal Service Review
Raisin City Water District
MSR-24-01 / RSOI-211
Mid-Valley Water District
MSR-24-01 / RSOI-212

Report to the Fresno Local Agency Formation Commission

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Appendix E. MVWD Bylaws
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Abbreviations

AB.....	Assembly Bill
AF.....	Acre-Feet
CEQA.....	California Environmental Quality Act
CID.....	Consolidated Irrigation District
CKH.....	Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000
CVP.....	Central Valley Project
CVPIA.....	Central Valley Project Improvement Act
DUC.....	Disadvantaged Unincorporated Community
EIR.....	Environmental Impact Report
FID.....	Fresno Irrigation District
FY.....	Fiscal Year
GC.....	Government Code
KBWA.....	Kings Basin Water Authority
KRWA.....	Kings River Water Association
JID.....	James Irrigation District
KRCD.....	Kings River Conservation District
LAFCo.....	Local Agency Formation Commission
LID.....	Laguna Irrigation District
MAGSA.....	McMullin Area Groundwater Sustainability Agency
MRG.....	McMullin Recharge Group
MSR.....	Municipal Service Review
MVWD.....	Mid-Valley Water District
RCWD.....	Raisin City Water District
SGMA.....	Sustainable Groundwater Management Act
SOI.....	Sphere of Influence
SR.....	State Route

I. INTRODUCTION

A. Purpose of the MSR

A Municipal Service Review (MSR) is an in-depth analysis to determine the adequacy of municipal services being provided by a local agency under the Local Agency Formation Commission (LAFCo). The MSR is used by LAFCo, as well as other associated agencies and the public, to gain an understanding of the services provided and to identify opportunities for cooperation and greater efficiency among service providers. The term “municipal services” generally refers to the full range of services that a public agency provides or is authorized to provide. The purpose of this MSR is to evaluate the Raisin City Water District and the Mid-Valley Water District for these purposes.

The law governing LAFCOs is known as the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH), codified at Government Code (GC) Section 56430, et seq. The Act requires that each LAFCo, as necessary, review and update the sphere of influence of each city and special district within its county every five (5) years and provides that no sphere of influence (SOI) can be updated until the local LAFCo conducts an MSR for the agency on a regional level.

The MSR review and SOI amendment provide a mechanism by which the Commission may shape the orderly and logical development of the local government agency. The MSR process includes three primary components.

- **The MSR Report:** Provides a review of the public agency’s service delivery. Examines the agency’s infrastructure, governance, and capacity to serve current and future projected growth. Identifies planned infrastructure improvements and identifies issues, needs, and/or deficiencies. The MSR provides responses to specific questions or determinations as required by the Act.
- **Public and Stakeholder Input Process:** LAFCo provides notice to the public and stakeholders of the availability of the MSR report and any planned or requested changes to the public agency’s SOI. Comments and/or concerns of the public and stakeholders are taken into consideration by the Commission in its decision-making.
- **The SOI Update/Amendment:** Based on information provided in the MSR report, the LAFCo staff provides a recommendation to its Commission. Based on all sources of information, including public and stakeholder input, the LAFCo Commission may arrive at a decision to retract, expand, or maintain SOI boundaries.

B. Document Organization

Raisin City Water District and Mid-Valley Water District have been assigned an individual chapter. Each District’s chapter is organized as follows:

- I. ***Executive Summary:*** Provides a background of the agency, the proposed reorganization, and a brief overview of the relevant determinations and findings for consideration by LAFCo.
- II. ***Agency Profile:*** Describes the agency and its governing structure. Provides an overview of the services provided by the agency.

- III. ***Adequacy of Public Services:*** Provides a comprehensive accounting of the existing and planned growth, population, infrastructure, and financial ability of the agency. Evaluates the status of and opportunities for shared facilities and other cost avoidance options.
- IV. ***MSR Determinations and Findings:*** Provides suggested determinations and findings necessary for Commission consideration of the MSR pursuant to California GC Section 56430.
- V. ***SOI Statements:*** Provides suggested statements for Commission consideration of the SOI Amendment pursuant to California GC Section 56425(e).
- VI. ***Environmental Compliance:*** Addresses the statutory framework for consideration of the MSR and SOI as it relates to the California Environmental Quality Act (CEQA).
- VII. ***Recommended Actions:*** Lists actions necessary for consideration by the Commission.
- VIII. ***References:*** Provides a listing of references used in the preparation of the MSR.

II. Raisin City Water District

A. EXECUTIVE SUMMARY

Summary of District Information

Raisin City Water District (RCWD *or* District) was formed in 1962 for the purpose of providing irrigation water to lands within its boundaries. The District's principal act is California Water Code sections 34000-38500 which enable the formation of Water Districts to acquire, plan, construct, maintain, improve, operate, and keep in repair the necessary works for the production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes.¹ However, the District has not provided water services since its inception. At this time, the District provides the following LAFCo authorized services: levying and collecting of assessments and standby charges, performing agreements, entering contracts, and planning for the distribution of water for irrigation purposes.

The District's boundary spans within the central part of Fresno County, approximately nine miles southwest of the City of Fresno, 12 miles southeast of the City of Kerman, and five miles northwest of the unincorporated community of Caruthers. The District is located six miles west of State Route (SR) 41, approximately nine miles south of SR 180, and eight miles east of SR 145.

The District's 51,719-acre service area is bounded by American Avenue to the north, S. McMullin Grade to the west, Conejo Avenue to the South and Brawley Avenue to the east. The Commission's adopted Sphere of Influence (SOI) includes the entire service area and extends northwest to Jensen Avenue and west to Lake Avenue. Total acreage within the District's SOI amounts to approximately 80,125-acres, which includes the District's service area of 51,719 acres.

Since its inception, the District has not been able to secure a source of surface water entitlement. Farmers within the District obtain water for irrigation purposes by pumping groundwater. The District's primary purpose is to improve groundwater conditions throughout the Raisin City area.

¹ (Justia U.S. Law, 1913)

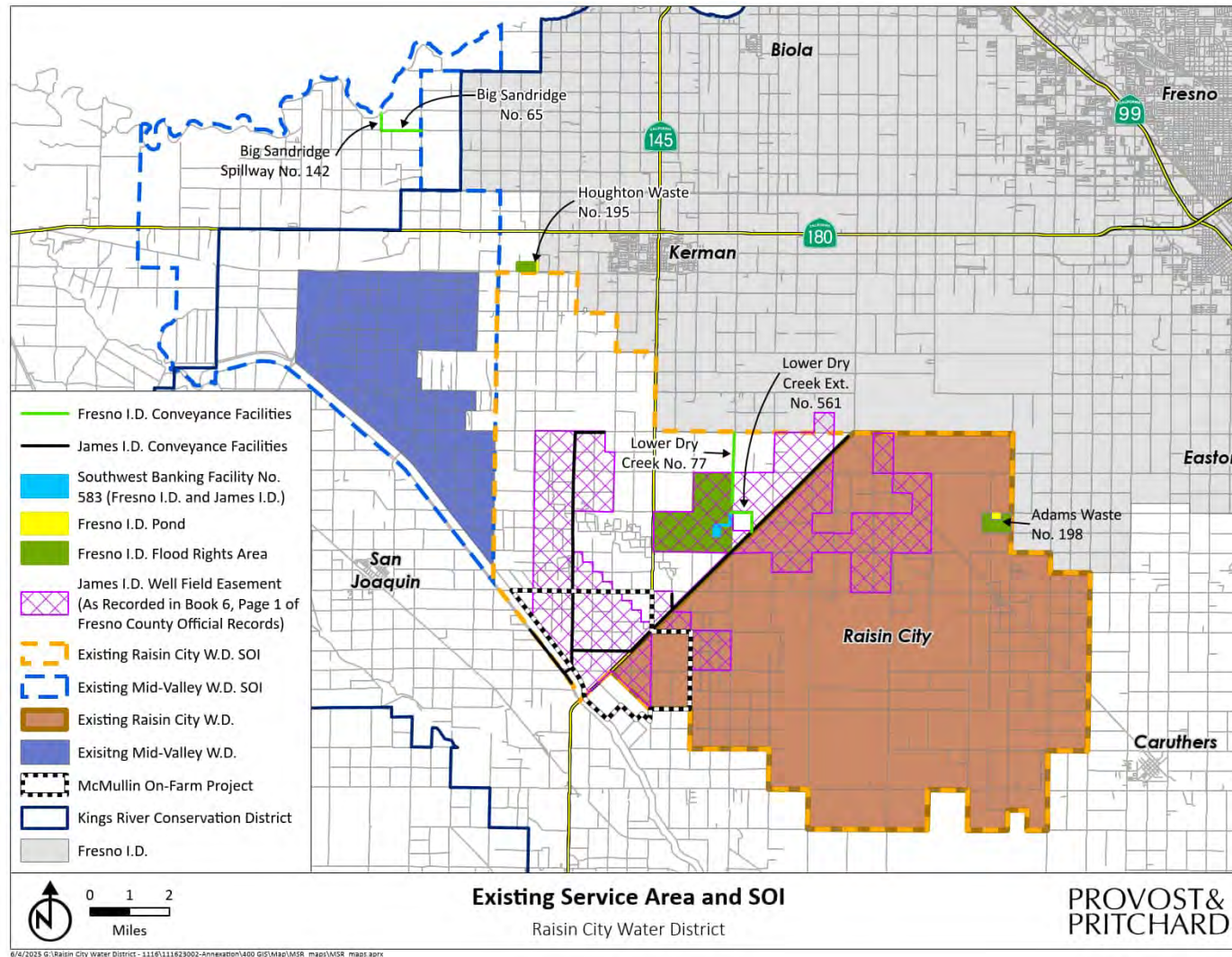


Figure II-1. Existing Sphere of Influence and District Boundaries

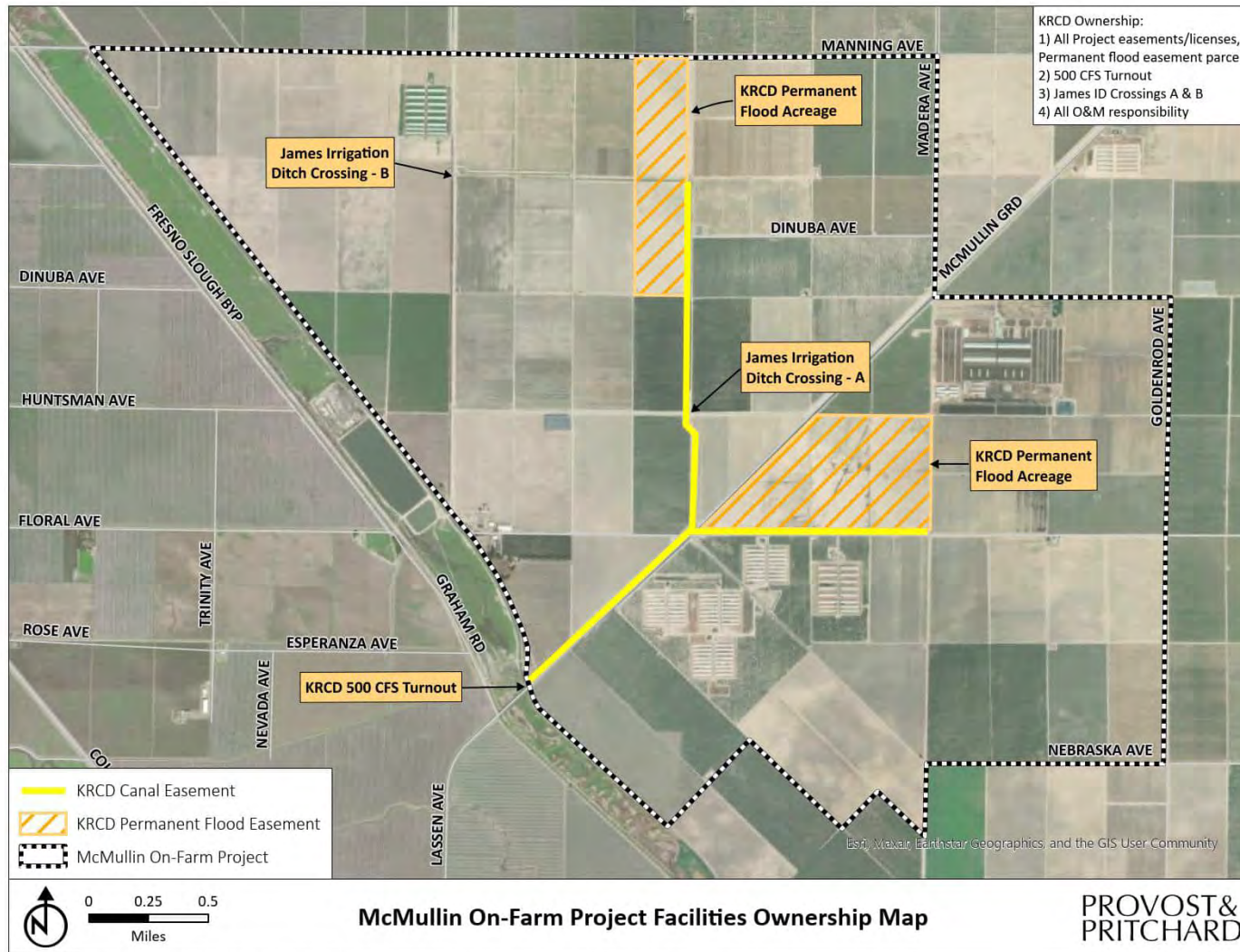


Figure II-2. McMullin On-Farm Project Ownership

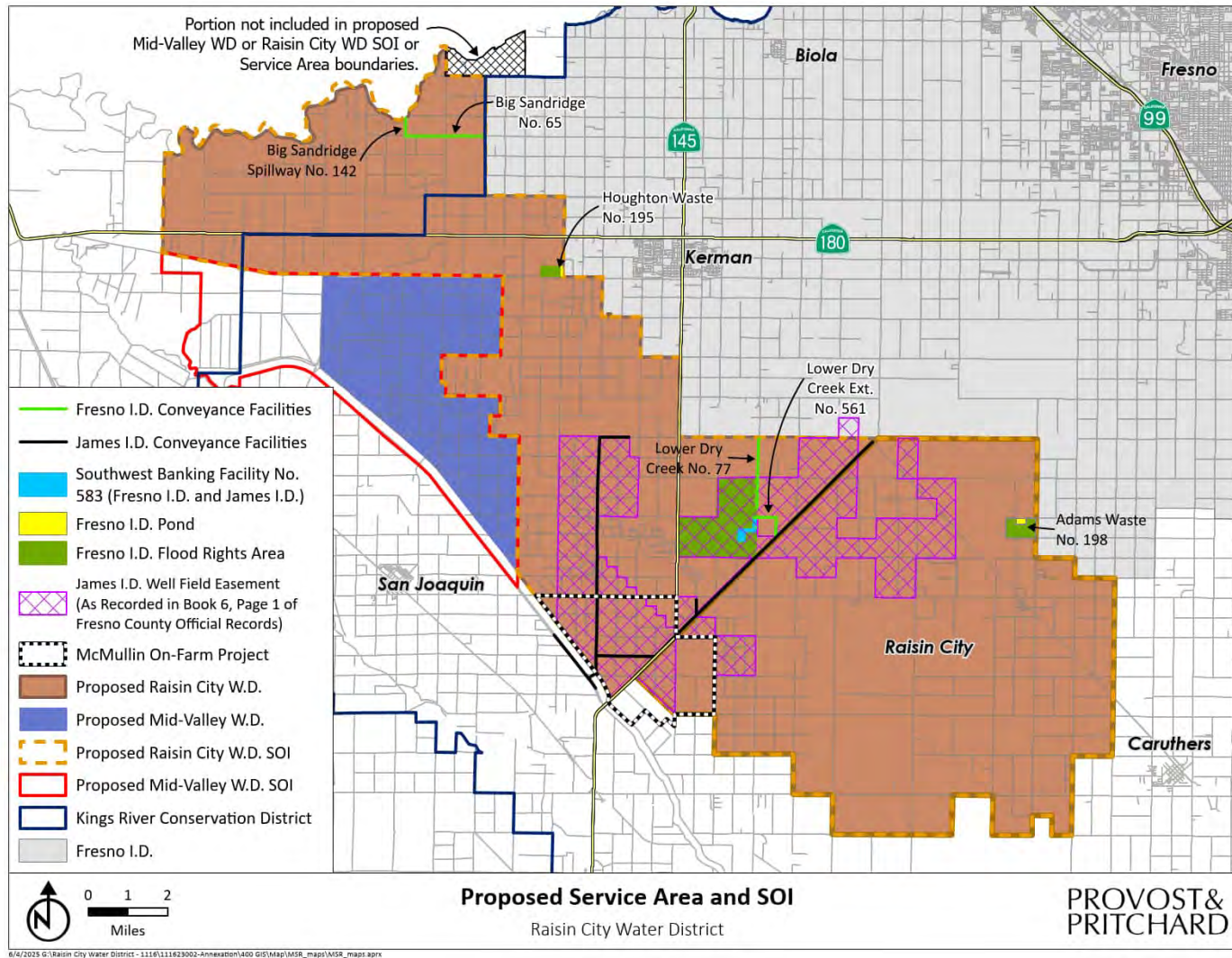


Figure II-3. Proposed Sphere of Influence and District Boundaries

Summary of Determinations

Table II-1. Summary of Municipal Service Review Determinations

Summary of Municipal Service Review Determinations	
SUBJECT	DETERMINATION
Growth and Population	No future deficiencies related to growth and population are expected.
Disadvantaged Unincorporated Communities	The District has no public facilities nor provides services related to sewer, municipal and industrial water, or structural fire protection that would present opportunity to extend services to a disadvantaged unincorporated community.
Present and Planned Capacity of Public Facilities	The District does not own any public facilities or physical infrastructure.
Adequacy of Public Services	Public Services provided by the District are adequate in terms of operation and maintenance.
Infrastructure Needs or Deficiencies	No direct water services to landowners are currently provided by the District.
Financial Ability of the Agency to provide Services	The District has the financial capacity to continue to operate and serve its customers, including future customers.
Status of and Opportunities for Shared Facilities	<p>It is Fresno LAFCo observation that local agencies within the vicinity of RCWD that could present opportunities for shared facilities in the form of mutual agreement for shared infrastructure could include:</p> <ul style="list-style-type: none"> • Fresno Irrigation District to the north; • Consolidated Irrigation District to the east; • Liberty Water District to the southeast; • Stinson Water District to the southwest; • James Irrigation District to the west, • Mid-Valley Water District to the northwest.
Accountability, Government Structure, and Operational Efficiencies	The District has a stable government structure that provides for accountability and operational efficiency.
Other Fresno LAFCo Policies	The District will not adversely affect agricultural resources and will support planned orderly and efficient development in the area.

Table II-2. Summary of Sphere of Influence Determinations

Summary of Sphere of Influence Determinations	
SUBJECT	DETERMINATION
Present and Planned Land Uses	The District has adequate capacity, financial ability, accountability, and government structure to serve the present and planned land uses.
Present and Probable Need for Public Facilities and Services	The District does not own any public facilities or physical infrastructure.
Present Capacity of Public Facilities and Agency's Ability to Provide	The District does not own any public facilities or physical infrastructure.
Existence of Social or Economic Communities of Interest	There are no social or economic communities of interest in the area such as disadvantaged unincorporated communities for which the Commission has determined relevant within the District's proposed boundaries.
Need for Services by Disadvantaged Unincorporated Communities within the SOI	Not applicable.
Effect on Orderly Development Including Agricultural Land Preservation	The District has planned for orderly development including that which affects agricultural land preservation.
Conformance with Applicable General or Specific Plans	The District and its services are in conformance with the Fresno County General Plan and the McMullin Area Groundwater Sustainability Plan.

Background

This MSR is prepared in support of a request by the RCWD for a change in organization for purposes of amending its SOI and annexing additional land to the District. Fresno County Local Agency Formation Commission (LAFCo or Fresno LAFCo) most recently adopted an MSR for the District in October 2015. Existing SOI and District boundaries are shown on **Figure II-1**. This request proposes to increase the District's SOI by 27,137 acres and its service area by 55,543 acres, shown in **Figure II-3**. The SOI Update will also result in removing the James Bypass, owned and maintained by Reclamation District No. 1606, from RCWD's SOI. In addition to the District proposed SOI revision and subsequent annexation, the Mid-Valley Water District (MVWD) has plans to reduce its SOI to avoid an overlap with RCWD. The proposed RCWD SOI and service area in combination with the existing service area of MVWD would be coterminous with the boundaries of the McMullin Area Groundwater Sustainability Agency (MAGSA). Request to revise the District's SOI necessitates the preparation of an updated MSR pursuant to GC Section 56430.

As mentioned above, MVWD has plans to reduce its SOI to avoid an overlap with RCWD's proposed SOI. In doing so, a portion of MVWD's SOI that is being removed would not be added to RCWD's proposed SOI, leaving it out of both districts' SOI. This is also illustrated in **Figure II-3**. This area is not being included in the annexation or SOI revision for RCWD. MVWD will take the necessary steps, separate from this SOI revision, to reduce its SOI.

B. AGENCY PROFILE

Background

The District was formed in 1962 for the purpose of providing irrigation water to lands within its boundaries. The District's principal act is California Water Code sections 34000-38500 which enable the formation of Water Districts to acquire, plan, construct, maintain, improve, operate, and keep in repair the necessary works for the production, storage, transmission, and distribution of water for irrigation, domestic, industrial, and municipal purposes.² However, the District has not provided water services since its inception. The District's currently authorized services are planning related as they are authorized to levy and collect assessments and standby charges, perform agreements, enter contracts, and plan for the distribution of water for irrigation purposes.

The District currently provides its landowners with representation, advocacy and information services regarding statewide water policy, water rights, new state legislation, and other issues affecting local agricultural irrigation. The District is a participating member of MAGSA pursuant to the Sustainable Groundwater Management Act (SGMA), which was signed into law on September 16, 2014.

The District is an independent special district which has a five-member board of directors not governed by another legislative body (either a city council or a county board of supervisors). Candidates eligible to serve as the board of directors must be a holder of title to land within the District boundaries or the legal representative of the holder of title to land within the District boundaries. District board members are subject to election of four-year staggered terms; in the event no candidates file election papers, members are appointed in lieu of an election by the Fresno County Board of Supervisors based on recommendation provided from the District's board of directors.

In accordance with GC section 56066, Fresno County is the principal county. The Fresno LAFCo is responsible for updating the SOI for the District consistent with GC section 56425(g). In order to update the agency's SOI, Fresno LAFCo has prepared this municipal service review in accordance with GC section 56430.

Lands within the District's existing and proposed SOI have been subject to extensive environmental analyses under CEQA through the Environmental Impact Report (EIR) for the County of Fresno General Plan.

² (Justia U.S. Law, 1913)

Agency Information

Contact:	Randy Hopkins, Manager - Engineer
Mailing Address:	455 W. Fir Avenue Clovis, CA 93611
Physical Address:	Same as above
Phone Number:	(559) 449-2700
Website	http://rcwd.ca.gov/
Types of Services:	No direct water service; District provides planning and information services
Date Formed:	1962
Board of Directors:	The Directors are elected to four-year terms in accordance with the provisions found in the California Water Code.

As of April 2025, the current Board of Directors is constituted as listed in **Table II-3**.

Table II-3. Raisin City Water District Board of Directors

Raisin City Water District Board of Directors		
Member	Term Began	Term Ends
R. Gere Gunlund	December 2022	December 2026
Gagandip Batth	December 2022	December 2026
Don Cameron	December 2024	December 2028
Jonathan DeGroot	December 2024	December 2028
John Verwey	December 2024	December 2028

A summary of the District's statistical information is provided in **Table II-4**.

Table II-4. District Information

District Information	
Statistics	
Area in District:	51,719 acres
Area in Sphere of Influence:	80,125 acres
Staff	One

Services Provided

The District currently provides its landowners with representation, advocacy and information services regarding statewide water policy, water rights, new state legislation, and other issues affecting local agricultural irrigation. The District is a participating member of MAGSA pursuant to SGMA.

C. ADEQUACY OF PUBLIC SERVICES

Growth and Population

According to the Draft Fresno Multi-Jurisdictional 2023-2031 Housing Element, the 2022 population of the unincorporated areas of Fresno County was 158,846 people. From 2000 to 2022, the population saw an average annual decline of 0.2 percent.³ The District contains a total of approximately 51,719 acres. It can be expected that growth, which may demand services from RCWD, would be primarily agriculturally driven. The unincorporated community of Raisin City is within the District's service area; however, the Raisin City residents do not rely on the District for municipal services. Additionally, urban development outside of Raisin City is generally discouraged by County General Plan policies. Since the boundary of the District generally includes land in agricultural production, vacant lands, and open space, it can be expected that future demand for service from the District would occur within its existing and proposed boundaries and would be primarily related to agricultural irrigation demands. The Fresno County General Plan designates majority of the land within the District for agricultural use.⁴ Most of the land within the District service area is occupied by farming operations comprising forage crops, row crops, and orchards. Also, most land within the District service area is designated Unique Farmland, Farmland of Statewide Importance, or Prime Farmland.⁵ For these reasons, it can be expected that the existing boundaries of the RCWD are sufficient to accommodate growth for a twenty-year planning period.

Disadvantaged Unincorporated Communities

The CKH requires Fresno LAFCo to make determinations regarding "disadvantaged unincorporated communities" ("DUCs") when considering a change of organization, reorganization, SOI expansion, and when conducting municipal service reviews.

For any updates to a SOI of a local agency (city or special district) that provides public facilities or services related to sewer, municipal and industrial water, or structural fire protection, the Commission shall consider and prepare written determinations regarding the present and planned capacity of public facilities and adequacy of public services, and infrastructure needs or deficiencies for any DUC within of contiguous to the SOI of a city or special district.

Senate Bill (SB) 244 defines a DUC as a place containing 10 or more dwelling units in close proximity to one another, within a city SOI, an island within a city boundary, or geographically isolated area, having existed for more than 50-years; and having a median household income that is 80 percent or less than a statewide median household income. These communities often lack the necessary infrastructure or technical and managerial abilities to provide their own community services. The primary intent of the new legislation is to enable LAFCOs to require that cities and urban service districts include these communities in their local planning processes when considering annexation of adjacent lands. The District is located in the unincorporated portions of Fresno County generally within- US census tracts 39, 75, and 76. While these census tracts may meet the DUC criteria, the District does not own public facilities that would present a direct benefit to a potential DUC. The District does not provide municipal services that facilitate, support, or induce population growth. The District does not provide services related to public sewer, municipal and industrial water, or structural fire protection that would present opportunity to extend services to a DUC.

³ (Fresno Council of Governments, 2023)

⁴ (Fresno County, 2024)

⁵ (California Department of Conservation, 2023)

Present and Planned Capacity of Public Services

The District currently provides its landowners with representation, advocacy and information services regarding statewide water policy, water rights, new state legislation, and other issues affecting local agricultural irrigation. The District is a participating member of the MAGSA. The District does not own any public facilities or infrastructure, nor does it have any surface water rights. There is no surface water available for irrigation purposes within the District. District landowners are solely reliant on groundwater for their farming operations. Although the District does not provide any tangible services to its landowners, the District has plans for the construction of groundwater storage basins and related infrastructure and pipelines to eventually convey water within the District.

The District's intangible services include:⁶

- Advocacy for, and information to, landowners within the District regarding statewide water policy, new legislation, and other issues affecting agricultural irrigation;
- Participation in the implementation of the State Sustainable Groundwater Management Act on behalf of landowners within the District;
- Exploration of opportunities to develop other District based groundwater recharge facilities;
- Exploration of opportunities to develop additional sources of water to use in the District's planned groundwater recharge facilities;
- The District provides representation of its landowners in the administration of water policy within the greater Kings Basin;
- The District provides outreach to District landowners about agricultural irrigation issues.

Sustainable Groundwater Management Act

In 2014, the passing of SGMA had created the requirements for governments and water agencies of high and medium priority basins to halt overdraft and bring groundwater basins into balanced levels of pumping and recharge. Under SGMA, these basins should reach sustainability within 20 years of implementing their sustainability plans.

As mentioned, the District is a participating member of the MAGSA pursuant to SGMA. MAGSA was formed as a Joint Powers Authority that is comprised of the County of Fresno, RCWD, and the Mid-Valley Water District. The MAGSA Board is the governing and legislative body for MAGSA, and two members represent the RCWD area. The proposed RCWD SOI and service area in combination with the existing service area of MVWD would be coterminous with the boundaries of the McMullin Area Groundwater Sustainability Agency. (see **Figure II-4**).

The District's primary objective is to represent the interests of District landowners and work to achieve groundwater sustainability in the Kings Subbasin of Fresno County. The District currently advocates for its landowners, gathers information related to MAGSA, and provides updates via board meetings and newsletters posted on its website.

⁶ (Raisin City Water District, 2015)

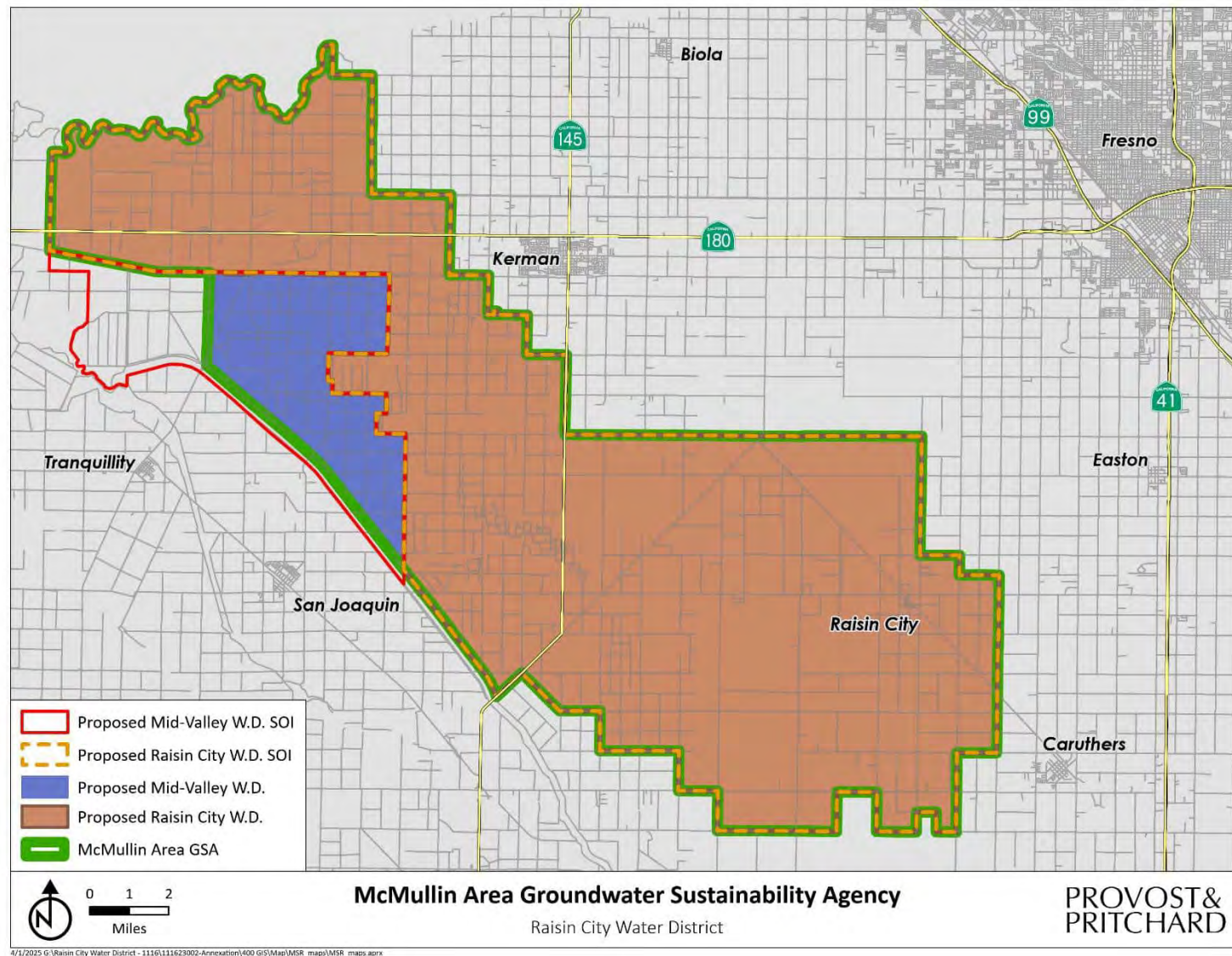


Figure II-4. McMullin Groundwater Sustainability Agency Map

Future Projects and Infrastructure

RCWD has actively pursued projects and partnerships to enhance flood water capture, groundwater recharge programs, purchase water through transfers, and develop infrastructure to deliver water to growers. These efforts were pursued to help stabilize the groundwater levels in the area, benefiting both agriculture and the disadvantaged community of Raisin City. The McMullin On-Farm Recharge Phase 2 Project is being developed. The Project contemplates the potential diversion of up to 500 cubic feet per second Kings River flood flows to agricultural land with high infiltration capacity soils, subject to availability of lawful water supply and all required approvals. These flood flows could potentially be used for groundwater recharge to help alleviate the existing overdraft conditions. The project could potentially include the construction of canal, pump station, and canal crossings infrastructure.⁷ If this project does not yield enough annual supply, recognizing that any diversion of Kings River water would require lawful rights and coordination with the Kings River Water Association and its member units, to correct the overdraft, then crop patterns may be shifted or land fallowed, subsequently impacting not only agricultural production but the community of Raisin City and adjacent areas.

It is important to note that any future project would be required to go through the full planning process. This process includes full CEQA analysis which informs governmental decision-makers and the public about the potential, significant environmental effects of proposed activities. The CEQA process provides the public with an opportunity to provide their input. In addition, any RCWD project that could potentially result in increased assessments would require a Proposition 218 election. This proposition gives voters, those within RCWD's service area, the right to vote on any increases in assessments proposed to be levied by RCWD.

Financial Ability to Provide Services

Assessments

The District is primarily financed by annual property assessments charged to all landowners within the District. The District collects an annual land assessment of \$0.75 per acre with a minimum assessment of \$2 per parcel. According to the District, annual land assessments are collected by the District and are used to provide indirect services through cooperative agreements with other local agencies. The District uses funding from land assessments to administer District operations, fund the development of future District recharge projects, conduct groundwater studies, and advocate and represent landowners within the District. The District does not presently charge fees for any of these services outside of its assessments.

Adopted Budgets

The District board adopts an annual budget each year that projects the cost for District operations for the coming years (see **Appendix A**). As shown in below in **Table II-5**, the District adopted budget for fiscal year (FY) 2023-2024 shows a total of \$68,060 with an estimated expenditure of \$243,300. The District estimates its largest expenses to be allocated towards the following services: \$74,000 for Administration Professional Fees, \$50,000 for Infrastructure Planning, \$45,000 for Proposition 218 Election, and \$30,000 for Legal Professional Fees.

⁷ (Provost & Pritchard Consulting Group, 2022)

Table II-5. RCWD 2023-2024 Adopted Budget

	2022-2023 Budget	2022-2023 Actual	2023-2024 Budget
Advertising – Public Notices	\$500	\$0	\$500
Directors Fees	\$0	\$0	\$0
Dues – ACWA/KBWA	\$11,000	\$11,930	\$11,000
Insurance	\$3,200	\$3,129	\$3,000
Office Expense	\$500	\$0	\$500
Professional Fees - Administration	\$74,000	\$31,699	\$74,000
Professional Fees - Auditor	\$6,000	\$6,090	\$6,900
Professional Fees - Legal	\$30,000	\$4,078	\$30,000
Professional Fees – Other (Annex)	\$10,000	\$0	\$10,000
Project Fees & Costs			
McMullin Recharge Phase 2	\$0	\$0	\$0
Infrastructure Planning	\$50,000	\$20,831	\$50,000
Prop. 218 Election	\$45,000	\$0	\$45,000
Water Management Program	\$0	\$0	\$0
Website and Outreach	\$10,000	\$2,677	\$10,000
Unbudgeted Expense	\$2,200	\$13	\$2,200
Total Expended	\$242,400	80,448	\$243,300
Projected Income			
Current Year Assessments	\$38,560	\$38,863	\$38,560
Delinquent Assessments	\$1,500	\$2,158	\$1,500
Interest	\$2,400	\$7,620	\$8,000
Grant Funding	\$20,000	\$11,904	\$20,000
Total Income	\$62,460	\$60,545	\$68,060

Audit Compliance

The District is in compliance with their annual financial audits. The District's financial audits from fiscal years 2018-2023 are attached as **Appendix B**. According to the District's latest audit, FY 2022-2023, the following financial highlights are noted:

1. The District's total net position decreased \$30,023 or 3.17% over the course of the year operations.
2. The District's operating revenue was \$39,151 for the year ended June 30, 2023. Operating expenses for the year ended June 30, 2023, were \$91,139.
3. The District had no capital assets for the year ended June 30, 2023.
4. The District had no long-term debt for June 30, 2023.

While the District's net position decreased from FY 2021-2022 to FY 2022-2023, this was due to the increase in engineering expenses related to the McMullin On-Farm Recharge Project and other planning and engineering expenses. According to the proposed budget for the District (see **Table II-5**), no expenses related to the McMullin On-Farm Recharge Project is specifically called out for FY 2023-2024. However, the District anticipates spending approximately \$95,000 related to infrastructure planning and a Prop. 218 election.

Status of, and Opportunities for, Shared Facilities

The opportunity for shared facilities has the potential to reduce costs of services. It is up to LAFCo to determine if sharing facilities with other service providers is feasible.

The District's boundaries are located within the vicinity of various local agencies that could present opportunities for shared facilities in the form of mutual agreements for shared infrastructure. The neighboring agencies with surface water infrastructure or access to surface water include James Irrigation District (JID), Consolidated Irrigation District (CID), Fresno Irrigation District (FID), Mid-Valley Water District (MVWD), Laguna Irrigation District (LID), Kings River Conservation District (KRCD), and the Kings River Water Association (KRWA). The District is a member of the Kings Basin Water Authority (KBWA), a group of 60 public and private organizations dedicated to the preservation and implementation of the Kings Basin Integrated Regional Water Management Plan. The District is also a member of the McMullin Recharge Group (MRG), formed in 1999 to address the long-term water supply imbalance in the Raisin City area.

Accountability for Community Service Needs, Including Government Structure and Operational Efficiencies

The District is served by a governing Board of Directors that provides governance and accountability. The District's stable management structure provided by the Board consists of the elected five (5) members listed in this report. The Board of Directors are elected to four-year terms. The District Board meetings are held the third Tuesday of each month at 1:30 p.m. at 455 W. Fir Avenue, Clovis, CA 93611. Meetings are conducted in accordance with the Brown Act and the meeting locations and facilities are in compliance with the Americans with Disabilities Act. The District posts its official agenda at the meeting location at least 72 hours prior to its regular meetings, specifying the time and location of the meeting and briefly describing items to be discussed and/or acted on. The District will also post the official agenda and accompanying information on the District website at least 72 hours prior to its regular meeting. Based on the information provided above, there are no other means available to improve the District's accountability and government structure.

Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

Fresno County General Plan Consistency

All proposals shall be consistent with the goals, objectives, policies, and standards of the Fresno County General Plan and any applicable area plan. The Commission may find a proposal consistent with the General Plan or area plan as a whole, although the proposal is found to be inconsistent with one or more standards, if the Commission identifies the inconsistencies and finds that:

1. The negative effect in a particular instance is outweighed by the overall positive impact of the proposal on the County;
2. The proposal will not materially detract from the General Plan or area plan as a whole; and
3. The proposal is inconsistent with one or more standards of the General Plan or area plan due to the unique nature of the proposal and/or special or unusual circumstances in the area or the County at the time that could not have been anticipated when the General Plan was developed, and that the situation is not likely to occur frequently enough so as to warrant amending the General Plan or area plan.

District Policies

The District is in compliance with its bylaws, last updated August 11, 2015 (see **Appendix C**).

Website

The District maintains its own website, which is located at <http://rcwd.ca.gov/>. The website provides basic contact information, a location map, board member information, meeting agendas/minutes, newsletters, and other helpful insights into the workings of the District.

D. DETERMINATIONS AND FINDINGS

California GC Section 56430 provides that LAFCoS, upon receipt and consideration of an MSR, are required to adopt written findings addressing topics as follows.

Growth and Population

According to the Draft Fresno Multi-Jurisdictional 2023-2031 Housing Element, the 2022 population of the unincorporated areas of Fresno County was 158,846 people. From 2000 to 2022, the population saw an average annual decline of 0.2 percent.⁸ The District contains a total of approximately 51,719 acres. It can be expected that growth, which may demand services from RCWD, would be primarily agriculturally driven. The unincorporated community of Raisin City is within the District's service area, but the Raisin City residents do not rely on the District for municipal services. Nonetheless, urban development would most likely occur within the community of Raisin City. Urban development outside of Raisin City is generally discouraged by County General Plan policies. Since the boundary of the District generally includes land in agricultural production, vacant lands, and open space, it can be expected that future demand for service from the District would occur within its existing and proposed boundaries and would be primarily related to agricultural irrigation demands. The Fresno County General Plan designates majority of the land within the District for agricultural use.⁹ Most of the land within the District service area is occupied by farming operations comprising forage crops, row crops, and orchards. Also, most land within the District service area is designated Unique Farmland, Farmland of Statewide Importance, or Prime Farmland.¹⁰ For these reasons, it can be expected that the existing boundaries of the RCWD are sufficient to accommodate growth for a twenty-year planning period.

Disadvantaged Unincorporated Communities

There are two DUCs located within the District's boundaries, Raisin City and Perrin Colony.¹¹ While both communities meet the DUC criteria, the District does not own public facilities that would present a direct benefit to a potential DUC. The District does not provide municipal services that facilitate, support, or induce population growth. The District does not provide services related to public sewer, municipal and industrial water, or structural fire protection that would present opportunity to extend services to a DUC.

Present and Planned Capacity of Public Services

The District currently provides its landowners with representation, advocacy and information services regarding statewide water policy, water rights, new state legislation, and other issues affecting local agricultural irrigation. The District is a participating member of the MAGSA. The District does not own any public facilities or infrastructure, nor does it have any surface water rights. There is no surface water available for irrigation purposes within the District. District landowners are solely reliant on groundwater for their farming operations. Although the District does not provide any tangible services to its landowners, the District has plans for the construction of groundwater storage basins and related infrastructure and pipelines to eventually convey water within the District.

The District states that it is in place to be a vocal advocate and representative agency on behalf of its landowners throughout the implementation of SGMA and the ever-changing water climate.

⁸ (Fresno Council of Governments, 2023)

⁹ (Fresno County, 2024)

¹⁰ (California Department of Conservation, 2023)

¹¹ (Fresno Local Agency Formation Commission, 2020)

Furthermore, the District proposed SOI Update and annexation will not impact existing facilities of other special districts such as JID, FID, or KRCD. Facilities owned and operated by JID, FID, and KRCD which are within the area to be annexed by the District include:

- JID currently holds and operates a well field, with accompanying infrastructure and easements therefore, on the parcels more particularly described in the legal description attached hereto as **Appendix F. JID Wells**, and shown on **Figure II-1** and **Figure II-3**.
- FID currently holds and operates canals, ponds, flood rights, with accompanying infrastructure and easements therefore, shown on **Figure II-1** and **Figure II-3**.
- JID and FID share in the ownership and operation of the Southwest Banking Facility shown on **Figure II-1** and **Figure II-3**.
- KRCD currently holds and operates conveyance facilities and easements therefore, including flood easements in the area shown on **Figure II-1** and **Figure II-3** as the McMullin On-Farm Project. The easements and facilities are more specifically shown in **Figure II-2**.

The District shall not attempt to operate, encumber, or otherwise prevent JID's or FID's operation of their respective facilities, either independently or jointly owned, without their respective written consent.

As mentioned, the District's currently authorized service is groundwater management planning. If the District decides to provide additional services, it would have to be activated through a formal process pursuant to the CKH.

Financial Ability of the Agency to Provide Services

The District is primarily financed by annual property assessments charged to all landowners within the District.

Annual land assessments are collected by the District and are utilized to allow the District to provide indirect services through cooperative agreements with other local agencies. The District uses land assessment to maintain the operation of the District, help fund the development of future District recharge projects, conduct groundwater studies, and represent and advocate for landowners within the District.

The District does not presently charge fees for any of its provided services; however, it historically has relied on the collection of land assessments and state grant opportunities to fund its ongoing operation. These existing land assessments and revenues generated by the District are sufficient to cover the District's operating costs.

In FY 2018-2019, the District's net position was at \$1,159,690. As of the latest audit report for FY 2022-2023, the District's net position is at \$918,197. The District has seen a steady decrease in net position over that period with a total net decrease in 23.2%. The primary factors contributing to the net position decrease are due to the fact that expenses have either increased each year and/or the District is incurring additional costs, primarily planning and engineering costs. The full audit reports for fiscal years 2018 through 2023 can be found in **Appendix B**.

Status of, and Opportunities for, Shared Facilities

The opportunity for shared facilities has the potential to reduce costs of services. It is up to LAFCo to determine if sharing facilities with other service providers is feasible. There are various local agencies in the vicinity of RCWD that could present opportunities for shared facilities. An effort should be made to explore what those opportunities could entail.

The District is a member of the KBWA, a group of 60 public and private organizations dedicated to the preservation and implementation of the Kings Basin Integrated Regional Water Management Plan. The District is also a member of the MRG, formed in 1999 to address the long-term water supply imbalance in the Raisin City area.

Accountability for Community Service Needs, Including Government Structure and Operational Efficiencies

The District was formed in 1962 for the purpose of providing irrigation water to lands within its boundaries. The District currently provides its landowners with representation, advocacy and information services regarding statewide water policy, water rights, new state legislation, and other issues affecting local agricultural irrigation. The District has an elected five-member Board of Directors. The Board meets regularly on the third Tuesday of each month at 1:30 p.m. at 455 W. Fir Avenue, Clovis, California 93611. The Board meetings are publicly-noticed and are conducted in compliance with the Brown Act. The meeting locations and facilities are in compliance with the Americans with Disabilities Act.

Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

Fresno LAFCo has a Policies and Procedures document, adopted on April 3, 1986, and last revised on June 8, 2022. It can be found at the following link:

<https://www.fresnolafco.org/files/0aec8ac1d/LAFCo+Policy+Manual+2022.pdf>

The District is in compliance with its bylaws, which were last updated August 11, 2015.

E. SOI STATEMENTS

GC Section 56425(e) requires LAFCo to consider and make a written statement with respect to each of the following:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

Raisin City Water District currently encompasses approximately 51,719 acres of varying land uses in Fresno County. The total acreage planned within the District is 80,125 acres. The District currently comprises land zoned and used for agricultural purposes.

With the proposed annexation, the District proposes to amend its service area by 55,543 acres and SOI boundary by 27,137 acres. As evaluated in this report relative to: 1) present and planned land uses; 2) present and probable need for public facilities and services; 3) present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide; and 4) the existence of any social or economic communities of interest in the area (i.e. disadvantaged unincorporated communities) for which the Commission may determine relevant, it is recommended that the SOI of the Raisin City Water District be amended to include the boundary indicated in Figure II-3.

F. ENVIRONMENTAL COMPLIANCE (CEQA)

An MSR and SOI amendment are considered to be a “project” as defined by the California Environmental Quality Act (CEQA; Public Resources Code Section 21000, et seq.), and therefore are subject to analysis for potential environmental effects. In LAFCo’s role as lead agency under CEQA, the Commission generally will determine that adoption of the MSR is categorically exempt from CEQA review under CEQA Guidelines Section 15306, Information Collection, which states:

“Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded.”

The supporting findings for this CEQA exemption are as follows:

- The purpose of an MSR is to collect data for the purpose of evaluating an agency’s ability to provide services within its sphere of influence.
- Adoption of an MSR does not result in any change to land use or zoning, nor does it grant an entitlement or permit of any kind, either directly or indirectly.
- Nothing resulting from adoption of an MSR has the potential to create any physical change to the environment.

G. RECOMMENDED ACTIONS

Staff recommends that the Commission takes the following actions:

ENVIRONMENTAL REVIEW

- A. **Recommended Action:** Find the proposal to be exempt from CEQA under CEQA Guidelines Section 15306, Information Collection.

MUNICIPAL SERVICE REVIEW

Recommended Action: ADOPT the seven determinations required in GC Section 56430 for the RCWD as identified in this municipal service review report.

SPHERE OF INFLUENCE AMENDMENT

Recommended Action: ADOPT statements as discussed in this report, pursuant to GC Section 56425(e) as follows:

- 1) The District has adequate capacity, financial ability, accountability, and government structure to serve the present and planned land uses;
- 2) The District has the capacity, financial ability, accountability, and government structure to provide for the present and probable need for public facilities and services;
- 3) The District has the present capacity of public facilities and has adequate public services to provide for the area it is authorized to provide;
- 4) There are no social or economic communities of interest in the area such as disadvantaged unincorporated communities for which the Commission has determined relevant within the District's proposed boundaries;
- 5) Upon pursuit of additional activation of powers enumerated in the principal act, the District will conduct CEQA analysis according to State guidelines and amend the MSR to convey an action plan for providing water services, which may include administration of a Proposition 218 election to fund water projects. It is important to note that future projects would be required to go through the full planning process. This process would include compliance with CEQA. The intent of the CEQA analysis is to inform governmental decision-makers and the public about the potential, significant environmental effects of proposed activities. The CEQA process provides the public with an opportunity to provide their input. In addition, RCWD would comply with Proposition 218 for any projects that would potentially result in new or increased assessments. Proposition 218 gives voters within RCWD's service area the right to vote on new or increased assessments proposed to be levied by RCWD.

III. Mid-Valley Water District

A. EXECUTIVE SUMMARY

Summary of District Information

Mid-Valley Water District (MVWD *or* District) was formed in 1984 for the purpose of obtaining a contract for surface water supply from the United States Bureau of Reclamation's then-proposed Mid-Valley Canal Unit of the Central Valley Project (CVP). At that time there was a Mid-Valley Water Authority comprising approximately 30 water agencies from Madera County to Kern County, including Fresno County. The purpose of the Authority was to seek Congressional authority to construct the Mid-Valley Canal. The first action the District took was to establish a contract with Fresno County to be the primary benefactor of any water obtained.

In 1992, the passing of the Central Valley Project Improvement Act (CVPIA) reallocated 800,000 acre-feet (AF) of Delta flows for environmental needs. The loss of the water to the CVP created a permanent water shortage, effectively putting an indefinite hold on construction of the Mid-Valley Canal. As a result of environmental restrictions like the CVPIA, there is now very little chance of obtaining a long-term surface water supply from the Delta. In addition, local surface water supplies are fully committed. It is therefore highly unlikely the District will be able to acquire a reliable surface water supply in the foreseeable future.

The District's boundary spans within the northwestern region of Fresno County, approximately 2.5 miles north of the City of San Joaquin and five miles southwest of the City of Kerman. The District is located two miles south of State Route (SR) 180, approximately six miles west of SR 145, and 10.5 miles northeast of SR 33.

The District's 13,678-acre service area is bounded by the California Avenue alignment to the north, the Napa Avenue alignment to the west, the Parlier Avenue alignment to the south and Lake Avenue to the east. The Commission's adopted Sphere of Influence (SOI) includes the entire service area and extends northwest to the San Joaquin River. Total acreage within the District's SOI amounts to approximately 42,552 acres, which includes the District's service area of 13,678 acres.

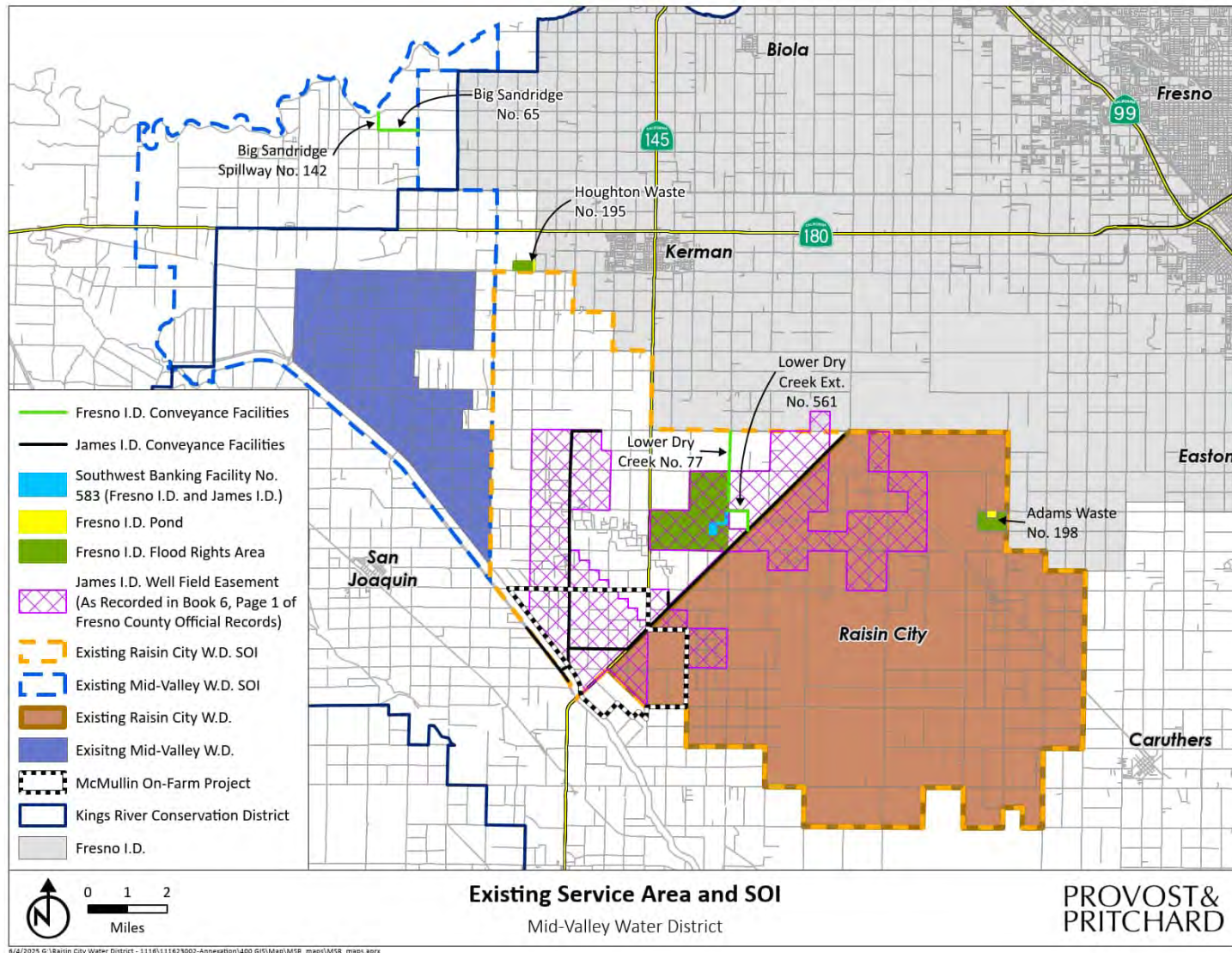


Figure III-1. Existing Sphere of Influence and District Boundaries

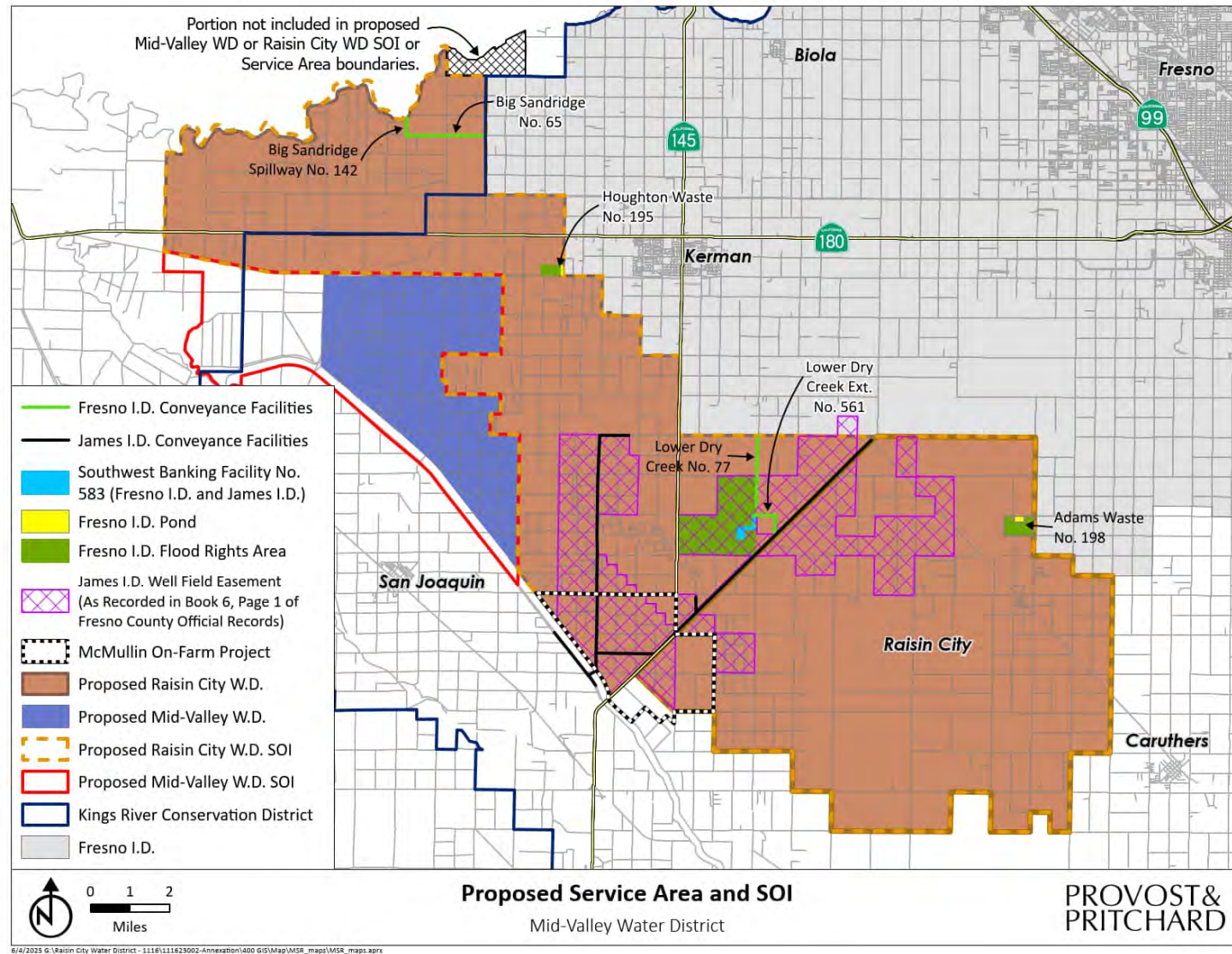


Figure III-2. Proposed Sphere of Influence and District Boundaries

Summary of Determinations

Table III-1. Summary of Municipal Service Review Determinations

Summary of Municipal Service Review Determinations	
SUBJECT	DETERMINATION
Growth and Population	No future deficiencies related to growth and population are expected.
Disadvantaged Unincorporated Communities	The District has no public facilities nor provides services related to sewer, municipal and industrial water, or structural fire protection that would present opportunity to extend services to a disadvantaged unincorporated community.
Present and Planned Capacity of Public Facilities	The District does not own any public facilities or physical infrastructure.
Adequacy of Public Services	Public Services provided by the District are adequate in terms of operation and maintenance.
Infrastructure Needs or Deficiencies	No direct water services to landowners are currently provided by the District.
Financial Ability of the Agency to provide Services	The District has the financial capacity to continue to operate and serve its customers, including future customers.
Status of and Opportunities for Shared Facilities	<p>It is Fresno LAFCo's observation that local agencies within the vicinity of MVWD that could present opportunities for shared facilities in the form of mutual agreement for shared infrastructure could include:</p> <ul style="list-style-type: none"> • Fresno Irrigation District to the north; • Consolidated Irrigation District to the east; • Liberty Water District to the southeast; • Stinson Water District to the southwest; • James Irrigation District to the west, • Raisin City Water District to the east.
Accountability, Government Structure, and Operational Efficiencies	The District has a stable government structure that provides for accountability and operational efficiency.
Other Fresno LAFCo Policies	The District will not adversely affect agricultural resources and will support planned orderly and efficient development in the area.

Table III-2. Summary of Sphere of Influence Determinations

Summary of Sphere of Influence Determinations	
SUBJECT	DETERMINATION
Present and Planned Land Uses	The District has adequate capacity, financial ability, accountability, and government structure to serve the present and planned land uses.
Present and Probable Need for Public Facilities and Services	The District does not own any public facilities or physical infrastructure.
Present Capacity of Public Facilities and Agency's Ability to Provide	The District does not own any public facilities or physical infrastructure.
Existence of Social or Economic Communities of Interest	There are no social or economic communities of interest in the area such as disadvantaged unincorporated communities for which the Commission has determined relevant within the District's proposed boundaries.
Need for Services by Disadvantaged Unincorporated Communities within the SOI	Not applicable.
Effect on Orderly Development Including Agricultural Land Preservation	The District has planned for orderly development including that which affects agricultural land preservation.
Conformance with Applicable General or Specific Plans	The District and its services are in conformance with the Fresno County General Plan and the McMullin Area Groundwater Sustainability Plan.

Background

This MSR is prepared in support of a separate but related request by Raisin City Water District (RCWD) for the purpose of expanding its SOI, which would result in a corresponding reduction to the MVWD SOI. Fresno LAFCo most recently adopted an MSR for the District in August 2007. Existing SOI and District boundaries are shown on **Figure III-1**. The current request proposes to decrease the District's SOI by 28,874 acres, shown in **Figure III-2**. Furthermore, the reduction of MVWD's SOI would result in a portion of land to be completely out of both districts' SOI. This area is highlighted in **Figure III-2**.

This request for an amendment to the District's SOI necessitates the preparation of an updated MSR pursuant to GC Section 56430.

B. AGENCY PROFILE

Background

The District was formed to obtain a contract for surface water supply from the United States Bureau of Reclamation's then proposed Mid-Valley Canal Unit of the Central Valley Project. However, due to environmental restrictions imposed by the Central Valley Improvement Act, the District has been unable to maintain a long-term water supply.

The District is a participating member of MAGSA pursuant to the Sustainable Groundwater Management Act (SGMA), which was signed into law on September 16, 2014.

The District is an independent special district which has a five-member board of directors, not governed by another legislative body (either a city council or a county board of supervisors). Candidates eligible to serve as the board of directors must be a holder of title to land within the District boundaries or the legal representative of the holder of title to land within the District boundaries. District board members are subject to election of four-year staggered terms; in the event no candidates file election papers, members are appointed in lieu of an election by the Fresno County Board of Supervisors based on recommendation provided from the District's board of directors.

In accordance with GC section 56066, Fresno County is the principal county. The Fresno LAFCo is responsible for updating the SOI for the District consistent with GC section 56425(g). In order to update the agency's SOI, Fresno LAFCo has prepared this municipal service review in accordance with GC section 56430.

Lands within the District's existing and proposed SOI have been subject to extensive environmental analyses under CEQA through the EIR for the County of Fresno General Plan. .

Agency Information

Contact:	Randy Hopkins, Engineer-Manager
Mailing Address:	455 W. Fir Avenue Clovis, CA 93611
Physical Address:	Same as above
Phone Number:	(559) 449-2700
Website	N/A
Types of Services:	Authorized to deliver irrigation water; however, the District does not have a long-term water supply. Currently the District does not provide any direct services.
Date Formed:	1984
Board of Directors:	The Directors are elected to four-year terms in accordance with the provisions found in the California Water Code.

As of April 2025, the current Board of Directors is constituted as listed in **Table III-3**.

Table III-3. Mid-Valley Water District Board of Directors

Raisin City Water District Board of Directors		
Member	Term Began	Term Ends
Ariel Namvar	2022	2026
Fara Raban	2022	2026
Varinder Nijjar	2024	2028
Jasbir Sidhu	2024	2028
Farokh Saadat	2022	2026

A summary of the District's statistical information is provided in **Table III-4**.

Table III-4. District Information

District Information	
Statistics	
Area in District:	13,678 acres
Area in Sphere of Influence:	42,552 acres
Staff	One

Services Provided

The District currently does not provide any services to landowners with its service area. The District was formed to obtain a contract for surface water via Reclamation's CVP; however, a long-term water supply contract has not been secured since the District's inception. The District is a participating member of MAGSA pursuant to SGMA.

C. ADEQUACY OF PUBLIC SERVICES

Growth and Population

According to the Draft Fresno Multi-Jurisdictional 2023-2031 Housing Element, the 2022 population of the unincorporated areas of Fresno County was 158,846 people. From 2000 to 2022, the population saw an average annual decline of 0.2 percent.¹² The District contains a total of approximately 13,678 acres. The District contains 73 parcels consisting of 32 landowners. Current land uses within the District boundaries are agricultural and are expected to remain as such. No growth or population increase is anticipated by the District.

The ability of the District to serve the existing population has been intermittent. A long-term water supply has not been available, and the District has not provided much water due to the lack of water available to the District. The District will continue to work with other agencies in the region to secure a water supply contract.

Disadvantaged Unincorporated Communities

The CKH requires Fresno LAFCo to make determinations regarding DUCs when considering a change of organization, reorganization, SOI expansion, and when conducting municipal service reviews.

For any updates to a SOI of a local agency (city or special district) that provides public facilities or services related to sewer, municipal and industrial water, or structural fire protection, the Commission shall consider and prepare written determinations regarding the present and planned capacity of public facilities and adequacy of public services, and infrastructure needs or deficiencies for any DUC within of contiguous to the SOI of a city or special district.

SB 244 defines a DUC as a place containing 10 or more dwelling units in close proximity to one another, within a city SOI, an island within a city boundary, or geographically isolated area, having existed for more than 50-years; and having a median household income that is 80 percent or less than a statewide median household income. These communities often lack the necessary infrastructure or technical and managerial abilities to provide their own community services. The primary intent of the new legislation is to enable LAFCOs to require that cities and urban service districts include these communities in their local planning processes when considering annexation of adjacent lands. There are no DUCs within or adjacent to the District.

Present and Planned Capacity of Public Services

Since its formation, the District has not been able to secure a long-term water supply from Reclamation's CVP. The primary reason the District was formed was to receive CVP water from the then-proposed Mid-Valley Canal Unit. In 1992, the CVPIA reallocated 800,000 AF of Delta flows for environmental needs. The District was originally set to receive a portion of those flows once the Mid-Valley Canal Unit was built. Now that there are no upcoming plans to build the Mid-Valley Canal Unit, it is highly unlikely the District will be able to acquire a reliable surface water supply in the foreseeable future. In addition, local surface water supplies are fully committed.

Throughout its existence, the District has received minor amounts of short-term water supplies from various sources. In 1985 the District delivered 1,119 AF, by direct delivery through the Mendota Pool, from groundwater obtained from the Britz family. James Irrigation District (JID), a neighboring district, expressed concern that the District's pumping from the Mendota Pool could interfere with its own pumping. To alleviate those concerns, the District entered into a contract with JID agreeing to cut off pumping in the event of a Mendota Pool channel constriction problem.

¹² (Fresno Council of Governments, 2023)

In 1986, the District delivered 786 AF of Bureau of Reclamation Section 215 water from the Delta. A greater volume of water could have been delivered at that time, but infrastructure was insufficient.

In 1987, the District secured a three-year water supply contract from Reclamation for 1,500 AF on behalf of three landowners. In the same year, the District delivered 7,509 AF of groundwater through the Mendota Pool and 371 AF of floodwater.

In 1988, 9,617 AF of groundwater were delivered through the Mendota Pool to six landowners.

In 1989, District had the opportunity to obtain a long-term water supply contract from Reclamation for 2.0 AF per acre pending the conclusion of the Delta Hearings. An Improvement District was formed in 1990 covering the land at the North side of the District for the purpose of long-term contracting with Fresno County for the purchase of its Cross Valley Bureau of Reclamation water. However, to this day, an agreement has never been reached.

In 1992, Governor Wilson signed AB 3030, which allowed local water agencies to adopt groundwater management plans. The major purpose of AB 3030 was to permit local control of groundwater to reduce the risk of controls at the state level. To keep costs down, the District contracted with Kings River Conservation District (KRCDD) to be included in the KRCDD Groundwater Management Plan, while retaining the option of doing its own plan at any future time. In 1994, the District obtained a contract with the Kings River Water Association for the diversion of water during Kings River flood releases. This contract was renewed every three years until 2021, at which time the agreement was not renewed. Throughout the year proposals were presented by the District, as well as RCWD, to take delivery of the City of Fresno sewer effluent. The City continued discussions through 1996, but no agreement was reached.

In 1999, the initial steps of construction began on a canal intended to deliver water to a proposed reservoir in the southern portion of the District. Test holes were dug by backhoe, topographical surveys were completed, and the canal was designed. KRCDD became involved as it was pursuing projects to recharge District groundwater. However, the project was dropped for a more favorable project at another location.

Since 2003, the District has received deliveries of surplus water shown in **Table III-5**:

Table III-5. MVWD Surplus Water Since 2003

Year	USBR Section 215 (AF)	Kings River Floodwater (AF)	Total
2003	368		368
2005	846		846
2006	268	3,648	3,916
2011	2,899		2,899
2017		7,889	7,889

Currently, the District owns and operates a diversion pumping structure. The pumping structure is located in the James Bypass Channel on property owned by RD 1606 lands. The District and RD 1606 entered into a license agreement to allow the District to install, operate, maintain, repair, and replace the pumping structure on RD 1606 property which is located approximately 500 feet south of James Road on the easterly side of the James Bypass.

Sustainable Groundwater Management Act

In 2014, the passing of SGMA had created the requirements for governments and water agencies of high and medium priority basins to halt overdraft and bring groundwater basins into balanced levels of pumping and recharge. Under SGMA, these basins should reach sustainability within 20 years of implementing their sustainability plans.

As mentioned, the District is a participating member of the MAGSA pursuant to SGMA. MAGSA was formed as a Joint Powers Authority that is comprised of the County of Fresno, RCWD, and the MVWD. The MAGSA Board is the governing and legislative body for the McMullin Area Groundwater Sustainability Area and one member represents the MVWD area. The District will still be in the confines of MAGSA once the proposed SOI amendment is approved (see **Figure III-3**).

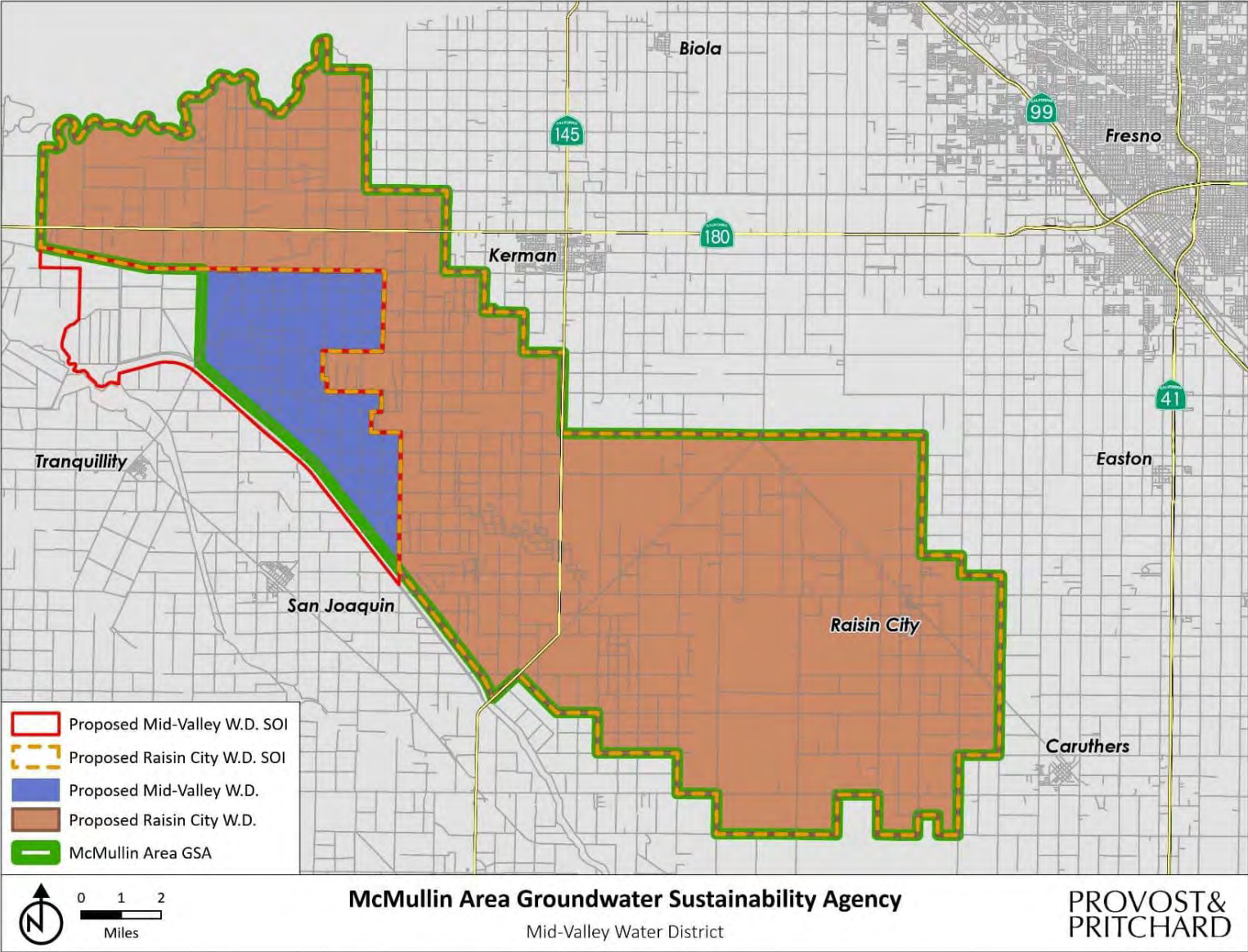


Figure III-3. McMullin Groundwater Sustainability Agency Map

Financial Ability to Provide Services

Assessments

The District is primarily financed by annual property assessments charged to all landowners within the District. The District collects an annual land assessment of \$3.00 per acre. According to the District, annual land assessments are collected by the District and are used to provide indirect services through cooperative agreements with other local agencies. The District uses funding from land assessments to administer District operations, fund the development of future District projects and to advocate and represent landowners within the District. The District does not charge fees aside from its assessments.

Adopted Budgets

The District board adopts an annual budget each year that projects the cost for District operations for the coming years. The District adopted budget for fiscal year (FY) 2023-2024 shows a total of \$38,750. See **Table III-6** for a breakdown for the FY 2023-2024 budget and the previous year FY 2022-2023.

Table III-6. MVWD Adopted 2023-2024 Budget

	2022-2023 Budget	2022-2023 Actual	2023-2024 Budget
Administration Budget			
Management	\$12,000	\$7,446	\$8,000
Legal	\$5,000	\$1,510	\$5,000
Accounting	\$12,000	\$12,765	\$12,000
Audit	\$4,000	\$3,540	\$4,000
Legal Notices	\$500	\$260	\$500
ACWA	-	\$5,153	\$5,200
Miscellaneous	\$4,000	\$7,978	\$3,800
Total Administration Budget	\$37,500	\$38,653	\$38,500
Water Management Budget			
Sustainable Groundwater Management Act	-	-	-
Integrated Regional Water Management	\$250	-	\$250
Total Water Procurement Budget	\$250	-	\$250
Grand Total	\$37,750	\$38,653	\$38,750

Audit Compliance

The District is in compliance with its annual audits. The most recent audit for FY 2022-2023 is attached as **Appendix C**. According to the FY 2022-2023 audit prepared for the District, the following financial highlights are noted:

1. The District's total net position increased \$1,941 or 1.72% over the course of the year operations.
2. The District's operating revenue was \$36,830 for the year ended June 30, 2023. Operating expenses for the year ended June 30, 2023 were \$36,640. The District's operating revenue is solely generated from landowner assessments.
3. The District had no capital assets for the year ended June 30, 2023.
4. The District had no long-term debt for June 30, 2023.

Status of, and Opportunities for, Shared Facilities

The opportunity for shared facilities has the potential to reduce costs of services. It is up to LAFCo to determine if sharing facilities with other service providers is feasible.

The District's boundaries are located within the vicinity of various local agencies that could present opportunities for shared facilities in the form of mutual agreements for shared infrastructure. The neighboring agencies with surface water infrastructure or access to surface water include JID, CID, FID, RCWD, LID, KRCD, and the KRWA. The District does not own or operate any infrastructure so any sort of sharing with another entity would not be symbiotic. However, if other Districts were to allow MVWD to utilize their facilities, total costs to landowners could be reduced.

The District is a participating member of the Association of California Water Agencies (ACWA). ACWA is the largest statewide coalition of public water agencies in the country. ACWA contains 430 public agency members which are collectively responsible for 90% of the water delivered to cities, farms and businesses in California.¹³

Accountability for Community Service Needs, Including Government Structure and Operational Efficiencies

California Water Code section 34000-38500 enables the formation of Water Districts. The District is an independent special district with a separate board of directors not governed by other legislative bodies (either a city council or a county board of supervisors).

The District does not have any employees and has contracted with a private consulting firm, Provost & Pritchard Consulting Group, to provide services on an as-needed basis. Provost & Pritchard Consulting Group was the first District Engineer and has been contracted by the District ever since.

A body of five officials, elected to four-year terms, serves as the Board of Directors governing the District.

The Board creates policy by adopting resolutions or ordinances at duly noticed public hearings. The Board designates the third Wednesday of each month at 1:30 p.m. as its official meeting date. However, the District does not need to meet monthly so meetings are on an as-needed basis, typically once a year. Board meetings are held at the offices of the Provost & Pritchard Consulting Group. Meetings are noticed and posted consistent with Brown Act requirements, although the frequency of meetings is not in compliance with the Brown Act. There appears to be opportunities for public involvement and input at the yearly meeting.

Based on the information provided above, there are no other means available to improve the District's accountability and government structure.

Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

Fresno County General Plan Consistency

All proposals shall be consistent with the goals, objectives, policies, and standards of the Fresno County General Plan and any applicable area plan. The Commission may find a proposal consistent with the General Plan or area plan as a whole, although the proposal is found to be inconsistent with one or more standards, if the Commission identifies the inconsistencies and finds that:

1. The negative effect in a particular instance is outweighed by the overall positive impact of the proposal on the County;

¹³ (Association of California Water Agencies, 2024)

2. The proposal will not materially detract from the General Plan or area plan as a whole; and
3. The proposal is inconsistent with one or more standards of the General Plan or area plan due to the unique nature of the proposal and/or special or unusual circumstances in the area or the County at the time that could not have been anticipated when the General Plan was developed, and that the situation is not likely to occur frequently enough so as to warrant amending the General Plan or area plan.

District Policies

The District is in compliance with its bylaws, amended and restated in 1995 (see [Appendix E](#)).

Website

The District does not maintain its own website. Currently, there is no publicly accessible available information regarding the District's workings. A website would provide information such as meeting times and locations, budgets, rates, ordinances, agendas, completed/upcoming projects, and other District affairs.

D. DETERMINATIONS AND FINDINGS

California GC Section 56430 provides that LAFCoS, upon receipt and consideration of an MSR, are required to adopt written findings addressing topics as follows.

Growth and Population

According to the Draft Fresno Multi-Jurisdictional 2023-2031 Housing Element, the 2022 population of the unincorporated areas of Fresno County was 158,846 people. From 2000 to 2022, the population saw an average annual decline of 0.2 percent.¹⁴ The District contains a total of approximately 13,678 acres. Current land uses for the 73 parcels consisting of 32 landowners within the District boundaries are agricultural and are expected to remain agricultural. No growth or population increase is anticipated by the District.

Disadvantaged Unincorporated Communities

There are no DUCs within or adjacent to the District. Additionally, the District does not provide municipal services that facilitate, support, or induce population growth. The District does not provide services related to public sewer, municipal and industrial water, or structural fire protection that would present opportunity to extend services to a DUC.

Present and Planned Capacity of Public Services

Since its formation, the District has not been able to secure long-term water supply from Reclamation's CVP. The primary reason the District was formed was to receive CVP water from the then-proposed Mid-Valley Canal Unit. In 1992, the CVPIA reallocated 800,000 AF of Delta flows for environmental needs. The District was originally set to receive a portion of those flows once the Mid-Valley Canal Unit was built. Now that there are no upcoming plans to build the Mid-Valley Canal Unit, it is highly unlikely the District will be able to acquire a reliable surface water supply in the foreseeable future. In addition, local surface water supplies are fully committed.

Currently, the District owns and operates a diversion pumping structure. The pumping structure is located in the James Bypass Channel on property owned by RD 1606 lands. The District and RD 1606 entered into a license agreement to allow the District to install, operate, maintain, repair, and replace the pumping structure on RD 1606 property which is located approximately 500 feet south of James Road on the easterly side of the James Bypass.

Financial Ability of the Agency to Provide Services

The District is primarily financed by annual property assessments charged to all landowners within the District.

Annual land assessments are collected by the District and are utilized to allow the District to provide indirect services through cooperative agreements with other local agencies. The District uses land assessment to maintain the operation of the District, help fund the development of future District projects, conduct groundwater studies, and represent and advocate for landowners within the District.

The District does not presently charge fees to landowners within its service area. These existing land assessments generated by the District are sufficient to cover the District's operating costs as seen in the most recent financial audit.

¹⁴ (Fresno Council of Governments, 2023)

Status of, and Opportunities for, Shared Facilities

The opportunity for shared facilities has the potential to reduce costs of services. It is up to LAFCo to determine if sharing facilities with other service providers is feasible. There are various local agencies in the vicinity of MVWD that could present opportunities for shared facilities. Sharing opportunities can bring landowner costs down for each agency involved. An effort should be made to explore what those opportunities could entail.

The District is a participating member of the Association of California Water Agencies (ACWA). ACWA is the largest statewide coalition of public water agencies in the country. ACWA contains 430 public agency members which are collectively responsible for 90% of the water delivered to cities, farms and businesses in California.

Accountability for Community Service Needs, Including Government Structure and Operational Efficiencies

The District was formed in 1984 for the purpose of securing a water supply for agricultural irrigation purposes. The District currently does not provide any direct services. The District has an elected five-member Board of Directors. The Board designates the third Wednesday of each month at 1:30 p.m. as its official meeting date. In reality, the District meets on an as-needed basis, typically once a year at the specified day and time noted above. The Board meetings are publicly-noticed and are conducted in compliance with the Brown Act. The meeting locations and facilities are in compliance with the Americans with Disabilities Act. There appears to be opportunities for public involvement and input at the yearly meeting.

Any Other Matter Related to Effective or Efficient Service Delivery, as Required by Commission Policy

Fresno LAFCo has a Policies and Procedures document, adopted on April 3, 1986 and last revised on June 8, 2022. It can be found at the following link:

<https://www.fresnolafco.org/files/0aec8ac1d/LAFCo+Policy+Manual+2022.pdf>

The District is in compliance with its bylaws, amended and restated in 1995.

The District does not have a website and should design one moving forward pursuant to SB 929.

E. SOI STATEMENTS

GC Section 56425(e) requires LAFCo to consider and make a written statement with respect to each of the following:

1. The present and planned land uses in the area, including agricultural and open-space lands.
2. The present and probable need for public facilities and services in the area.
3. The present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide.
4. The existence of any social or economic communities of interest in the area if the Commission determines that they are relevant to the agency.

Mid-Valley Water District currently encompasses approximately 13,678 acres of varying land uses in Fresno County. The total acreage planned within the District is 42,552 acres. The District currently comprises land zoned and used for agricultural purposes.

The District proposes to reduce its SOI boundary by 28,874 acres resulting in a SOI of 13,678 acres. As evaluated in this report relative to: 1) present and planned land uses; 2) present and probable need for public facilities and services; 3) present capacity of public facilities and adequacy of public services that the agency provides or is authorized to provide; and 4) the existence of any social or economic communities of interest in the area (i.e. disadvantaged unincorporated communities) for which the Commission may determine relevant, it is recommended that the SOI of the Mid-Valley Water District be amended to what is shown in **Figure III-2**.

F. ENVIRONMENTAL COMPLIANCE (CEQA)

An MSR and SOI amendment are considered to be a “project” as defined by the California Environmental Quality Act (CEQA; Public Resources Code Section 21000, et seq.), and therefore are subject to analysis for potential environmental effects. In LAFCo’s role as lead agency under CEQA, the Commission generally will determine that adoption of the MSR is categorically exempt from CEQA review under CEQA Guidelines Section 15306, Information Collection, which states:

“Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted, or funded.”

The supporting findings for this CEQA exemption are as follows:

4. The purpose of an MSR is to collect data for the purpose of evaluating an agency’s ability to provide services within its sphere of influence.
5. Adoption of an MSR does not result in any change to land use or zoning, nor does it grant an entitlement or permit of any kind, either directly or indirectly.
6. Nothing resulting from adoption of an MSR has the potential to create any physical change to the environment.

G. RECOMMENDED ACTIONS

Staff recommends that the Commission takes the following actions:

ENVIRONMENTAL REVIEW

- B. *Recommended Action:* Find the proposal to be exempt from CEQA under CEQA Guidelines Section 15306, Information Collection.

MUNICIPAL SERVICE REVIEW

Recommended Action: ADOPT the seven determinations required in GC Section 56430 for the MVWD as identified in this municipal service review report.

SPHERE OF INFLUENCE AMENDMENT

Recommended Action: ADOPT statements as discussed in this report, pursuant to GC Section 56425(e) as follows:

- 1) The District has adequate capacity, financial ability, accountability, and government structure to serve the present and planned land uses;
- 2) The District has the capacity, financial ability, accountability, and government structure to provide for the present and probable need for public facilities and services;
- 3) The District has the present capacity of public facilities and has adequate public services to provide for the area it is authorized to provide;
- 4) There are no social or economic communities of interest in the area such as disadvantaged unincorporated communities for which the Commission has determined relevant within the District's proposed boundaries.

IV. References

- Association of California Water Agencies. (2024). *ACWA*. Retrieved from ACWA:
https://www.google.com/search?q=acwa&sca_esv=0a31b4c8707f31fc&sca_upv=1&source=hp&ei=MIRwZvHOOYKLkPIPsumo-A4&iflsig=AL9hbdgAAAAAZnCSQG4ex2zbDfn46TWQBJWYbdqnALwo&ved=0ahUKEwjxps_opeOGAxWCBUQIHbI0Cu8Q4dUDCBc&uact=5&oq=acwa&gs_lp=Egdnd3Mtd2l6IgRhY3dhMggQABiA
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- Raisin City Water District. (2015). *Municipal Service Review and Sphere of Influence Update*. Retrieved from <https://www.fresnolafo.org/files/d62651f64/Raisin+City+WD+MSR-Final.pdf>

Appendix A. RCWD Adopted Budget (FY 23-24)

Raisin City Water District

2023-2024 Budget

Description	Adopted 2023-24 Budget
Advertising - Public Notices	\$500
Directors Fees	0
Dues - ACWA/KBWA	11,000
Insurance	3,200
Office Expense	500
Professional Fees - Administration	74,000
Professional Fees - Auditor	6,900
Professional Fees - Legal	30,000
Professional Fees - Other (Annex)	10,000
Project Fees & Costs	0
McMullin Recharge Phase 2	0
Infrastructure Planning	50,000
Prop. 218 Election	45,000
Water Management Program	0
Website and Outreach	10,000
Unbudgeted Expense	2,200
<hr/>	
<i>Total Expenses</i>	\$243,300
<i>Projected Income</i>	
Current Year Assessments	\$38,560
Delinquent Assessments	1,500
Interest	8,000
Grant Funding	20,000
<hr/>	
<i>Total Income</i>	\$68,060

Appendix B. RCWD Financial Audit (FYs 18-23)

**RAISIN CITY WATER DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2019**

RAISIN CITY WATER DISTRICT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019

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**RAISIN CITY WATER DISTRICT
BOARD OF DIRECTORS AND ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2019**

Board of Directors

R. Gere Gunlund	President
Jusdip Jerry Rai	Vice-President
Gagandip Batth	Director
Don Cameron	Director
Doug Moles	Director

Administration

Randy Hopkins	Manager
Rick Besecker	Treasurer



Independent Auditor's Report

To the Board of Directors
Raisin City Water District
Fresno, California

We have audited the accompanying financial statements of Raisin City Water District (a special district) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

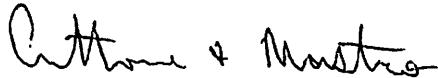
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Raisin City Water District, as of June 30, 2019, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4–6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



December 11, 2019

RAISIN CITY WATER DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Raisin City Water District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2019. Please read in conjunction with the District's financial statements, which follow this section.

Overview of the Financial Statements

This annual financial report includes this management's discussion and analysis, the independent auditor's report and the basic financial statements of the District. The financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

The financial statements of the District report information of the District using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net position. This statement can be used to determine whether the District has successfully recovered all of its costs through its user fees and other charges, its profitability, and its credit worthiness.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, financing, and investing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Analysis of the District

One of the most important questions asked about the District's finances is "Is the District, as a whole, better off or worse off as a result of this year's activities?" The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and the changes in them. One can think of the District's net position—the difference between assets and liabilities—as one way to measure financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

Net Position

A comparison of the Statement of Net Position can determine the change in the components of financial position (the assets and liabilities) of the District from year-end to year-end. This comparison is presented in the following table:

**RAISIN CITY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

**Condensed Statement of Net Position
June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Current Assets	\$ 1,102,132	\$ 1,211,901	\$ (109,769)	-9.06%
Capital Assets	-	-	-	-
Total Assets	<u>1,102,132</u>	<u>1,211,901</u>	<u>(109,769)</u>	<u>-9.06%</u>
Current Liabilities				
Total Liabilities	<u>57,758</u>	<u>70,531</u>	<u>(12,773)</u>	<u>-18.11%</u>
Unrestricted Assets	<u>1,044,374</u>	<u>1,141,370</u>	<u>(96,996)</u>	<u>-8.50%</u>
Total Net Position	<u>\$ 1,044,374</u>	<u>\$ 1,141,370</u>	<u>\$ (96,996)</u>	<u>-8.50%</u>

- Net assets, primarily cash, has decreased from the prior year due to the District incurring additional planning costs for the year.

Revenues, Expenses and Changes in Net Position

A comparison of the Statement of Revenues, Expenses and Changes in Net position for each year will explain the changes in financial position that resulted from the operating activities during that year. This comparison is presented in the following table:

**Condensed Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2019 and 2018**

	<u>2019</u>	<u>2018</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Operating Revenues	\$ 37,802	\$ 38,327	\$ (525)	-1.37%
Operating Expenses	<u>161,945</u>	<u>466,151</u>	<u>(304,206)</u>	<u>-65.26%</u>
Operating Income (Loss)	<u>(124,143)</u>	<u>(427,824)</u>	<u>303,681</u>	<u>-70.98%</u>
Non-Operating Revenues	<u>27,147</u>	<u>19,504</u>	<u>7,643</u>	<u>39.19%</u>
Change In Net Position	<u>(96,996)</u>	<u>(408,320)</u>	<u>311,324</u>	<u>-76.25%</u>
Net Position - Beginning of Year	<u>1,141,370</u>	<u>1,549,690</u>	<u>(408,320)</u>	<u>-26.35%</u>
Net Position - End of Year	<u>\$ 1,044,374</u>	<u>\$ 1,141,370</u>	<u>\$ (96,996)</u>	<u>-8.50%</u>

- Revenues are consistent with the prior year and while expenses have decreased from the prior year, the District is incurring additional costs, primarily planning costs, over the prior year.

Budgetary Highlights

The District adopts an annual budget each year to project the costs for operations for the coming year. The budget includes these projected expenses and the means of financing them.

**RAISIN CITY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

Management throughout the year analyzes the District's budget; however, it is not reported on, nor shows in the financial statements section of this annual report.

The budget is divided into the following categories.

- Administration
- Advertising
- Audit
- Dues
- Insurance
- Legal
- Miscellaneous
- Office
- Planning
- Project Costs
- Website

At June 30, 2019 actual to budget comparison is presented in the following table:

**Actual vs. Budget Comparison
For the Year Ended June 30, 2019**

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>	<u>Percentage</u>
Total Expenses	<u>\$ 161,945</u>	<u>\$ 785,450</u>	<u>\$ (623,505)</u>	<u>-79.38%</u>

Contacting the District's Management

This annual financial report is designed to provide our customers and creditors with a general overview of the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact: Raisin City Water District, 286 W. Cromwell Avenue, Fresno, California 93711.

**RAISIN CITY WATER DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019**

Assets

Current Assets

Cash	\$ 1,091,012
Accrued Interest Receivable	6,987
Delinquent Assessments Receivable	2,308
Prepaid Insurance	<u>1,825</u>

Total Current Assets	<u>1,102,132</u>
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Total Assets	<u>1,102,132</u>
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Liabilities

Current Liabilities

Accounts Payable	<u>57,758</u>
------------------	---------------

Total Liabilities	<u>57,758</u>
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Net Position

Unrestricted	<u>1,044,374</u>
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Total Net Position	<u><u>\$ 1,044,374</u></u>
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The accompanying notes are an integral part of these financial statements.

RAISIN CITY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

Operating Revenues	
Assessments	\$ 37,802
	<u>37,802</u>
Total Operating Revenues	<u>37,802</u>
Operating Expenses	
Advertising	215
Dues	10,265
Engineering and Planning	116,190
Insurance	2,430
Legal and Accounting	<u>32,845</u>
Total Operating Expenses	<u>161,945</u>
Operating Income (Loss)	<u>(124,143)</u>
Nonoperating Income	
Interest Income	<u>27,147</u>
Change In Net Position	(96,996)
Net Position at Beginning of Year	<u>1,141,370</u>
Net Position at End of Year	<u><u>\$ 1,044,374</u></u>

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

RAISIN CITY WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2019

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 37,235
Cash Paid to Suppliers	<u>(174,721)</u>

Net Cash Flows from Operating Activities	(137,486)
--	-----------

CASH FLOWS FROM INVESTING ACTIVITIES

Cash Received From Interest Earned	<u>26,236</u>
------------------------------------	---------------

Net Change in Cash	(111,250)
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Cash at the Beginning of Year	<u>1,202,262</u>
-------------------------------	------------------

Cash at the End of Year	<u><u>\$ 1,091,012</u></u>
-------------------------	----------------------------

Reconciliation of Operating Loss to Net Cash Flows
from Operating Activities:

Operating Loss	\$ (124,143)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Changes in Assets and Liabilities	
Delinquent Assessments Receivable	(567)
Prepaid Insurance	(3)
Accounts Payable	<u>(12,773)</u>

Net Cash Flows from Operating Activities	<u><u>\$ (137,486)</u></u>
--	----------------------------

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

RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019

(1) Description of Entity

(a) Description of Operations

Raisin City Water District (the "District") was formed in 1962 as a special district in the State of California and is governed by a five-person Board of Directors. The District operates entirely within the County of Fresno, California. The principal function of the District is to obtain a surface water supply for the benefit of lands within the District. A surface water supply has not yet been made available.

(b) Reporting Entity

In accordance with the requirements of Statement No. 14, *The Financial Reporting Entity, of the Governmental Accounting Standards Board (GASB)*, the financial statements must present the District (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation and Accounting

The financial statements of the Raisin City Water District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's policies are described below.

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions on behalf of the District, the reporting entity. The District accounts for its operations as an enterprise fund.

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

(b) Cash Equivalents and Investments

The District considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. This includes funds on deposit with the State of California Local Agency Investment Fund.

RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(continued)

(c) Accounts Receivable

Uncollectible accounts included in accounts receivable are considered to be immaterial. Therefore, no allowance for uncollectible accounts has been established.

(d) Net Position

Net position comprises the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions.

(e) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2019 consisted of the following:

Checking – WestAmerica Bank	\$ 10,830
State of California Local Agency Investment Fund (LAIF)	<u>1,080,182</u>
Total Cash	<u>\$1,091,012</u>

Concentration of Credit Risk

The District does not have an investment policy that contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2019
(continued)

The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires California banks and savings and loan associations to collateralize a district's deposits by pledging government securities. The market value of the pledged securities must equal at least 110 percent of a district's deposits. California law also allows financial institutions to collateralize a district's deposits by pledging first trust deed mortgage notes having a value of 150 percent of a district's total deposits. The district may waive collateral requirements for deposits on interest bearing accounts which are fully insured by Federal Deposit insurance up to \$250,000.

At June 30, 2019, the carrying amount of the District's cash deposits in an interest-bearing account was \$10,830 and the bank balance was \$22,152. The difference between the bank balance and the carrying amount represents outstanding checks in transit. At June 30, 2019, the carrying amount and LAIF balance of the Districts cash deposits in an interest-bearing account was \$1,080,182.

RAISIN CITY WATER DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2020

RAISIN CITY WATER DISTRICT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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RAISIN CITY WATER DISTRICT
BOARD OF DIRECTORS AND ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2020

Board of Directors

R. Gere Gunlund	President
Jusdip Jerry Rai	Vice-President
Gagandip Batth	Director
Don Cameron	Director
Doug Moles	Director

Administration

Randy Hopkins	Manager
Rick Besecker	Treasurer



CUTTONE & MASTRO

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors
Raisin City Water District
Fresno, California

We have audited the accompanying financial statements of Raisin City Water District (a special district) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

7543 North Ingram, Suite 102
Fresno, California 93711

phone 559-261-4300

fax 559-261-4301

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Raisin City Water District, as of June 30, 2020, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4–6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Cuttone & Mastro

November 13, 2020

RAISIN CITY WATER DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Raisin City Water District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2020. Please read in conjunction with the District's financial statements, which follow this section.

Overview of the Financial Statements

This annual financial report includes this management's discussion and analysis, the independent auditor's report and the basic financial statements of the District. The financial statements also include notes that explain in more detail some of the information in the financial statements.

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The financial statements of the District report information of the District using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net position. This statement can be used to determine whether the District has successfully recovered all of its costs through its user fees and other charges, its profitability, and its credit worthiness.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, financing, and investing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Analysis of the District

One of the most important questions asked about the District's finances is "Is the District, as a whole, better off or worse off as a result of this year's activities?" The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and the changes in them. One can think of the District's net position—the difference between assets and liabilities—as one way to measure financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

Net Position

A comparison of the Statement of Net Position can determine the change in the components of financial position (the assets and liabilities) of the District from year-end to year-end. This comparison is presented in the following table:

**RAISIN CITY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

**Condensed Statement of Net Position
June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Current Assets	\$ 886,497	\$ 1,102,132	\$ (215,635)	-19.57%
Capital Assets	<u>182,718</u>	<u>20,180</u>	<u>162,538</u>	<u>805.44%</u>
Total Assets	<u>1,069,215</u>	<u>1,122,312</u>	<u>(53,097)</u>	<u>-4.73%</u>
Current Liabilities				
Total Liabilities	<u>169,125</u>	<u>57,758</u>	<u>111,367</u>	<u>192.82%</u>
Unrestricted Assets	<u>900,090</u>	<u>1,064,554</u>	<u>(164,464)</u>	<u>-15.45%</u>
Total Net Position	<u>\$ 900,090</u>	<u>\$ 1,064,554</u>	<u>\$ (164,464)</u>	<u>-15.45%</u>

- Net assets, primarily cash, has decreased from the prior year due to the District incurring additional planning costs and construction in progress for the year.
- In 2020, the District continued toward the construction of the McMullin Recharge Project. Total costs to date that have been capitalized are \$182,715.

Revenues, Expenses and Changes in Net Position

A comparison of the Statement of Revenues, Expenses and Changes in Net position for each year will explain the changes in financial position that resulted from the operating activities during that year. This comparison is presented in the following table:

**Condensed Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Operating Revenues	\$ 39,296	\$ 37,802	\$ 1,494	3.95%
Operating Expenses	<u>223,775</u>	<u>141,765</u>	<u>82,010</u>	<u>57.85%</u>
Operating Income (Loss)	<u>(184,479)</u>	<u>(103,963)</u>	<u>(80,516)</u>	<u>77.45%</u>
Non-Operating Revenues	<u>20,015</u>	<u>27,147</u>	<u>(7,132)</u>	<u>-26.27%</u>
Change In Net Position	<u>(164,464)</u>	<u>(76,816)</u>	<u>(87,648)</u>	<u>114.10%</u>
Net Position - Beginning of Year	<u>1,064,554</u>	<u>1,141,370</u>	<u>(76,816)</u>	<u>-6.73%</u>
Net Position - End of Year	<u>\$ 900,090</u>	<u>\$ 1,064,554</u>	<u>\$ (164,464)</u>	<u>-15.45%</u>

- Revenues are consistent with the prior year and while expenses have increased from the prior year, the District is incurring additional costs, primarily planning costs, over the prior year.

**RAISIN CITY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

Budgetary Highlights

The District adopts an annual budget each year to project the costs for operations for the coming year. The budget includes these projected expenses and the means of financing them.

Management throughout the year analyzes the District's budget; however, it is not reported on, nor shows in the financial statements section of this annual report.

The budget is divided into the following categories.

- Administration
- Advertising
- Audit
- Dues
- Insurance
- Legal
- Miscellaneous
- Office
- Planning
- Project Costs
- Website

At June 30, 2020, the actual to budget comparison is presented in the following table:

**Actual vs. Budget Comparison
For the Year Ended June 30, 2020**

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>	<u>Percentage</u>
Total Expenses	<u>\$ 223,775</u>	<u>\$ 1,005,450</u>	<u>\$ (781,675)</u>	<u>-77.74%</u>

Contacting the District's Management

This annual financial report is designed to provide our customers and creditors with a general overview of the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact: Raisin City Water District, 286 W. Cromwell Avenue, Fresno, California 93711.

RAISIN CITY WATER DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

Assets

Current Assets

Cash	\$ 878,348
Accrued Interest Receivable	3,180
Delinquent Assessments Receivable	3,119
Prepaid Insurance	<u>1,850</u>

Total Current Assets 886,497

Capital Assets - Net 182,718

Total Assets 1,069,215

Liabilities

Current Liabilities

Accounts Payable 169,125

Total Liabilities 169,125

Net Position

Unrestricted 900,090

Total Net Position \$ 900,090

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

RAISIN CITY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

Operating Revenues	
Assessments	\$ 39,296
Total Operating Revenues	<u>39,296</u>
Operating Expenses	
Advertising	104
Bad Debt	1,600
Dues	10,230
Engineering and Planning	153,291
Insurance	2,482
Legal and Accounting	57,275
Miscellaneous	<u>(1,207)</u>
Total Operating Expenses	<u>223,775</u>
Operating Income (Loss)	<u>(184,479)</u>
Nonoperating Income	
Interest Income	<u>20,015</u>
Change In Net Position	(164,464)
Net Position at Beginning of Year, Restated	<u>1,064,554</u>
Net Position at End of Year	<u>\$ 900,090</u>

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

RAISIN CITY WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 38,485
Cash Paid to Suppliers	<u>(112,433)</u>
Net Cash Flows from Operating Activities	(73,948)
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash Received From Interest Earned	23,822
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Assests Acquired	<u>(162,538)</u>
Net Change in Cash	(212,664)
Cash at the Beginning of Year	<u>1,091,012</u>
Cash at the End of Year	<u>\$ 878,348</u>
Reconciliation of Operating Loss to Net Cash Flows from Operating Activities:	
Operating Loss	\$ (184,479)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Changes in Assets and Liabilities	
Delinquent Assessments Receivable	(811)
Prepaid Insurance	(25)
Accounts Payable	<u>111,367</u>
Net Cash Flows from Operating Activities	<u>\$ (73,948)</u>

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

RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020

(1) Description of Entity

(a) Description of Operations

Raisin City Water District (the "District") was formed in 1962 as a special district in the State of California and is governed by a five-person Board of Directors. The District operates entirely within the County of Fresno, California. The principal function of the District is to obtain a surface water supply for the benefit of lands within the District. A surface water supply has not yet been made available.

(b) Reporting Entity

In accordance with the requirements of Statement No. 14, *The Financial Reporting Entity, of the Governmental Accounting Standards Board (GASB)*, the financial statements must present the District (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation and Accounting

The financial statements of the Raisin City Water District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's policies are described below.

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions on behalf of the District, the reporting entity. The District accounts for its operations as an enterprise fund.

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

(b) Cash Equivalents and Investments

The District considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. This includes funds on deposit with the State of California Local Agency Investment Fund.

RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(continued)

(c) Accounts Receivable

Uncollectible accounts included in accounts receivable are considered to be immaterial. Therefore, no allowance for uncollectible accounts has been established.

(d) Net Position

Net position comprises the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions.

(e) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2020 consisted of the following:

Checking – WestAmerica Bank	\$ 19,370
State of California Local Agency Investment Fund (LAIF)	<u>858,978</u>
Total Cash	<u>\$ 878,348</u>

Authorized Deposits and Investments

The District's investment policy authorizes investments in the California Local Agency Investment Fund (LAIF). The District's investment policy does not contain specific provisions intended to limit its exposure to interest rate risk, credit risk, custodial risk, and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that would further limit investment maturities as a means of managing its exposure to fair value losses arising from increasing rates

RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization; however, the Local Agency Investment Fund is not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The District's deposit portfolio with governmental agencies consists of Local Agency Investment Fund at 97.8% as of June 30, 2020, of the District's total depository and investment portfolio. The District does not have a formal investment policy that would further limit exposure to concentration of credit risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. As of June 30, 2020, the District did not have cash with banks that exceeded federal depository insurance limits.

The custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Local Agency Investment Fund).

As of June 30, 2020, the carrying amount of the District's cash deposits in an interest-bearing account and the bank balance was \$19,370. As of June 30, 2020, the carrying amount and LAIF balance of the District's cash deposits in an interest-bearing account was \$858,978.

RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020
(continued)

(4) Capital Assets

Capital asset activity for the year ended June 30, 2020 consisted of the following:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
CIP	\$ 20,180	\$ 162,538	\$ -	\$ 182,718
Less Accumulated Depreciation	-	-	-	-
	<u>\$ 20,180</u>	<u>\$ 162,538</u>	<u>\$ -</u>	<u>\$ 182,718</u>

(5) Restatement of Beginning Financial Position

The beginning net position has been restated to reflect the capitalization of assets by the district for a capital project which was in progress as of June 30, 2019. The amount of the capitalized was \$20,180.

Net Position at Beginning of Year, As Previously Stated	\$1,044,374
Restatement Amount	<u>20,180</u>
Net Position at Beginning of Year, Restated	<u>\$1,064,554</u>



CUTTONE & MASTRO

CERTIFIED PUBLIC ACCOUNTANTS

November 13, 2020

To the Board of Directors
Raisin City Water District
Raisin City, California

We have audited the financial statements of Raisin City Water District for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 17, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Raisin City Water District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Raisin City Water District's financial statements was management's estimate of the allowance for doubtful accounts is based on historical loss levels, and an analysis of the collectability of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the financial statements taken as a whole. Management expects to eventually collect a material amount of the assessments due to the land securing most of the assessments.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and correct by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 13, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of board of directors and management of Raisin City Water District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Cutrone & Mastro

**RAISIN CITY WATER DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2021**

**RAISIN CITY WATER DISTRICT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

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**RAISIN CITY WATER DISTRICT
BOARD OF DIRECTORS AND ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2021**

Board of Directors

R. Gere Gunlund	President
Jonathan DeGroot	Vice-President
Gagandip Batth	Director
Don Cameron	Director
John Verwey	Director

Administration

Randy Hopkins	Manager
Rick Besecker	Treasurer



Independent Auditor's Report

To the Board of Directors
Raisin City Water District
Clovis, California

We have audited the accompanying financial statements of Raisin City Water District (a special district), as of and for the year ended June 30, 2021, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Raisin City Water District, as of June 30, 2021, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other-Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

A handwritten signature in black ink, appearing to read "Cuttane & Mastro". The signature is written in a cursive, flowing style.

November 4, 2021

RAISIN CITY WATER DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Raisin City Water District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2021. Please read in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The District's total net position decreased \$84,863 or 7.90% over the course of the year operations.
- The District's operating revenue was \$37,492 for the year ended June 30, 2021. Operating expenses for the year ended June 30, 2021 were \$127,359.
- The District had construction in progress in the amount of \$467,000 for June 30, 2021.
- The District had no long-term debt for June 30, 2021.

Overview of the Financial Statements

This annual financial report includes this management's discussion and analysis, the independent auditor's report and the basic financial statements of the District. The financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

The financial statements of the District report information of the District using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net position. This statement can be used to determine whether the District has successfully recovered all of its costs through its user fees and other charges, its profitability, and its credit worthiness.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, financing, and investing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Analysis of the District

One of the most important questions asked about the District's finances is "Is the District, as a whole, better off or worse off as a result of this year's activities?" The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and the changes in them. One can think of the District's net position—the difference between assets and liabilities—as one way to measure financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

**RAISIN CITY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Net Position

A comparison of the Statement of Net Position can determine the change in the components of financial position (the assets and liabilities) of the District from year-end to year-end. This comparison is presented in the following table:

**Condensed Statement of Net Position
June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Current Assets	\$ 526,002	\$ 886,497	\$ (360,495)	-40.67%
Capital Assets	<u>467,000</u>	<u>357,231</u>	<u>109,769</u>	<u>30.73%</u>
Total Assets	<u>993,002</u>	<u>1,243,728</u>	<u>(250,726)</u>	<u>-20.16%</u>
Current Liabilities				
Total Liabilities	<u>3,262</u>	<u>169,125</u>	<u>(165,863)</u>	<u>-98.07%</u>
Restricted for Capital Assets, Net of Related Debt	467,000	357,231	109,769	30.73%
Unrestricted Assets	<u>522,740</u>	<u>717,372</u>	<u>(194,632)</u>	<u>-27.13%</u>
Total Net Position	<u>\$ 989,740</u>	<u>\$ 1,074,603</u>	<u>\$ (84,863)</u>	<u>-7.90%</u>

The table shows that the District's net position decreased \$84,863 or 7.90% for the year ended June 30, 2021. Factors contributing to this change include:

- Net assets, primarily cash, has decreased from the prior year due to the District incurring additional planning costs and construction in progress for the year.
- In 2021, the District continued toward the construction of the McMullin Recharge Project. Total costs to date that have been capitalized are \$467,000.

Revenues, Expenses and Changes in Net Position

A comparison of the Statement of Revenues, Expenses and Changes in Net position for each year will explain the changes in financial position that resulted from the operating activities during that year. This comparison is presented in the following table:

**Condensed Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Operating Revenues	\$ 37,492	\$ 39,296	\$ (1,804)	-4.59%
Operating Expenses	<u>127,359</u>	<u>49,262</u>	<u>78,097</u>	<u>158.53%</u>
Operating Income (Loss)	<u>(89,867)</u>	<u>(9,966)</u>	<u>(79,901)</u>	<u>801.74%</u>
Non-Operating Revenues	<u>5,004</u>	<u>20,015</u>	<u>(15,011)</u>	<u>-75.00%</u>
Change In Net Position	<u>(84,863)</u>	<u>10,049</u>	<u>(94,912)</u>	<u>-944.49%</u>
Net Position - Beginning of Year	<u>1,074,603</u>	<u>1,064,554</u>	<u>10,049</u>	<u>0.94%</u>
Net Position - End of Year	<u>\$ 989,740</u>	<u>\$ 1,074,603</u>	<u>\$ (84,863)</u>	<u>-7.90%</u>

**RAISIN CITY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The table shows that the District's net position increase was \$84,863 or 7.90% for the year ended June 30, 2021. Factors contributing to this change include:

- Revenues are consistent with the prior year and expenses have increased from the prior year.

Budgetary Highlights

The District adopts an annual budget each year to project the costs for operations for the coming year. The budget includes these projected expenses and the means of financing them. Management throughout the year analyzes the District's budget; however, it is not reported on, nor shows in the financial statements section of this annual report.

At June 30, 2021, the actual to budget comparison is presented in the following table:

**Actual vs. Budget Comparison
For the Year Ended June 30, 2021**

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>	<u>Percentage</u>
Total Expenses	<u>\$ 127,359</u>	<u>\$ 500,000</u>	<u>\$ (372,641)</u>	<u>-74.53%</u>

Capital Assets

The District had Construction in progress in the amount of \$467,000 for June 30, 2021. The District's construction in progress consists of the design for the McMullin Recharge Project. It is estimated that the design was at approximately 30% completion at June 30, 2021.

Debt Service Requirements

The District has no long-term debt.

Contacting the District's Management

This annual financial report is designed to provide our customers and creditors with a general overview of the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Raisin City Water District, 455 W. Fir Avenue, Clovis, California 93611.

**RAISIN CITY WATER DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021**

Assets

Current Assets

Cash	\$ 520,192
Accrued Interest Receivable	420
Delinquent Assessments Receivable	3,413
Prepaid Insurance	<u>1,977</u>

Total Current Assets	526,002
----------------------	---------

Capital Assets - Net	<u>467,000</u>
----------------------	----------------

Total Assets	<u>993,002</u>
--------------	----------------

Liabilities

Current Liabilities

Accounts Payable	<u>3,262</u>
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Total Liabilities	<u>3,262</u>
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Net Position

Restricted for Capital Assets, Net of Related Debt	467,000
Unrestricted	<u>522,740</u>

Total Net Position	<u>\$ 989,740</u>
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The accompanying notes are an integral part of these financial statements.

**RAISIN CITY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021**

Operating Revenues	
Assessments	\$ 37,492
Total Operating Revenues	<u>37,492</u>
Operating Expenses	
Advertising	301
Dues	10,715
Election Expense	8,194
Engineering and Planning	61,384
Insurance	2,508
Legal and Accounting	44,222
Miscellaneous	<u>35</u>
Total Operating Expenses	<u>127,359</u>
Operating Income (Loss)	<u>(89,867)</u>
Nonoperating Income	
Interest Income	3,642
GSA Reimbursement	<u>1,362</u>
Total Nonoperating Income	<u>5,004</u>
Change In Net Position	(84,863)
Net Position at Beginning of Year, Restated	<u>1,074,603</u>
Net Position at End of Year	<u>\$ 989,740</u>

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

**RAISIN CITY WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 37,198
Cash Paid to Suppliers	<u>(293,349)</u>

Net Cash Flows from Operating Activities	(256,151)
--	-----------

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

GSA Reimbursements and Other Income	<u>1,362</u>
-------------------------------------	--------------

CASH FLOWS FROM INVESTING ACTIVITIES

Cash Received From Interest Earned	<u>6,402</u>
------------------------------------	--------------

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Capital Assests Acquired	<u>(109,769)</u>
--------------------------	------------------

Net Change in Cash	(358,156)
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Cash at the Beginning of Year	<u>878,348</u>
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Cash at the End of Year	<u><u>\$ 520,192</u></u>
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**Reconciliation of Operating Loss to Net Cash Flows
from Operating Activities:**

Operating Loss	\$ (89,867)
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Adjustments to reconcile operating loss
to net cash provided by operating activities:

Changes in Assets and Liabilities	
Delinquent Assessments Receivable	(294)
Prepaid Insurance	(127)
Accounts Payable	<u>(165,863)</u>

Net Cash Flows from Operating Activities	<u><u>\$ (256,151)</u></u>
--	----------------------------

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

**RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(1) Description of Entity

(a) Description of Operations

Raisin City Water District (the "District") was formed in 1962 as a special district in the State of California and is governed by a five-person Board of Directors. The District operates entirely within the County of Fresno, California. The principal function of the District is to obtain a surface water supply for the benefit of lands within the District. A surface water supply has not yet been made available.

(b) Reporting Entity

District management considered all potential component units for inclusion in the reporting entity by applying the criteria set forth in accounting principles generally accepted in the United States of America. The District concluded that there are no potential component units which should be included in the reporting entity.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation and Accounting

The financial statements of the Raisin City Water District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's policies are described below.

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions on behalf of the District, the reporting entity. The District accounts for its operations as an enterprise fund.

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

(b) Cash Equivalents and Investments

The District considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. It is the policy of the District to invest only in banks or savings and loans and the California Local Agency Investment Fund.

**RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(c) Accounts Receivable

Uncollectible accounts included in accounts receivable are considered to be immaterial. Therefore, no allowance for uncollectible accounts has been established. For those customers that do become uncollectible, liens can be placed on property for future collection.

(d) Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The District reports three categories of net position as follows:

- a. **Net investment in capital assets**—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings (if any) that are attributable to the acquisition, construction, or improvement of those assets. The District did not have a net investment in capital assets at June 30, 2021.
- b. **Restricted net position**—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District did not have a restricted net position as of June 30, 2021.
- c. **Unrestricted net position**—All remaining net position that does not meet the definition of “restricted” or “invested in capital assets”.

(e) Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

(3) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2021 consisted of the following:

Checking – WestAmerica Bank	\$ 19,815
State of California Local Agency Investment Fund (LAIF)	<u>500,377</u>
Total Cash	<u>\$ 520,192</u>

**RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2: Inputs to valuation methodology include inputs –other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
State of California - LAIF	<u>\$ 500,377</u>	<u>\$ -</u>	<u>\$ 500,377</u>	<u>\$ -</u>

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. This account is considered Level 2.

Authorized Deposits and Investments

The District's investment policy authorizes investments in the California Local Agency Investment Fund (LAIF). The District's investment policy does not contain specific provisions intended to limit its exposure to interest rate risk, credit risk, custodial risk, and concentration of credit risk.

**RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that would further limit investment maturities as a means of managing its exposure to fair value losses arising from increasing rates

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization; however, the LAIF is not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The District's deposit portfolio with governmental agencies, is LAIF at 96.19% as of June 30, 2021, of the District's total depository and investment portfolio. The District does not have a formal investment policy that would further limit exposure to concentration of credit risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District did not have cash with financial institutions that exceeded federal depository insurance limits as of June 30, 2021.

**RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

(4) Capital Assets

Capital asset activity for the year ended June 30, 2021 consisted of the following:

	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021
Construction In Progress	\$ 357,231	\$ 109,769	\$ -	\$ 467,000
Less Accumulated Depreciation	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 357,231</u>	<u>\$ 109,769</u>	<u>\$ -</u>	<u>\$ 467,000</u>

The District's construction in progress consists of the design for the McMullin Recharge Project. It is estimated that the design was at approximately 30% completion at June 30, 2021.

(5) Restatement of Beginning Financial Position

The beginning net position has been restated to reflect the capitalization of assets by the district for a capital project which was in progress as of June 30, 2021. The amount of the capitalized costs were \$174,513.

Net Position at Beginning of Year, As Previously Stated	\$ 900,090
Restatement Amount	<u>174,513</u>
Net Position at Beginning of Year, Restated	<u>\$1,074,603</u>

(6) Subsequent Events

Management has evaluated subsequent events through November 4, 2021, the date the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

**RAISIN CITY WATER DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2022**

**RAISIN CITY WATER DISTRICT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022**

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**RAISIN CITY WATER DISTRICT
BOARD OF DIRECTORS AND ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2022**

Board of Directors

R. Gere Gunlund	President
Jonathan DeGroot	Vice-President
Gagandip Batth	Director
Don Cameron	Director
John Verwey	Director

Administration

Randy Hopkins	Manager
Rick Besecker	Treasurer



Independent Auditor's Report

To the Board of Directors
Raisin City Water District
Clovis, California

Opinion

We have audited the accompanying statements of Raisin City Water District (the district) as of and for the year ended June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Raisin City Water District, as of June 30, 2022, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Raisin City Water District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

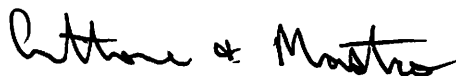
In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-6 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



November 28, 2022

RAISIN CITY WATER DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Raisin City Water District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2022. Please read in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The District's total net position decreased \$40,012 or 4.04% over the course of the year operations.
- The District's operating revenue was \$39,331 for the year ended June 30, 2022. Operating expenses for the year ended June 30, 2022 were \$81,240.
- The District had no capital assets for the year ended June 30, 2022.
- The District had no long-term debt for June 30, 2022.

Overview of the Financial Statements

This annual financial report includes this management's discussion and analysis, the independent auditor's report and the basic financial statements of the District. The financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

The financial statements of the District report information of the District using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net position. This statement can be used to determine whether the District has successfully recovered all of its costs through its user fees and other charges, its profitability, and its credit worthiness.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, financing, and investing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Analysis of the District

One of the most important questions asked about the District's finances is "Is the District, as a whole, better off or worse off as a result of this year's activities?" The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and the changes in them. One can think of the District's net position—the difference between assets and liabilities—as one way to measure financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

**RAISIN CITY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Net Position

A comparison of the Statement of Net Position can determine the change in the components of financial position (the assets and liabilities) of the District from year-end to year-end. This comparison is presented in the following table:

**Condensed Statement of Net Position
June 30, 2022 and 2021**

	2022	2021	Dollar Change	Percentage Change
Current Assets	\$ 486,286	\$ 526,002	\$ (39,716)	-7.55%
Capital Assets	-	467,000	\$ (467,000)	-100.00%
Noncurrent Assets	467,000	-	467,000	#DIV/0!
Total Assets	<u>953,286</u>	<u>993,002</u>	<u>(39,716)</u>	<u>-4.00%</u>
Current Liabilities				
Total Liabilities	<u>5,076</u>	<u>3,262</u>	<u>1,814</u>	<u>55.61%</u>
Restricted for Capital Assets, Net of Related Debt	-	467,000	(467,000)	-100.00%
Unrestricted Assets	<u>948,210</u>	<u>522,740</u>	<u>425,470</u>	<u>81.39%</u>
Total Net Position	<u>\$ 948,210</u>	<u>\$ 989,740</u>	<u>\$ (41,530)</u>	<u>-4.20%</u>

The table shows that the District's net position decreased \$41,530 or 4.2% for the year ended June 30, 2022. Factors contributing to this change include:

- Net assets, primarily cash, has decreased from the prior year due to the District's expenses exceeding revenues for the year.

Revenues, Expenses and Changes in Net Position

A comparison of the Statement of Revenues, Expenses and Changes in Net position for each year will explain the changes in financial position that resulted from the operating activities during that year. This comparison is presented in the following table:

**Condensed Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2022 and 2021**

	2022	2021	Dollar Change	Percentage Change
Operating Revenues	\$ 37,813	\$ 37,492	\$ 321	0.86%
Operating Expenses	<u>81,240</u>	<u>127,359</u>	<u>(46,119)</u>	<u>-36.21%</u>
Operating Income (Loss)	<u>(43,427)</u>	<u>(89,867)</u>	<u>46,440</u>	<u>-51.68%</u>
Non-Operating Revenues	<u>1,897</u>	<u>5,004</u>	<u>(3,107)</u>	<u>-62.09%</u>
Change In Net Position	<u>(41,530)</u>	<u>(84,863)</u>	<u>43,333</u>	<u>-51.06%</u>
Net Position - Beginning of Year	<u>989,740</u>	<u>1,074,603</u>	<u>(84,863)</u>	<u>-7.90%</u>
Net Position - End of Year	<u>\$ 948,210</u>	<u>\$ 989,740</u>	<u>\$ (41,530)</u>	<u>-4.20%</u>

**RAISIN CITY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The table shows that the District's net position decrease was \$41,530 or 4.2% for the year ended June 30, 2022. Factors contributing to this change include:

- Revenues are consistent with the prior year and expenses have decreased from the prior year by \$46,119 or 36.21%. However, expenses continued to exceed revenue.

Budgetary Highlights

The District adopts an annual budget each year to project the costs for operations for the coming year. The budget includes these projected expenses and the means of financing them.

Management throughout the year analyzes the District's budget; however, it is not reported on, nor shows in the financial statements section of this annual report.

At June 30, 2022, the actual to budget comparison is presented in the following table:

**Actual vs. Budget Comparison
For the Year Ended June 30, 2022**

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>	<u>Percentage</u>
Total Expenses	<u>\$ 81,240</u>	<u>\$ 256,000</u>	<u>\$ (174,760)</u>	<u>-68.27%</u>

Capital Assets

The District has no capital assets.

Debt Service Requirements

The District has no long-term debt.

Contacting the District's Management

This annual financial report is designed to provide our customers and creditors with a general overview of the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Raisin City Water District, 455 W. Fir Avenue, Clovis, California 93611.

**RAISIN CITY WATER DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022**

Assets

Current Assets

Cash	\$ 477,993
Accrued Interest Receivable	884
Delinquent Assessments Receivable	5,236
Prepaid Insurance	<u>2,173</u>

Total Current Assets	486,286
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Noncurrent Assets

Other Receivables	<u>467,000</u>
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Total Assets	<u>953,286</u>
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Liabilities

Current Liabilities

Accounts Payable	<u>5,076</u>
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Total Liabilities	<u>5,076</u>
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Net Position

Unrestricted	<u>948,210</u>
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Total Net Position	<u><u>\$ 948,210</u></u>
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The accompanying notes are an integral part of these financial statements.

RAISIN CITY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

Operating Revenues	
Assessments	\$ 37,813
Total Operating Revenues	<u>37,813</u>
Operating Expenses	
Advertising	139
Dues	11,465
Engineering and Planning	44,555
Insurance	2,697
Legal and Accounting	16,744
Miscellaneous	139
Outreach	<u>5,501</u>
Total Operating Expenses	<u>81,240</u>
Operating Income (Loss)	<u>(43,427)</u>
Nonoperating Income	
Interest Income	<u>1,897</u>
Total Nonoperating Income	<u>1,897</u>
Change In Net Position	(41,530)
Net Position at Beginning of Year	<u>989,740</u>
Net Position at End of Year	<u><u>\$ 948,210</u></u>

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

**RAISIN CITY WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received from Customers	\$ 35,990
Cash Paid to Suppliers	<u>(79,622)</u>

Net Cash Flows from Operating Activities	(43,632)
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CASH FLOWS FROM INVESTING ACTIVITIES

Cash Received From Interest Earned	<u>1,433</u>
------------------------------------	--------------

Net Change in Cash	(42,199)
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Cash at the Beginning of Year	<u>520,192</u>
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Cash at the End of Year	<u><u>\$ 477,993</u></u>
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**Reconciliation of Operating Loss to Net Cash Flows
from Operating Activities:**

Operating Loss	\$ (43,427)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Changes in Assets and Liabilities	
Delinquent Assessments Receivable	(1,823)
Prepaid Insurance	(196)
Accounts Payable	<u>1,814</u>

Net Cash Flows from Operating Activities	<u><u>\$ (43,632)</u></u>
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The accompanying notes are an integral part of these financial statements.

**RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

(1) Description of Entity

(a) Description of Operations

Raisin City Water District (the "District") was formed in 1962 as a special district in the State of California and is governed by a five-person Board of Directors. The District operates entirely within the County of Fresno, California. The principal function of the District is to obtain a surface water supply for the benefit of lands within the District. A surface water supply has not yet been made available.

(b) Reporting Entity

District management considered all potential component units for inclusion in the reporting entity by applying the criteria set forth in accounting principles generally accepted in the United States of America. The District concluded that there are no potential component units which should be included in the reporting entity.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation and Accounting

The financial statements of the Raisin City Water District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's policies are described below.

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions on behalf of the District, the reporting entity. The District accounts for its operations as an enterprise fund.

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

(b) Cash Equivalents and Investments

The District considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. It is the policy of the District to invest only in banks or savings and loans and the California Local Agency Investment Fund.

**RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

(c) Accounts Receivable

Uncollectible accounts included in accounts receivable are considered to be immaterial. Therefore, no allowance for uncollectible accounts has been established. For those customers that do become uncollectible, liens can be placed on property for future collection.

(d) Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The District reports three categories of net position as follows:

- a. **Net investment in capital assets**—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings (if any) that are attributable to the acquisition, construction, or improvement of those assets. The District did not have a net investment in capital assets at June 30, 2022.
- b. **Restricted net position**—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District did not have a restricted net position as of June 30, 2022.
- c. **Unrestricted net position**—All remaining net position that does not meet the definition of “restricted” or “invested in capital assets”.

(e) Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

(3) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2022 consisted of the following:

Checking – WestAmerica Bank	\$ 15,230
State of California Local Agency Investment Fund (LAIF)	<u>462,763</u>
Total Cash	<u>\$ 477,993</u>

**RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2: Inputs to valuation methodology include inputs –other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
State of California - LAIF	<u>\$ 462,763</u>	<u>\$ -</u>	<u>\$ 462,763</u>	<u>\$ -</u>

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. This account is considered Level 2.

Authorized Deposits and Investments

The District's investment policy authorizes investments in the California Local Agency Investment Fund (LAIF). The District's investment policy does not contain specific provisions intended to limit its exposure to interest rate risk, credit risk, custodial risk, and concentration of credit risk.

**RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that would further limit investment maturities as a means of managing its exposure to fair value losses arising from increasing rates

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization; however, the LAIF is not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The District's deposit portfolio with governmental agencies, is LAIF at 96.81% as of June 30, 2022, of the District's total depository and investment portfolio. The District does not have a formal investment policy that would further limit exposure to concentration of credit risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District did not have cash with financial institutions that exceeded federal depository insurance limits as of June 30, 2022.

**RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022**

(4) Capital Assets

Capital asset activity for the year ended June 30, 2022 consisted of the following:

	Balance July 1, 2022	Increases	Decreases	Balance June 30, 2022
Construction In Progress	\$ 467,000	\$ -	\$ 467,000	\$ -
Less Accumulated Depreciation	-	-	-	-
	<u>\$ 467,000</u>	<u>\$ -</u>	<u>\$ 467,000</u>	<u>\$ -</u>

The District's construction in progress consists of the design for the McMullin Recharge Project was transferred to McMullin Area Groundwater Sustainability Agency (MAGSA) during the year ending June 30, 2022. At June 30, 2022 the District had no capital assets.

(5) McMullin Area Groundwater Sustainability Agency Receivable

The District funded the McMullin Recharge Project designs, an asset valued at \$467,000 for the year ending June 30, 2021. The District transferred the assets to McMullin Area Groundwater Sustainability Agency (MAGSA) during the year ending June 30, 2022 for them to begin construction of the project. MAGSA will reimburse the District in full for the designs. The District anticipates receiving reimbursement in 2024.

(6) Subsequent Events

Management has evaluated subsequent events through November 28, 2022, the date the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

**RAISIN CITY WATER DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2023**

**RAISIN CITY WATER DISTRICT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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**RAISIN CITY WATER DISTRICT
BOARD OF DIRECTORS AND ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2023**

Board of Directors

R. Gere Gunlund	President
Jonathan DeGroot	Vice-President
Gagandip Batth	Director
Don Cameron	Director
John Verwey	Director

Administration

Randy Hopkins	Manager
Rick Besecker	Treasurer



Independent Auditor's Report

To the Board of Directors
Raisin City Water District
Clovis, California

Opinion

We have audited the accompanying statements of Raisin City Water District (the district) as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Raisin City Water District, as of June 30, 2023, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Raisin City Water District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

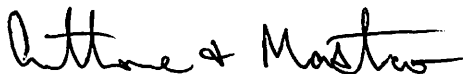
In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-6 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



September 4, 2023

RAISIN CITY WATER DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Raisin City Water District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the fiscal year ended June 30, 2023. Please read in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The District's total net position decreased \$30,023 or 3.17% over the course of the year operations.
- The District's operating revenue was \$39,151 for the year ended June 30, 2023. Operating expenses for the year ended June 30, 2023 were \$91,139.
- The District had no capital assets for the year ended June 30, 2023.
- The District had no long-term debt for June 30, 2023.

Overview of the Financial Statements

This annual financial report includes this management's discussion and analysis, the independent auditor's report and the basic financial statements of the District. The financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

The financial statements of the District report information of the District using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net position. This statement can be used to determine whether the District has successfully recovered all of its costs through its user fees and other charges, its profitability, and its credit worthiness.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, financing, and investing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Analysis of the District

One of the most important questions asked about the District's finances is "Is the District, as a whole, better off or worse off as a result of this year's activities?" The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and the changes in them. One can think of the District's net position—the difference between assets and liabilities—as one way to measure financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

**RAISIN CITY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Net Position

A comparison of the Statement of Net Position can determine the change in the components of financial position (the assets and liabilities) of the District from year-end to year-end. This comparison is presented in the following table:

**Condensed Statement of Net Position
June 30, 2023 and 2022**

	2023	2022	Dollar Change	Percentage Change
Current Assets	\$ 467,127	\$ 486,286	\$ (19,159)	-3.94%
Noncurrent Assets	467,000	467,000	-	0.00%
Total Assets	<u>934,127</u>	<u>953,286</u>	<u>(19,159)</u>	<u>-2.01%</u>
Current Liabilities				
Total Liabilities	<u>15,940</u>	<u>5,076</u>	<u>10,864</u>	<u>214.03%</u>
Unrestricted Assets	<u>918,187</u>	<u>948,210</u>	<u>(30,023)</u>	<u>-3.17%</u>
Total Net Position	<u>\$ 918,187</u>	<u>\$ 948,210</u>	<u>\$ (30,023)</u>	<u>-3.17%</u>

The table shows that the District's net position decreased \$30,023 or 3.17% for the year ended June 30, 2023. Factors contributing to this change include:

- Net assets, primarily cash, has decreased from the prior year due to the use of current assets to meet the needs of the District.

Revenues, Expenses and Changes in Net Position

A comparison of the Statement of Revenues, Expenses and Changes in Net position for each year will explain the changes in financial position that resulted from the operating activities during that year. This comparison is presented in the following table:

**Condensed Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2023 and 2022**

	2023	2022	Dollar Change	Percentage Change
Operating Revenues	\$ 39,151	\$ 37,813	\$ 1,338	3.54%
Operating Expenses	91,139	81,240	9,899	12.18%
Operating Income (Loss)	(51,988)	(43,427)	(8,561)	19.71%
Non-Operating Revenues	<u>21,965</u>	<u>1,897</u>	<u>20,068</u>	<u>1057.88%</u>
Change In Net Position	(30,023)	(41,530)	11,507	-27.71%
Net Position - Beginning of Year	<u>948,210</u>	<u>989,740</u>	<u>(41,530)</u>	<u>-4.20%</u>
Net Position - End of Year	<u>\$ 918,187</u>	<u>\$ 948,210</u>	<u>\$ (30,023)</u>	<u>-3.17%</u>

**RAISIN CITY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The table shows that the District's net position decrease was \$30,023 or 3.17% for the year ended June 30, 2023. Factors contributing to this change include:

- Revenues are consistent with the prior year and expenses have increased from the prior year by \$9,899 or 12.18% due to increased engineering expenses.

Budgetary Highlights

The District adopts an annual budget each year to project the costs for operations for the coming year. The budget includes these projected expenses and the means of financing them. Management throughout the year analyzes the District's budget; however, it is not reported on, nor shows in the financial statements section of this annual report.

At June 30, 2023, the actual to budget comparison is presented in the following table:

**Actual vs. Budget Comparison
For the Year Ended June 30, 2023**

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>	<u>Percentage</u>
Total Expenses	<u>\$ 91,139</u>	<u>\$ 242,400</u>	<u>\$ (151,261)</u>	<u>-62.40%</u>

Capital Assets

The District has no capital assets.

Debt Service Requirements

The District has no long-term debt.

Contacting the District's Management

This annual financial report is designed to provide our customers and creditors with a general overview of the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Raisin City Water District, 455 W. Fir Avenue, Clovis, California 93611.

**RAISIN CITY WATER DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023**

Assets

Current Assets

Cash	\$ 458,090
Accrued Interest Receivable	3,324
Delinquent Assessments Receivable	3,366
Prepaid Insurance	<u>2,347</u>

Total Current Assets 467,127

Noncurrent Assets

Other Receivables	<u>467,000</u>
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Total Assets 934,127

Liabilities

Current Liabilities

Accounts Payable	<u>15,940</u>
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Total Liabilities 15,940

Net Position

Unrestricted	<u>918,187</u>
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Total Net Position \$ 918,187

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

RAISIN CITY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Operating Revenues	
Assessments	\$ 39,151
Total Operating Revenues	<u>39,151</u>
Operating Expenses	
Advertising	130
Dues	11,930
Engineering and Planning	58,693
Insurance	2,955
Legal and Accounting	14,741
Miscellaneous	13
Outreach	<u>2,677</u>
Total Operating Expenses	<u>91,139</u>
Operating Loss	<u>(51,988)</u>
Nonoperating Income	
Interest Income	10,061
Grant Income	<u>11,904</u>
Total Nonoperating Income	<u>21,965</u>
Change In Net Position	(30,023)
Net Position at Beginning of Year	<u>948,210</u>
Net Position at End of Year	<u><u>\$ 918,187</u></u>

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

**RAISIN CITY WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 41,021
Cash Paid to Suppliers	<u>(80,449)</u>
Net Cash Flows from Operating Activities	(39,428)
CASH FLOWS FROM CAPITAL RELATED FINANCING ACTIVITIES	
Grants Received	11,904
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash Received From Interest Earned	<u>7,621</u>
Net Change in Cash	(19,903)
Cash at the Beginning of Year	<u>477,993</u>
Cash at the End of Year	<u><u>\$ 458,090</u></u>
Reconciliation of Operating Loss to Net Cash Flows from Operating Activities:	
Operating Loss	\$ (51,988)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Changes in Assets and Liabilities	
Delinquent Assessments Receivable	1,870
Prepaid Insurance	(174)
Accounts Payable	<u>10,864</u>
Net Cash Flows from Operating Activities	<u><u>\$ (39,428)</u></u>

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

**RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

(1) Description of Entity

(a) Description of Operations

Raisin City Water District (the "District") was formed in 1962 as a special district in the State of California and is governed by a five-person Board of Directors. The District operates entirely within the County of Fresno, California. The principal function of the District is to obtain a surface water supply for the benefit of lands within the District. A surface water supply has not yet been made available.

(b) Reporting Entity

District management considered all potential component units for inclusion in the reporting entity by applying the criteria set forth in accounting principles generally accepted in the United States of America. The District concluded that there are no potential component units which should be included in the reporting entity.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation and Accounting

The financial statements of the Raisin City Water District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's policies are described below.

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(b) Cash Equivalents and Investments

The District considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. It is the policy of the District to invest only in banks or savings and loans and the California Local Agency Investment Fund.

RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

(c) Accounts Receivable

Uncollectible accounts included in accounts receivable are considered to be immaterial. Therefore, no allowance for uncollectible accounts has been established. For those customers that do become uncollectible, liens can be placed on property for future collection.

(d) Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The District reports three categories of net position as follows:

- a. **Net investment in capital assets**—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings (if any) that are attributable to the acquisition, construction, or improvement of those assets. The District did not have a net investment in capital assets at June 30, 2023.
- b. **Restricted net position**—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District did not have a restricted net position as of June 30, 2023.
- c. **Unrestricted net position**—All remaining net position that does not meet the definition of “restricted” or “invested in capital assets”.

(e) Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

(3) Cash and Cash Equivalents

Cash and cash equivalents as of June 30, 2023 consisted of the following:

Checking – WestAmerica Bank	\$ 34,710
State of California Local Agency Investment Fund (LAIF)	<u>423,380</u>
Total Cash	<u>\$ 458,090</u>

RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2: Inputs to valuation methodology include inputs –other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
State of California - LAIF	<u>\$ 423,380</u>	<u>\$ -</u>	<u>\$ 423,380</u>	<u>\$ -</u>

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. This account is considered Level 2.

Authorized Deposits and Investments

The District's investment policy authorizes investments in the California Local Agency Investment Fund (LAIF). The District's investment policy does not contain specific provisions intended to limit its exposure to interest rate risk, credit risk, custodial risk, and concentration of credit risk.

**RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)**

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that would further limit investment maturities as a means of managing its exposure to fair value losses arising from increasing rates

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization; however, the LAIF is not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The District's deposit portfolio with governmental agencies, is LAIF at 92.42% as of June 30, 2023, of the District's total depository and investment portfolio. The District does not have a formal investment policy that would further limit exposure to concentration of credit risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District did not have cash with financial institutions that exceeded federal depository insurance limits as of June 30, 2023.

**RAISIN CITY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)**

(4) McMullin Area Groundwater Sustainability Agency Receivable

The District funded the McMullin Recharge Project designs, an asset valued at \$467,000. The District transferred the assets to McMullin Area Groundwater Sustainability Agency (MAGSA) during the year ending June 30, 2022 for them to begin construction of the project. MAGSA will reimburse the District for the eligible design costs provided MAGSA receives grant funding for the project. The District anticipates receiving reimbursement in 2024.

(5) Subsequent Events

Management has evaluated subsequent events through September 4, 2023, the date the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

Appendix C. RCWD By-Laws

AMENDED AND RESTATED
BYLAWS OF
RAISIN CITY WATER DISTRICT
COUNTY OF FRESNO, STATE OF CALIFORNIA

ARTICLE I. PURPOSE

These are the Bylaws of Raisin City Water District (the "District"). The purposes of the Bylaws are to provide for the orderly conduct of the members of the District's Board of Directors (the "Board"), and meetings of the Board, and encourage public participation in such Board meetings. These Bylaws are stated and adopted as of August 11, 2015, and shall govern the District from this point forward and shall supersede any previous Bylaws adopted by the District.

ARTICLE II. DISTRICT POWERS

All District powers shall be those established by the California Water District Law and shall be exercised by, under, and by virtue of the authority of the Board. All powers for the management, government, and control of the District and its affairs, not by law or these Bylaws conferred upon any other person, officer, or official are hereby reserved in the Board of the District to the maximum extent permitted by law.

ARTICLE III. OFFICE

1. PRINCIPAL OFFICE.

The principal office for the transaction of the business of the District is hereby fixed and located at 1100 West Shaw Avenue, Fresno, California 93711.

2. METHOD OF CHANGING LOCATION OF OFFICE.

If for any reason it is necessary that the location of the District office be changed or that a change of location of such office will better suit the convenience of the District and its members, the Board is hereby expressly authorized and empowered to enact a resolution by a majority vote to be entered upon its minutes to change the location of the District office to some other place or location. The District office need not be located within the District.

ARTICLE IV. MEETINGS OF THE DISTRICT

1. LOCATION OF MEETINGS

The Board of Directors shall hold regular and special meetings of the Directors at Raisin City Elementary School, located at 6425 West Bowles, Raisin City, California 93652.

2. ORGANIZATION MEETING.

At the first regular meeting after the Directors take office following the general election of the District, the Directors shall meet and organize as a Board, and may transact any

other business of the District. At its organizational meeting, the Board shall elect the President and the Vice President from its members and appoint a Secretary, a Treasurer and an Assessor-Tax Collector, who need not be members of the Board.

3. REGULAR MEETINGS.

The Board shall hold a regular meeting, in accordance with the Ralph M. Brown Act, Government Code Section 54950 et seq., on the second Tuesday of each month at the location designated in Article IV, Section 1, at the hour of 3:00 p.m. At least 72 hours before a regular meeting, the Board or its designee shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public. No action or discussion shall be taken on any item not appearing on the posted agenda. However, members of the Board may briefly respond to statements made or questions posed by persons exercising their public testimony rights. Also, either on their own initiative or in response to questions posed by the public, members of the Board may ask a question for clarification, provide a reference to staff or other resources for factual information or request staff to report back to the Board at a subsequent meeting concerning any matter.

a. ITEMS NOT POSTED ON AGENDA

Any member of the Board or the Board may also take action to direct staff to place a matter of business on a future agenda. The Board may take action on items of business not appearing on the posted agenda under any of the following conditions: (i) upon a determination by a majority vote of the Board that an emergency situation exists, which for purposes of these Bylaws shall mean any of the following: (A) work stoppage or other activity which severely impairs public health, safety, or both, as determined by a majority of the members of the Board, or (B) crippling disaster which severely impairs public health, safety, or both, as determined by a majority of the members of the Board; (ii) upon a determination of a 2/3 vote of the Board, or, if less than 2/3 of the members of the Board are present, a unanimous vote of those members present, that there is a need to take immediate action and the need to take action arose came to the attention of the local agency subsequent to the agenda being posted as specified herein; or (iii) the item was posted pursuant to this Article III, Section 2 for a prior meeting of the Board occurring not more than five (5) calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which the action is being taken.

b. PUBLIC PARTICIPATION

Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the Board on any item of interest to the public, before or during the Board's consideration of the item, that are within the subject matter jurisdiction of the Board. The agenda need not provide an opportunity for members of the public to address the Board on any item that has already been considered by a committee composed exclusively of the Board at a public meeting wherein all interested members of the public were afforded an opportunity to address the committee on the item (before or during the committee's consideration of the item)

unless the item has been substantially changed since the committee heard the item. Whether an item has been substantially changed shall be determined by the Board.

c. ADOPTION OF REGULATIONS

No action or discussion shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by these Bylaws. The Board may adopt reasonable regulations to ensure that the intent of the preceding sentence is carried out including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker but the Board may not prohibit public criticism of the policies, procedures, programs or services of the District or of the acts or omissions of the Board.

4. CHANGE OF TIME AND PLACE OF REGULAR MEETINGS.

The Board, by resolution entered upon its minutes, may change the place, date and/or time of the regular meeting at any time. Regular and special meetings of the Directors shall be held within the boundaries of the territory over which the District exercises jurisdiction unless exceptional circumstances exist as set forth by California Government Code § 54954(b), or as otherwise may be authorized under the Brown Act.

5. ADJOURNED MEETINGS.

The Board, or any members of the Board if less than a quorum, may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. (Cal. Gov. Code § 54955.) Any act done at an adjourned meeting shall have the same force and effect as if done at the meeting from which it was adjourned. A notice specifying the time and place of the adjourned meeting together with the order of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held, as well as at the District office, within twenty-four (24) hours after the time of adjournment.

6. SPECIAL MEETINGS.

A special meeting may be called at any time by the President or the General Manager by delivering personally or by any other legally permissible means to each member of the Board in accordance with Section 54956 of the Government Code. The written notice shall be given personally or by any other permitted means to each Board member and to whoever has requested notice in writing. At such time as the District establishes a website, the notice shall also be posted on the District's website at least 24 hours before the time of the meeting as specified in the notice. The special meeting notice shall specify the time and place of the special meeting and the business to be transacted. No other business shall be considered a special meeting. The special meeting notice must be posted at least 24 hours before the meeting in the usual agenda posting location. The written notice may be dispensed with as to any director who at any time prior to the time the meeting convenes files with the secretary written waiver of

notice. The written notice may also be dispensed with as to any director who is actually present at the meeting at the time it convenes.

7. CLOSED SESSIONS.

The Board may enter into a closed session during a regular, adjourned regular, special or adjourned special meeting to consider matters as may lawfully be considered in such sessions. (Cal. Gov. Code § 54950 et seq.) Prior to any closed session, the item(s) to be discussed shall be disclosed and only those matters covered in such disclosure may be considered in such closed session, and the Board shall make a finding regarding which individuals' participation is deemed essential for discussion of which closed session items. Disclosure may take the form of a reference to the item(s) as listed by number or letter on the agenda. Due to the fact that the national and state water, environmental, and political issues are so complex, the Board may find that the participation of the District's directors and their alternates in closed sessions of the Board meetings is essential in order to allow the Alternate Directors to be able to keep abreast of these matters so that they may vote meaningfully upon issues presented at meetings when they are called on to do so. After a closed session, the Board shall report publicly, orally or in writing, any action taken in closed session, as well as the vote or abstention of every member present as provided by law. Any information provided in closed session shall maintain its privileged and confidential nature, pursuant to the provisions included in section 54956.96 of the Government Code.

8. QUORUM.

A majority of the Board shall constitute a quorum for the transaction of business and a vote of a majority of the Directors present at any meeting attended by a quorum shall determine any proposition or resolution presented.

9. CONDUCT OF MEETINGS.

The President, or in his absence the Vice President, shall preside and conduct all meetings of the Board. In the absence of the President and Vice President at any meeting where a quorum is present, the Board shall appoint a President Pro Tempore (who shall be a Director), who shall preside over the meeting. Any representative abstaining from a vote shall be counted for purposes of determining the existence of a quorum, but shall not be deemed to be voting.

10. MEETINGS ARE PUBLIC.

All meetings of the Board and every committee shall be called, held, noticed and conducted according to the provisions of the Ralph M. Brown Act (California Government Code Sections 54950 et seq.), except such committee meetings that are not subject to said Act. All meetings of the Board and every committee subject to the aforementioned Act, are open to the public, but the public does not have any right to vote on any matter being determined by any District committee. Accordingly, all District committees shall comply with the provisions of this Article IV, with regard to conducting their meetings.

11. MINUTES

The Secretary of shall prepare minutes of all meetings of the Board of Directors and, as soon as possible after each meeting, provide each Director with a copy of the draft minutes

12. COMPENSATION

Compensation and reimbursable expenses of the Board and any committee members shall be set from time to time by the Board in accordance with California law and Article VI of these Bylaws.

ARTICLE V. ELECTIONS

1. GENERAL DISTRICT ELECTION.

The general district election of the District shall be held at the time provided by the California Elections Code. (California Elections Code Section 23500, et seq.), and any other applicable laws of the State of California. Such election shall be called, noticed, held and conducted in a manner determined by the Board which is consistent with such California Elections Code, the California Water District Law, and all other applicable laws of the State of California, and the Directors and the elective officers (if any) of the District shall be elected at said election.

2. SPECIAL ELECTIONS.

The Board by resolution may call a special election on any proposition which the Board desires to present or is required by law to present to the voters of the District. Such special election shall be called, noticed, held and conducted in a manner determined by the Board which is consistent with the California Elections Code, the California Water District Law, and all other applicable laws of the State of California.

3. NOTICE OF ELECTIONS.

The Board or the Fresno County Clerk shall, before any general or special district election is held, give notice of the time and place and purpose of the election as required by law. The polling place or places in all elections shall be determined by the Board and set forth in the notice of election, or as may be provided by the applicable laws of the State of California.

4. QUALIFIED VOTERS.

All persons voting at a general or special election of the District shall be qualified as provided by the California Elections Code, the California Water District Law and all other applicable laws of the State of California and shall be entitled to the number of votes as therein provided. (Cal. Water Code §§ 35003 & 35003.1.) When any parcel, or parcels of land lying within the boundaries of this District are assessed to more than one person, as shown by the next preceding assessment book of the District, each person whose name appears on said assessment,

book for said parcel shall be entitled to his or her pro rata share of all votes cast by the reason of ownership of said parcel. Every qualified voter, or his or her legal representative, may vote either in person or by proxy at any District election. The manner of voting either in person or by proxy shall be as specified in the California Elections Code, the California Water District Law, and these Bylaws.

5. PROXY.

No appointment of a proxy shall be valid, accepted, or vote allowed thereon at any general or special District election unless it meets all of the following requirements:

- a. It is in writing.
- b. It is executed by the person or legal representative of the person who under California law and these Bylaws is entitled to the votes for which the proxy is given.
- c. It is acknowledged or certified in accordance with Section 2015.5 of the California Code of Civil Procedure.
- d. It specifies the election at which it is to be used. An appointment of a proxy shall be used only at the election specified.
- e. It shall be on a form prescribed by the Fresno County Clerk meeting the above requirements.

Every appointment of a proxy is revocable at the pleasure of the person executing it at any time before the person appointed as proxy shall have cast a ballot representing the votes for which the appointment was given. Before a legal representative votes at a District election, he shall present to the precinct board a certified copy of his authority, which shall be kept and filed with the returns of the election. (Cal. Water Code. §§ 35004 & 35005.)

6. NOMINATION OF DIRECTORS AND OFFICERS.

All Directors and any other officers to be voted upon at a general or special District election, for election to the offices of the District, shall first qualify for their names to be placed on the ballot to be voted upon for the respective office to which they seek election as set forth in the California Elections Code, by the California Water District Law, Article VI of these Bylaws, and by any other applicable laws of the State of California.

7. RECALL ELECTIONS.

Recall elections shall be called, held and conducted as prescribed in Division 16 of the California Elections Code (Elections Code Section 27000, et seq.) and the California Water District Law.

ARTICLE VI. DIRECTORS AND OFFICERS

1. QUALIFICATIONS.

Each Director of the District must be a holder of title to land in the District or the legal representative of a landholder. (Cal. Water Code § 34700..) If the landholder is a corporation, the president of the corporation or a person selected by resolution of its board of directors, may serve as a Director. The Directors and officers of the District must be over eighteen (18) years of age, and be otherwise qualified in accordance with California law.

2. DUTIES.

The Board and the officers and employees of the District shall perform all duties set forth in the California Water District Law and these Bylaws, and shall at all times comply with the Constitution and the laws of the State of California.

3. OFFICERS.

The officers of the District shall be a President, a Vice president a Secretary, Treasurer and an Assessor-Tax Collector. Officers other than the President and Vice President are not required to be Directors. One person may hold two or more offices, except that no one person shall hold any two or more of the offices of President, Vice President and Secretary.

4. SUBORDINATE OFFICERS.

The Board shall employ and appoint such other officers and employees as the business of the District may require. Each such officer or employee shall hold such office for such period, have such authority and perform such duties, and receive such salary, as provided in the Bylaws or as the Board may from time to time determine.

5. TENURE OF OFFICE.

Directors and elective officers (if any) shall hold their office for the term provided in the California Elections Code or the California Water District Law. (Cal. Water Code § 34705.) The President, Vice President, Secretary, Treasurer, Assessor-Tax Collector and any other officer appointed by the Board shall serve at the pleasure of the Board and may be removed either with or without cause by a majority of the Directors at any time in office, at any regular or special meeting of the Board or, except in the case of an officer chosen by the Board, by any officer upon whom such power of remove may be conferred by the Board. Any Director or officer may resign at any time by giving written notice to the Board or to the President or to the Secretary of the District. Any such resignation shall take effect at the date of the receipt of such notice or a later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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6. TIME AND MANNER OF APPOINTMENT OR ELECTION OF DIRECTORS AND OFFICERS.

The Board and elective officers (if any) shall be elected at the general election as provided at Article V., except as otherwise provided in the California Elections Code or the California Water District Law. The Secretary, the Treasurer and The Assessor-Tax Collector shall be appointed by the Board and the Board shall have the power to segregate the offices of Assessor and Tax Collector in any manner permitted by the California Elections Code or California Water District Law.

7. VACANCIES.

A vacancy in any office because of death, resignation, removal, disqualification or any other cause may be filled by appointment by the Board within sixty (60) days immediately subsequent to the effective date of such vacancy, and a notice of the vacancy shall be posted in three (3) more conspicuous places in the District at least fifteen (15) days before the appointment is made. (Cal. Water Code. § 3470; Gov. Code § 1780.) A person appointed to fill a vacancy on the Board shall hold office until the next district general election that is scheduled 130 or more days after the effective date of the vacancy, unless an election is also held on the same date for the purpose of electing a director to serve a full term in the same office to which the person was appointed, in which even the person appointed to the vacancy shall fill the balance of the unexpired term of his predecessor. In lieu of making an appointment to fill a vacancy on the Board, the remaining members of the Board may within 60 days of the vacancy call an election to fill the vacancy, which election shall be held on the next available election date provided by Chapter 1 of Division 4 of the California Elections Code that is 130 or more days after the vacancy occurs. In the event the Board elects not to fill a vacancy on the Board as provided by this Bylaw, it shall be filled in accordance with California Government Code Section 1780 or its successor.

8. PRESIDENT.

The Board shall elect one of its members as President of the District. The President shall be the chief executive officer of the District and shall have general supervision, direction, and control of the business and affairs of the District. The President shall preside at all meetings of the members and all meetings of the Board. The President shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board or the Bylaws.

9. VICE PRESIDENT.

The Board shall elect one of its members as Vice President of the District. In the absence or disability of the President, the Vice President shall perform all the duties of the President and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall have such other powers and perform such other duties as may from time to time be prescribed by the Board or these Bylaws.

10. SECRETARY.

The Secretary of the District shall be appointed by the Board. The Secretary shall keep a record of all proceedings had at meetings of the Board at the principal office of the District, or such other place as the Board may order. Such record shall include the time and place of holding the meetings, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, and the number of members present or represented at members' meetings, and the proceedings thereof. The Secretary shall file all documents pertaining to the District's affairs at the office of the District and the same shall be open to inspection at all times by any person interested. The Secretary shall give, or cause to be given, notice of all meetings of the Board and of the members of the District as required by California law or the Bylaws, and shall keep the seal of the District in safe custody and shall have such other powers and perform such other duties as may from time to time be prescribed and required by the Board or the Bylaws.

11. TREASURER.

The Treasurer shall be appointed by the Board. (Cal. Water Code § 34711.) The Treasurer shall receive the credit of the District and in trust for its use and benefit all monies belonging to the District, and shall deposit all such monies and other valuables in the name of and to the credit of the District with such depositories as may be designated by the Board. The Treasurer shall disburse funds of the District as may be ordered by the Board and shall render to the President and the Directors, whenever they request it, an account of all his or her transactions as Treasurer and the financial condition of the District. Books of account as maintained by the Treasurer shall at all times be open to inspection by any Director. The Treasurer shall do and perform such other duties as are required of the Treasurer by the California Water District Law or other applicable laws of the State of California.

12. ASSESSOR-TAX COLLECTOR.

The Assessor-Tax Collector shall be appointed by the Board. (Cal. Water Code § 34711.) The Assessor-Tax Collector shall in each fiscal year prepare the District assessment book, prepare and mail any assessments to the levied upon landowners within the District, submit to the Board of Supervisors a statement of all assessments levied against property in the District and do and perform such by the California Water District Law or other applicable laws of the State of California. The Assessor-Tax Collector shall render to the President and Directors, whenever they request it, an account of all his or her transactions as Assessor-Tax Collector. The Board is expressly authorized to provide for the election of the office of Assessor-Tax Collector (or, if segregated, the offices of Assessors and/or Tax Collector) in accordance with the provisions of the California Water District Law.

13. DEPUTIES AND EMPLOYEES.

The Board may employ agents, officers and employees as required and prescribe their duties and fix their compensation. The Board may appoint deputies or assistants for the offices of Secretary, Treasurer and Assessor-Tax Collector in such numbers as may be necessary to perform the functions of said offices. The Board may consolidate the duties of any deputy or

assistant so that such deputy or assistant may act as deputy or assistant to more than one officer of the District.

14. BONDS OF OFFICERS.

The Board may require a bond in an amount to be determined by the Board for any Director, officer or employee. The premium for any such bond shall be paid by the District.

ARTICLE VII. COMPENSATION OF DIRECTORS AND OFFICERS

1. DIRECTORS.

Unless otherwise provided by a resolution adopted by the Board, no Director shall receive compensation for his or her attendance at meetings of the Board or for any other services rendered as a Director. Any resolution adopted by the board providing compensation to Directors shall not exceed the amount of One Hundred Dollars (\$100.00) per day for each day's attendance at meetings of the Board and for each day's service rendered as a Director by request of the Board, not exceeding a total of six (6) days in any calendar month, together with any expenses incurred in the performance of duties required or authorized by the Board. (Cal. Water Code § 34741.)

2. SECRETARY.

Unless otherwise determined by the Board, the Secretary of the District shall serve without compensation, other than to receive such allowance as may be authorized by the Board from time to time to cover expenses incurred by the Secretary in the performance of his or her duties on behalf of the District. (Cal. Water Code § 34741.)

3. TREASURER AND ASSESSOR-TAX COLLECTOR.

The Treasurer and Assessor-Tax Collector shall each be paid such amounts as may be determined by the Board for each fiscal year that they shall perform the duties of those offices, and if their services shall be terminated prior to the expiration of a fiscal year, their salaries shall be prorated to the date of termination, and such salaries shall be paid in one lump sum as soon as the District has sufficient funds with which to pay the same. (Cal. Water Code § 34741.)

4. MISCELLANEOUS OFFICERS.

The Board, by resolution, may compensate officers, employees and deputies other than those set forth above in these Bylaws, with such sums as shall be fixed by the Board. (Cal. Water Code § 34741.)

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ARTICLE VIII. COMMITTEES

1. FORMATION OF COMMITTEES.

The Board may establish committees it deems necessary to carry out the purposes of the District.

a. ROLE OF COMMITTEE

At the time the Board establishes a committee, the Board shall specify (a) the purpose of the committee; (b) the duties of the committee; (c) the authority, if any, delegated to the committee; (d) whether the committee is a standing or ad hoc committee; and (e) any other reporting or other information required by law.

b. REPORTING TO BOARD

All committees shall provide reports and recommendations to the Board.

c. BOARD RETAINS DISCRETIONARY AUTHORITY

To the extent the Board delegates any authority to a committee under this Article VI, the Board shall have final discretionary authority over any decision made by such committee.

2. MEMBERSHIP OF COMMITTEES

The Board shall appoint the members of each committee. Ad hoc committees shall be comprised of two Directors. All other committees shall be comprised of two Directors and at least one member of staff. Ad hoc committees shall not include alternates. All other committees may include alternates, if appointed by the Board.

3. TIME PERIOD FOR OPERATION OF COMMITTEES

Upon the formation of any ad hoc committee, the Board shall specify a date certain – no more than one-year following the formation of such committee – upon which the existence of such ad hoc committee shall cease without further action of the Board. The Board may establish similar timeframes for the operation of all other committees.

4. TERMS

Each committee member shall have a term of four years or less. If for any reason there is a member vacancy on any committee, the Board shall select a new member. At least one committee member shall be replaced on each committee no less than once every two years.

5. GOVERNANCE OF COMMITTEES

Each committee will select its own officer who will become the Chairman of the committee. The Board Secretary shall take minutes and prepare agendas and packets. The committee and District staff shall coordinate meeting schedules and work efforts to allow the maximum time possible for preparation and distribution of committee reports and clear and

concise recommendations. If the committee has been delegated any decision-making authority by the Board, each committee member shall have one vote.

ARTICLE VIII. FINANCES, BUDGET, EXPENSES

1. BUDGET

By a date set by the Board of Directors each Fiscal year, the Board of Directors shall adopt a budget for the District for the ensuing Fiscal year. The Fiscal Year of the District shall be from July 1 through June 30 of each year.

2. INSPECTION

All books and records are subject to disclosure under to the Public Records Act.

3. EXECUTION OF CONTRACTS

The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the Authority, and such authorization may be general or confined to specific instances except as otherwise provided by these Bylaws. Unless so authorized by the Board of Directors, no officer, agent, or employee shall have any power to bind the District by any contract or engagement, to pledge its credit, or to render it liable for any purpose or in any amount

4. ANNUAL REPORT AND AUDIT

The Board of Directors shall cause an annual report and annual audit to be prepared and made available for inspection pursuant to Article VIII, section 2 and the Public Records Act after the close of the fiscal year. The minimum requirements of the audit shall be prescribed by the State Controller, as provided in section 26909 of the California Government Code.

ARTICLE X. MISCELLANEOUS

5. INSURANCE

The District shall procure, carry and maintain commercial general liability insurance to include coverage for all operations of the District under these Bylaws, including, but not limited to the following: (a) premises, operations and mobile equipment liability; (b) completed operations and products liability; (c) blanket contractual liability; (d) explosion, collapse, and underground hazards; (e) personal injury liability; and (f) protective liability for impacts on the Parties' operations. The Authority shall provide the Commercial General Liability Insurance with limits not less than the following: (i) \$3,000,000.00 on each occurrence, or for a combined occurrence of bodily injury and property damage; (ii) \$1,000,000.00 completed operations and products liability; and (iii) \$1,000,000.00 personal and advertising injury. The District shall provide the policy with an endorsement for a general aggregate limit per project. Defense costs may not be included in said general aggregate limit.

6. COUNSEL

The Board of Directors may retain general or special counsel to serve at its pleasure to represent the District.

ARTICLE XI. AMENDMENT OR REPEAL OF BYLAWS

These Bylaws of the District may be repealed or amended or new Bylaws adopted by the assent of two-thirds (2/3) of the total vote the District, given either in writing or by ballot cast at a District election. The Bylaws may also be amended by four-fifths (4/5) vote of the Directors and approval of the Board of Supervisors of Fresno County.

ARTICLE XII. INCURRING INDEBTEDNESS BY DISTRICT

By resolution adopted by a majority of the Board, the District may, in any fiscal year, borrow money to pay its expenses and anticipated expenses for that fiscal year in the event the revenues received by the District to that date are insufficient to discharge such expenses as they mature, and to issue evidences of indebtedness for such borrowings executed by the President and the Secretary in the name of and on behalf of the District; provided, however, that the District shall not borrow any money or incur any indebtedness except by a bond issue or by warrants authorized as provided by California Water District Law, or as may otherwise be authorized by the laws of the State of California.

ARTICLE XIII. SAVINGS CLAUSE

Should any provision of these Bylaws be inconsistent with the laws of the State of California, such laws (and not these Bylaws) shall govern and these Bylaws shall be interpreted to be consisted with such laws.

**AUGUST 11, 2015
RESOLUTION NO. 2015-4**

**RESOLUTION OF THE BOARD OF DIRECTORS,
RAISIN CITY WATER DISTRICT
APPROVING RAISIN CITY WATER DISTRICT BYLAWS**

RESOLVED by the Board of Directors of the Raisin City Water District ("District"), at a regular meeting duly called and held on August 11, 2015, at the meeting place of the District, Raisin City Elementary School, 6425 West Bowles, Raisin City, California 93652 as follows:

WHEREAS, the District was formed and organized as a special district in the State of California in 1962; and

WHEREAS, the District previously adopted Bylaws on October 3, 1995, under which the District has operated since that time; and

WHEREAS, the Directors believe it is desirable for the District to amend its Bylaws to provide additional guidelines regarding the governance of the District, provide greater clarity, and to account for modifications to applicable statutes and regulations; and

WHEREAS, District staff has prepared draft Amended and Restated Bylaws of the Raisin City Water District, a copy of which is attached hereto as Exhibit "A," to, *inter alia*, provide rules of order and procedure for the governance of the District; and

WHEREAS, upon their adoption, the Amended and Restated Bylaws of the Raisin City Water District shall supersede any and all previously adopted bylaws, if any, utilized by the District; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Raisin City Water District hereby adopt the Amended and Restated Bylaws of the Raisin City Water District, in the form attached hereto as Exhibit "A," as the District's official bylaws for the purpose of providing rules of order and procedure for the governance of the District.

THE FOREGOING RESOLUTION WAS DULY AND REGULARLY ADOPTED by the Board of Directors of the Raisin City District, at a regular meeting of the Board held on the 11th of August, 2015, by the following vote:

AYES:	4
NOES:	0
ABSENT:	1
ABSTAIN:	0

ATTEST:

A handwritten signature in blue ink, appearing to be "John D.", written over a horizontal line.

President

A handwritten signature in black ink, appearing to be "J. R.", written over a horizontal line.

Vice President

CERTIFICATE OF SECRETARY

The undersigned Secretary of the Board of the Raisin City Water District hereby certifies that the foregoing is a full, true and correct copy of Resolution No. 2015-4 adopted August 11, 2015.

A handwritten signature in black ink, appearing to be "J. M.", written over a horizontal line.

Secretary

Appendix D. MVWD Adopted Budget (FY 23-24)

Mid-Valley Water District

2023/24 Cash Disbursements

Date	Check Number	Payee	Amount	Management	Legal	Accounting	Audit	Legal Notices	IRWM	Miscellaneous
07/15/23		Bank Charge	65.96							65.96
07/31/23	1091	Provost & Pritchard	1,164.54			1,078.77				85.77
08/15/23		Bank Charge	58.49							58.49
09/19/23	1092	KerWest Inc	230.00					230.00		
09/19/23	1093	Law Offices of David E Holland	316.00		316.00					
09/19/23	1094	Provost & Pritchard	7,174.50	375.00		6,256.03				543.47
09/15/23		Bank Charge	86.88							86.88
10/16/23	1095	Cuttone & Mastro	4,300.00				4,300.00			
10/16/23	1096	Kings Basin Water Authority	250.00						250.00	
10/16/23	1097	Provost & Pritchard	1,672.88	82.11	1,590.77					
10/15/23		Bank Charge	66.53							66.53
11/15/23		Bank Charge	86.71							86.71
11/27/23	1098	California Farm Water Coalition	125.00							125.00
11/27/23	1099	Provost & Pritchard	1,522.87	179.87		1,343.00				
12/07/23	1041	ACWA/JPIA	2,182.00							2,182.00
12/11/23		Check Purchase Charge	167.34							167.34
12/15/23		Bank Charge	60.14							60.14
01/17/24	1100	ACWA/JPIA	3,060.00							3,060.00
01/17/24	1101	Provost & Pritchard	1,034.31			1,034.31				
01/15/24		Bank Charge	73.69							73.69
02/15/24		Bank Charge	73.30							73.30
03/20/24	1102	Provost & Pritchard	620.84			620.84				
Total Budgeted Disbursements			24,391.98	636.98	1,906.77	10,332.95	4,300.00	230.00	250.00	6,735.28
Actual 2022/23			34,403	7,446	1,510	12,765	3,540	260	0	8,881
Adopted 2023/24 Budget			37,750	12,000	5,000	12,000	3,000	500	250	5,000
Percent of Adopted 2023/24 Budget			65	5	38	86	143	46	100	135
Off-Budget Disbursements										
10/05/23		USBR	12,230.98							12,230.98
Total Off-Budget Disbursements			12,230.98	0.00	0.00	0.00	0.00	0.00	0.00	12,230.98
Total Disbursements			36,622.96	636.98	1,906.77	10,332.95	4,300.00	230.00	250.00	18,966.26

Mid-Valley Water District

2023/24 Cash Receipts

Date	Number	Customer	Amount	1st Benefit Assessment	2nd Benefit Assessment	Delinquent Benefit Assessment	Penalties and Fees	Interest	Other
08/21/23		County of Fresno	1,198.66			1,198.66			
09/21/23		B & P Singh and K Sangha	3,475.58			2,245.89	20.00	1,209.69	
02/05/24		County of Fresno	21,250.39	21,250.39					
Total Receipts			25,924.63	21,250.39	0.00	3,444.55	20.00	1,209.69	0.00

2023/24 Bank Balance Local Agency Investment Fund

Date	Description	Withdrawals	Deposits	Balance
07/01/23	Balance Forward			68,256.94
07/15/23	Interest Earned		535.91	68,792.85
10/13/23	Interest Earned		752.82	69,545.67
08/08/23	Transfer from General		25,000.00	94,545.67
10/04/23	Transfer to General	13,000.00		81,545.67
10/30/23	Transfer to General	5,000.00		76,545.67
12/08/23	Transfer to General	5,000.00		71,545.67
01/24/24	Transfer to General	5,000.00		66,545.67
01/12/24	Interest Earned		775.90	67,321.57
	Interest Earned			67,321.57
	Transfer to General			67,321.57
	Transfer from General			67,321.57
06/30/23	Ending Balance			67,321.57

General Checking Account

Date	Description	Withdrawals	Deposits	Balance
07/01/23	Balance Forward			33,033.25
	Receipts		25,924.63	58,957.88
	Transfers from LAIF		28,000.00	86,957.88
	Transfers to LAIF	25,000.00		61,957.88
	Disbursements	36,622.96		25,334.92
06/30/24	Ending Balance			25,334.92

MID-VALLEY WATER DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2023

**MID-VALLEY WATER DISTRICT
BOARD OF DIRECTORS AND ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2023**

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**MID-VALLEY WATER DISTRICT
BOARD OF DIRECTORS AND ADMINISTRATION
FOR THE YEAR ENDED JUNE 30, 2023**

Board of Directors

Ariel Namvar	President
Nadav Ichaki	Vice President/Secretary
Jay Gill	Treasurer
Farokh Saadat	Assessor-Collector
Fara Raban	Director

Administration

Randy Hopkins	Manager – Engineer
Rick Besecker	Assistant Assessor-Collector & Treasurer
David Holland	Attorney



Independent Auditor's Report

To the Board of Directors
Mid-Valley Water District
Clovis, California

Opinion

We have audited the accompanying statements of Mid-Valley Water District (the district) as of and for the year ended June 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Mid-Valley Water District, as of June 30, 2023, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Mid-Valley Water District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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



September 28, 2023

MID-VALLEY WATER DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Mid-Valley Water District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the year ended June 30, 2023. Please read in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The District's total net position increased \$1,941 or 1.72% over the course of the year operations.
- The District's operating revenue was \$36,830 for the year ended June 30, 2023. Operating expenses for the year ended June 30, 2023 were \$36,640.
- The District had no capital assets for June 30, 2023.
- The District had no long-term debt for June 30, 2023.

Overview of the Financial Statements

This annual financial report includes this management's discussion and analysis, the independent auditor's report, the basic financial statements of the District and selected additional information. The financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

The financial statements of the District report information of the District using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement can be used to determine whether the District has successfully recovered all of its costs through its user fees and other charges, its profitability, and its credit worthiness.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, financing, and investing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Analysis of the District

One of the most important questions asked about the District's finances is "Is the District, as a whole, better off or worse off as a result of this year's activities?" The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and the changes in them. One can think of the District's net position—the difference between assets and liabilities—as one way to measure financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

**MID-VALLEY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

Net Position

A comparison of the Statement of Net Position can determine the change in the components of financial position (the assets and liabilities) of the District from year-end to year-end. This comparison is presented in the following table:

**Condensed Statement of Net Position
June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Current Assets	\$115,981	\$116,064	\$ (83)	-0.07%
Capital Assets	-	-	-	-
Total Assets	<u>115,981</u>	<u>116,064</u>	<u>(83)</u>	<u>-0.07%</u>
Current Liabilities	1,165	3,189	(2,024)	-63.47%
Long Term Debt	-	-	-	-
Total Liabilities	<u>1,165</u>	<u>3,189</u>	<u>(2,024)</u>	<u>-63.47%</u>
Total Net Position	<u><u>\$114,816</u></u>	<u><u>\$112,875</u></u>	<u><u>\$ 1,941</u></u>	<u><u>1.72%</u></u>

The table shows that the District's net position increased \$1,941 or 1.72% for the year ended June 30, 2023. Factors contributing to this change include:

- Current liabilities decreasing by \$2,024, as a result of utilizing less of the attorney services.

Revenues, Expenses and Changes in Net Position

A comparison of the Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2023 and 2022 will explain the changes in financial position that resulted from the operating activities during that period. This comparison is presented in the following table:

**Condensed Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended June 30, 2023 and 2022**

	<u>2023</u>	<u>2022</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Operating Revenues	\$ 36,830	\$ 36,988	\$ (158)	-0.43%
Operating Expenses	<u>36,640</u>	<u>29,431</u>	<u>7,209</u>	<u>24.49%</u>
Operating Income (Loss)	190	7,557	(7,367)	-97.49%
Non-Operating Revenues	<u>1,751</u>	<u>358</u>	<u>1,393</u>	<u>389.11%</u>
Change In Net Position	1,941	7,915	(5,974)	-75.48%
Net Position - Beginning of Year	<u>112,875</u>	<u>104,960</u>	<u>7,915</u>	<u>7.54%</u>
Net Position - End of Year	<u><u>\$114,816</u></u>	<u><u>\$112,875</u></u>	<u><u>\$ 1,941</u></u>	<u><u>1.72%</u></u>

**MID-VALLEY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

The table shows that the District's net position increase was \$1,941 or 1.72% for the year ended June 30, 2023. Factors contributing to this change include:

- Total revenue did not differ much from the prior year. Revenue for the year ended June 30, 2023 was \$36,830. Expenses increased compared to prior year by \$7,209 or 24.49%.

Budgetary Highlights

The District adopts an annual budget each year to project the costs for operations, capital, and debt service for the coming year. The budget includes these projected expenses and the means of financing them. Management throughout the year analyzes the District's budget; however, it is not reported on, nor shown in the financial statements section of this annual report.

At June 30, 2023 an actual to budget comparison is presented in the following summarized table:

**Actual vs. Budget Comparison
For the Year Ended June 30, 2023**

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>	<u>Percentage</u>
Total Expenses	<u>\$ 36,640</u>	<u>\$ 37,750</u>	<u>\$ (1,110)</u>	<u>-2.94%</u>

Capital Assets

The District has no capital assets.

Debt Service Requirements

The District has no long-term debt.

Contacting the District's Management

This annual financial report is designed to provide our customers and creditors with a general overview of the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mid-Valley Water District, 455 W. Fir Avenue, Clovis, California 93611.

**MID-VALLEY WATER DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023**

Assets

Current Assets

Cash	\$101,290
Assessments Receivable	14,155
Accured Interest Receivable	<u>536</u>

Total Current Assets	<u>115,981</u>
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Total Assets	<u>115,981</u>
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Liabilities

Current Liabilities

Accounts Payable	<u>1,165</u>
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Total Liabilities	<u>1,165</u>
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Net Position

Unrestricted	<u>114,816</u>
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Total Net Position	<u><u>\$114,816</u></u>
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The accompanying notes are an integral part of these financial statements.

MID-VALLEY WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023

Operating Revenues	
Assessments	\$ 36,830
Total Operating Revenues	<u>36,830</u>
Operating Expenses	
Administration	18,502
Legal and Accounting	17,888
Sustainable Groundwater Management	<u>250</u>
Total Operating Expenses	<u>36,640</u>
 Operating Income	 <u>190</u>
Nonoperating Revenues	
Interest Income	<u>1,751</u>
Total Nonoperating Revenues	<u>1,751</u>
 Change In Net Position	 1,941
 Net Position at Beginning of Year	 <u>112,875</u>
 Net Position at End of Year	 <u><u>\$114,816</u></u>

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

**MID-VALLEY WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash Received From Customers	\$ 35,624
Cash Paid to Suppliers	<u>(38,664)</u>

Net Cash Flows From Operating Activities	<u>(3,040)</u>
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CASH FLOWS FROM INVESTING ACTIVITIES

Cash Received From Interest Earned	<u>1,360</u>
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Net Change in Cash	(1,680)
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Cash at Beginning of Year	<u>102,970</u>
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Cash at End of Year	<u><u>\$101,290</u></u>
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**Reconciliation of Operating Income to Net Cash Flows
from Operating Activities:**

Operating Income	\$ 190
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Adjustments to reconcile operating income
to net cash provided by operating activities:

Changes in Assets and Liabilities	
Assessments Receivable	(1,206)
Accounts Payable	<u>(2,024)</u>

Net Cash Flows From Operating Activities	<u><u>\$ (3,040)</u></u>
--	--------------------------

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

MID-VALLEY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

(1) Description of Entity

(a) Description of Operations

Mid-Valley Water District (the District) was formed September 11, 1984 as a special district in the State of California and is governed by a five-person Board of Directors. The District was formed to obtain a surface water supply for use by landowners in the District. In 1987, approval was granted to obtain the right of way for the acquisition and construction of canals to be utilized by the District.

(b) Reporting Entity

District management considered all potential component units for inclusion in the reporting entity by applying the criteria set forth in accounting principles generally accepted in the United States of America. The District concluded that there are no potential component units which should be included in the reporting entity.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation and Accounting

The financial statements of the Mid-Valley Water District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's policies are described below.

The accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting and reflect transactions on behalf of the District, the reporting entity. The District accounts for its operations as an enterprise fund.

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

(b) Cash Equivalents and Investments

The District considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. It is the policy of the District to invest only in banks or savings and loans and the California Local Agency Investment Fund.

MID-VALLEY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

(c) Accounts Receivable

Uncollectible accounts included in accounts receivable are considered to be immaterial. Therefore, no allowance for uncollectible accounts has been established. For those customers that do become uncollectible, liens can be placed on property for future collection. There are \$12,949 of receivables that are considered delinquent, however the properties have liens for the unpaid assessments and the District believes the assessments will be collected.

(d) Net Position

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The District reports three categories of net position as follows:

- a. **Net investment in capital assets**—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any borrowings (if any) that are attributable to the acquisition, construction, or improvement of those assets. The District did not have a net investment in capital assets at June 30, 2023.
- b. **Restricted net position**—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The District did not have a restricted net position as of June 30, 2023.
- c. **Unrestricted net position**—All remaining net position that does not meet the definition of “restricted” or “net invested in capital assets”.

(e) Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

(3) Cash and Cash Equivalents

Cash and cash equivalents at June 30, 2023 consisted of the following:

Cash In Bank - Bank of America	\$ 33,033
Investment in Local Agency Investment Fund	<u>68,257</u>
Total Cash	<u><u>\$101,290</u></u>

MID-VALLEY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2: Inputs to valuation methodology include inputs –other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
State of California - LAIF	<u>\$ 68,257</u>	<u>\$ -</u>	<u>\$ 68,257</u>	<u>\$ -</u>

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. This account is considered Level 2.

Authorized Deposits and Investments

The District's investment policy authorizes investments in the California Local Agency Investment Fund (LAIF). The District's investment policy does not contain specific provisions intended to limit its exposure to interest rate risk, credit risk, custodial risk, and concentration of credit risk.

MID-VALLEY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023
(Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that would further limit investment maturities as a means of managing its exposure to fair value losses arising from increasing rates

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization; however, the LAIF is not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The District's deposit portfolio with governmental agencies, is LAIF at 67.4% as of June 30, 2023, of the District's total depository and investment portfolio. The District does not have a formal investment policy that would further limit exposure to concentration of credit risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The District did not have cash with financial institutions that exceeded federal depository insurance limits as of June 30, 2023.

(4) Subsequent Events

Management has evaluated subsequent events through September 28, 2023, the date the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

Appendix E. MVWD Bylaws

Recording Requested By:
Mid-Valley Water District

When Recorded Return To:

Gary W. Sawyers, Esq.
Bolen, Fransen, Boostrom & Sawyers
1322 East Shaw Avenue, Suite 430
Fresno, CA 93710

COPY

original
sent on 3/21/95
for recording
JOS


NO RECORDING OR FILING FEE REQUIRED
(GOVERNMENT CODE SECTIONS 6103 AND 27383)

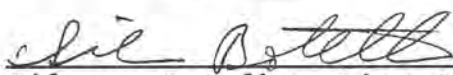
(SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY)

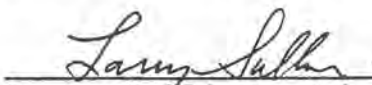
CERTIFICATE OF ADOPTION OF BYLAWS

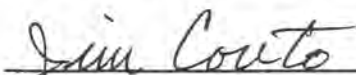
We, the undersigned, certify that we are all of the Directors and the Secretary of the Mid-Valley Water District, a California water district, and that the Amended and Restated Bylaws of Mid-Valley Water District, a true and correct copy of which is attached hereto as Exhibit A and consisting of 12 pages, are the Bylaws of this District, as adopted by the Board of Directors of the District at a meeting duly held on January 28, 1994⁵. The resolution of the Board of Directors formally adopting the Amended and Restated Bylaws of Mid-Valley Water District is attached to the Bylaws. The resolution of the Fresno County Board of Supervisors approving the Bylaws is attached hereto as Exhibit B.

DATED: 2/22, 1994⁵


Norman Clark, Director

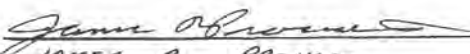

Silveno Botelho, Director


Larry Sullivan, Director


Jim Couto, Director


Silveno Botelho, Secretary

SUBSCRIBING WITNESS FOR SILVENO BOTEHO


JAMES R. PROVOST

STATE OF CALIFORNIA

COUNTY OF Fresno

On 2/22/95, before me, Louise Ann Stephens,
personally appeared Norman Clark

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Louise Ann Stephens

STATE OF CALIFORNIA

COUNTY OF Fresno

On 2/22/95, before me, Louise Ann Stephens
personally appeared James Couto

~~personally known to me~~ (or proved to me on the basis of satisfactory evidence) to be the person(~~s~~) whose name(~~s~~) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(ies), and that by his/~~her/their~~ signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

WITNESS my hand and official seal.

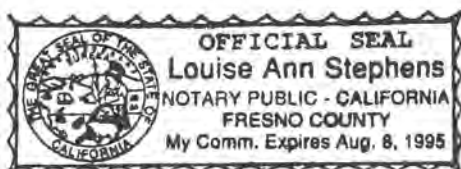


Louise Ann Hughes

STATE OF CALIFORNIA)
)SS.
COUNTY OF Fresno)

On 2/22/95, before me, Louise Ann Stephens,
personally appeared Harry Sullivan,
~~personally known to me~~ (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/~~are~~
subscribed to the within instrument and acknowledged to me that
he/~~she~~/they executed the same in his/~~her~~/their authorized
capacity(ies), and that by his/~~her~~/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

WITNESS my hand and official seal.



Louise Ann Stephens

STATE OF CALIFORNIA)
)SS.
COUNTY OF _____)

On _____, before me, _____,
personally appeared _____,
personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/~~are~~
subscribed to the within instrument and acknowledged to me that
he/~~she~~/they executed the same in his/~~her~~/their authorized
capacity(ies), and that by his/~~her~~/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

WITNESS my hand and official seal.

SUBSCRIBING-WITNESS CERTIFICATE ("WITNESS JURAT")

No. 5908

State of CALIFORNIA

County of FRESNO

On this the 21ST day of MARCH 19 95, before me, the undersigned

Notary Public, personally appeared JAMES R. PROVOST

NAME OF SUBSCRIBING WITNESS

☒ personally known to me - ~~OR~~ - ☐ proved to me on the oath/affirmation of _____, who is personally known to me,

NAME OF PERSON (CREDIBLE WITNESS) WHO IDENTIFIES SUBSCRIBING WITNESS

to be the person whose name is subscribed to the within instrument as a witness thereto, who, being by me duly sworn, deposes and says that HE (he/she) was present and saw

SILVENO BOTELHO

NAME OF ABSENT PRINCIPAL SIGNER

the same person described in and whose name is subscribed to the within and annexed instrument as a party thereto, execute the same, and that said affiant subscribed HIS (his/her) name to the within instrument as a witness at the request of

SILVENO BOTELHO

NAME OF PRINCIPAL SIGNER (AGAIN)

John E. Matsuka

SIGNATURE OF NOTARY



OPTIONAL

Though the data below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

TITLE(S)

- ☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

ABSENT SIGNER (PRINCIPAL) IS REPRESENTING:

NAME OF PERSON(S) OR ENTITY(IES)

SIGNER(S) OTHER THAN NAMED ABOVE

EXHIBIT A
AMENDED AND RESTATED
BYLAWS OF
MID-VALLEY WATER DISTRICT
COUNTY OF FRESNO, STATE OF CALIFORNIA

ARTICLE I. DISTRICT POWERS

All District powers shall be those established by the California Water District Law and shall be exercised by, under, and by virtue of the authority of the Board of Directors. All powers for the management, government and control of the District and its affairs, not by law or these Bylaws conferred upon any other person, officer, or official are hereby reserved in the Board of Directors of the District to the maximum extent permitted by law.

ARTICLE II. OFFICE

1. PRINCIPAL OFFICE.

The principal office for the transaction of the business of the District is hereby fixed and located at 286 West Cromwell, Fresno, California.

2. METHOD OF CHANGING LOCATION OF OFFICE.

If for any reason it is necessary that the location of the District office be changed or that a change of location of such office will better suit the convenience of the District and its members, the Board of Directors is hereby expressly authorized and empowered to enact a resolution by a majority vote to be entered upon its minutes to change the location of the District office to some other place or location within the County of Fresno.

ARTICLE III. MEETINGS

1. ORGANIZATION MEETING.

At the first regular meeting after the Directors take office following the general election of the District, the Directors shall meet and organize as a Board, and may transact any other business of the District. At its organizational meeting, the Board shall elect the President and the Vice President from its members and appoint a Secretary, a Treasurer and an Assessor-Tax Collector, who need not be members of the Board of Directors.

2. REGULAR MEETINGS.

The Board shall hold a regular meeting on the third Thursday of each month at the District office at the hour of 10:00 a.m. At least 72 hours before a regular meeting, the Board or its designee shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. The agenda shall specify the time and location of the regular meeting and shall be posted in a location that is freely accessible to members of the public. No action or discussion shall be taken on any item not appearing on the posted agenda. However, members of the Board may briefly respond to statements made or questions posed by persons exercising their public testimony rights. Also, either on their own initiative or in response to questions posed by the public, members of a legislative body may ask a question for clarification, provide a reference to staff or other resources for factual information or request staff to report back to the Board at a subsequent meeting concerning any matter. A member of the Board or the Board may also take action to direct staff to place a matter of business on a future agenda. The Board may take action on items of business not appearing on the posted agenda under any of the following conditions: (i) upon a determination by a majority vote of the Board that an emergency situation exists, which for purposes of these Bylaws shall mean any of the following (a) work stoppage or other activity which severely impairs public health, safety, or both, as determined by a majority of the members of the Board, or (b) crippling disaster which severely impairs public health, safety, or both, as determined by a majority of the members of the Board; (ii) upon a determination of a 2/3 vote of the Board, or, if less than 2/3 of the members of the Board are present, a unanimous vote of those members present, that there is a need to take immediate action and the need to take action came to the attention of the local agency subsequent to the agenda being posted as specified herein; or (iii) the item was posted pursuant to this Article III, Section 2 for a prior meeting of the Board occurring not more than five (5) calendar days prior to the date action is taken on the item, and at the prior meeting the item was continued to the meeting at which the action is being taken. Every agenda for regular meetings shall provide an opportunity for members of the public to directly address the Board on any item of interest to the public, before or during the Board's consideration of the item, that are within the subject matter jurisdiction of the Board. The agenda need not provide an opportunity for members of the public to address the Board on any item that has already been considered by a committee composed exclusively of the Board at a public meeting wherein all interested members of the public were afforded an opportunity to address the committee on the item (before or during the committee's consideration of the item) unless the item has been substantially changed since the committee heard the item. Whether an item has been substantially changed shall be determined by the Board. No action or discussion shall be taken on any item not appearing on the agenda unless the action

is otherwise authorized by these Bylaws. The Board may adopt reasonable regulations to ensure that the intent of the preceding sentence is carried out including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker but the Board may not prohibit public criticism of the policies, procedures, programs or services of the District or of the acts or omissions of the Board.

3. CHANGE OF TIME AND PLACE OF REGULAR MEETINGS.

The Board, by resolution entered upon its minutes, may change the place, date and/or time of the regular meeting at any time. Unless otherwise permitted by law, every meeting shall take place within the territorial boundaries of the District.

4. ADJOURNED MEETINGS.

The Board, or any members of the Board if less than a quorum, may adjourn any regular, adjourned regular, special or adjourned special meeting to a time and place specified in the order of adjournment. Any act done at an adjourned meeting shall have the same force and effect as if done at the meeting from which it was adjourned. A notice specifying the time and place of the adjourned meeting together with the order of adjournment shall be conspicuously posted on or near the door of the place where the regular, adjourned regular, special or adjourned special meeting was held, as well as at the District office, within twenty-four (24) hours after the time of adjournment.

5. SPECIAL MEETINGS.

Special meetings of the Board may be called at any time by the President or by three (3) members of the Board by delivering personally or by mail written notice to each member of the Board. The notice shall be given at least five (5) days before the time of the meeting as specified in the notice. Notice shall be given personally or by mail to each local newspaper of general circulation, radio or television station requesting notice in writing and shall be received at least 24 hours before the time of the meeting as specified in the notice. The call and notice shall specify the time and place of the special meeting and the business to be transacted, and no other business shall be considered at such special meeting. Unless otherwise permitted by law, every special meeting shall be held within the territorial boundaries of the District. The Board or its designee shall post an agenda containing a brief general description of each item of business to be transacted or discussed at the meeting, including items to be discussed in closed session. The agenda shall be posted in a location that is freely accessible to members of the public. The agenda shall provide an opportunity for members of the public to directly address the Board on any item of at which action is proposed to be taken prior to action on the item. The Board may adopt reasonable regulations to ensure that the intent

of the preceding sentence is carried out including, but not limited to, regulations limiting the total amount of time allocated for public testimony on particular issues and for each individual speaker. The Board shall not prohibit public criticism of the policies, procedures, programs or services of the District or of the acts or omissions of the Board. The written notice may be dispensed with as to any member of the Board who, prior to the time the meeting convenes, files with the Secretary a written waiver of notice or as to any member who is actually present at the meeting at the time it convenes. The waiver may be given by telegram. The call and notice of the special meeting shall be posted at least 24 hours prior to the special meeting in a location that is freely accessible to members of the public, which may be the District office.

6. CLOSED SESSIONS.

The Board may enter into a closed session during a regular, adjourned regular, special or adjourned special meeting to consider such matters as may lawfully be considered in such sessions. Prior to any closed session, the item(s) to be discussed shall be disclosed and only those matters covered in such disclosure may be considered in such closed session. Disclosure may take the form of a reference to the item(s) as listed by number or letter on the agenda. After any closed session, the Board shall report publically, orally or in writing, any action taken in closed session, as well as the vote or abstention of every member present in the manner provided by law.

7. QUORUM.

A majority of the Board shall constitute a quorum for the transaction of business and a vote of a majority of the Directors present at any meeting attended by a quorum shall determine any proposition or resolution presented.

8. CONDUCT OF MEETINGS.

The President, or in his absence the Vice President, shall preside at all meetings of the Board. In the absence of the President and Vice President at any meeting where a quorum is present, the Board shall appoint a President Pro Tem (who shall be a Director), who shall preside at the meeting.

ARTICLE IV. ELECTIONS

1. GENERAL DISTRICT ELECTION.

The general district election of the District shall be held at the time provided by the Uniform District Election Law. (California Elections Code Section 23500, et seq.), and any other applicable laws of the State of California. Such election shall be called, noticed, held and conducted in a manner determined by the Board of Directors which is consistent with such Uniform

District Election Law, the California Water District Law, and all other applicable laws of the State of California, and the Directors and the elective officers (if any) of the District shall be elected at said election.

2. SPECIAL ELECTIONS.

The Board of Directors by resolution may call a special election on any proposition which the Board desires to present or is required by law to present to the voters of the District. Such special election shall be called, noticed, held and conducted in a manner determined by the Board of Directors which is consistent with the California Water District Law, the California Elections Code and all other applicable laws of the State of California.

3. NOTICE OF ELECTIONS.

The Board of Directors or the Fresno County Clerk shall, before any general or special district election is held, give notice of the time and place and purpose of the election as required by law. The polling place or places in all elections shall be determined by the Board of Directors and set forth in the notice of election, or as may be provided by the applicable laws of the State of California.

4. QUALIFIED VOTERS.

All persons voting at a general or special election of the District shall be qualified as provided by the Uniform District Election Law, California Water District Law and all other applicable laws of the State of California and shall be entitled to the number of votes as therein provided. When any parcel or parcels of land lying within the boundaries of this District are assessed to more than one person, as shown by the next preceding assessment book of the District, each person whose name appears on said assessment book for said parcel shall be entitled to his or her pro rata share of all votes cast by the reason of ownership of said parcel. Every qualified voter, or his or her legal representative, may vote either in person or by proxy at any District election. The manner of voting either in person or by proxy shall be as specified in the Uniform District Election Law, the California Water District Law, and these Bylaws.

5. PROXY.

No appointment of a proxy shall be valid, accepted, or vote allowed thereon at any special or general District election unless it meets all of the following requirements:

a. It is in writing.

b. It is executed by the person or legal representative of the person who under California law and these Bylaws is entitled to the votes for which the proxy is given.

c. It is acknowledged or certified in accordance with Section 2015.5 of the California Code of Civil Procedure.

d. It specifies the election at which it is to be used. An appointment of a proxy shall be used only at the election specified.

e. It shall be on a form as specified by the Fresno County Clerk meeting the above requirements. Every appointment of a proxy is revocable at the pleasure of the person executing it at any time before the person appointed as proxy shall have cast a ballot representing the votes for which the appointment was given. Before a legal representative votes at a District election, he shall present to the precinct board a certified copy of his authority, which shall be kept and filed with the returns of the election.

6. NOMINATION OF OFFICERS.

All Directors and any other officers to be voted upon at a general or special District election, for election to the offices of the District, shall first qualify for their names to be placed on the ballot to be voted upon for the respective office to which they seek election as set forth in the Uniform District Election Law, by the California Water District Law, and by any other applicable laws of the State of California.

7. RECALL ELECTIONS.

Recall elections shall be called, held and conducted as prescribed in Division 16 of the California Elections Code (Elections Code Section 27000, et seq.) and the California Water District Law.

ARTICLE V. DIRECTORS AND OFFICERS

1. QUALIFICATIONS.

Each Director of the District must be a holder of title to land in the District or the legal representative of a landholder. If the landholder is a corporation, the president of the corporation or the person selected by resolution of its board of directors, may serve as a Director. The Directors and officers of the District must be over eighteen (18) years of age, and be otherwise qualified in accordance with California law.

2. DUTIES.

The Board of Directors and the officers and employees of the District shall perform all duties set forth in the California Water District Law and these Bylaws, and shall at all times comply with the Constitution and the laws of the State of California.

3. OFFICERS.

The officers of the District shall be a President, a Vice President, a Secretary, a Treasurer and an Assessor-Tax Collector. Officers other than the President and Vice President are not required to be Directors. One person may hold two or more offices, except that no one person shall hold any two or more of the offices of President, Vice President and Secretary.

4. SUBORDINATE OFFICERS.

The Board of Directors shall employ and appoint such other officers and employees as the business of the District may require. Each such officer or employee shall hold such office for such period, have such authority and perform such duties, and receive such salary, as provided in the Bylaws or as the Board of Directors may from time to time determine.

5. TENURE OF OFFICE.

Directors and elective officers (if any) shall hold their office for the term provided in the California Water District Law or the Uniform District Election Law. The President, Vice President, Secretary, Treasurer, Assessor-Tax Collector and any other officer appointed by the Board of Directors shall serve at the pleasure of the Board of Directors and may be removed either with or without cause by a majority of the Directors at any time in office, at any regular or special meeting of the Board or, except in case of an officer chosen by the Board of Directors, by any officer upon whom such power of removal may be conferred by the Board of Directors. Any Director or officer may resign at any time by giving written notice to the Board of Directors or to the President or to the Secretary of the District. Any such resignation shall take effect at the date of the receipt of such notice or a later time specified therein and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

6. TIME AND MANNER OF APPOINTMENT OR ELECTION OF DIRECTORS AND OFFICERS.

The Board of Directors and elective officers (if any) shall be elected at the general election as herein provided, except as otherwise provided in the California Water District Law or the Uniform District Election Law. The Secretary, the Treasurer and the Assessor-Tax Collector shall be appointed by the Board of Directors and the Board of Directors shall have the power to segregate the offices of Assessor and Tax Collector in any manner permitted by the Uniform District Election Law or California Water District Law.

7. VACANCY.

A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled by appointment by the Board of Directors. Any vacancy on the Board of Directors shall be filled by appointment of the Board of Directors within sixty (60) days immediately subsequent to the effective date of such vacancy, and a notice of the vacancy shall be posted in three (3) or more conspicuous places in the District at least fifteen (15) days before the appointment is made. A person appointed to fill a vacancy on the Board of Directors shall hold office until the next district general election that is scheduled 130 or more days after the effective date of the vacancy, unless an election is also held on the same date for the purpose of electing a director to serve a full term in the same office to which the person was appointed, in which event the person appointed to the vacancy shall fill the balance of the unexpired term of his predecessor. In lieu of making an appointment to fill a vacancy on the Board of Directors, the remaining members of the Board of Directors may within 60 days of the vacancy call an election to fill the vacancy, which election shall be held on the next available election date provided by Chapter 1 of Division 4 of the California Elections Code that is 130 or more days after the vacancy occurs. In the event a vacancy on the Board of Directors is not filled as provided by this Bylaw, it shall be filled in accordance with California Government Code Section 1780 or its successor.

8. PRESIDENT.

The Board of Directors shall elect one of its members as President of the District. The President shall be the chief executive officer of the District and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and affairs of the District. He shall preside at all meetings of the members and all meetings of the Board of Directors. He shall be an ex-officio member of all standing committees, including the executive committee, if any, and shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws.

9. VICE PRESIDENT.

The Board of Directors shall elect one of its members as Vice President of the District. In the absence or disability of the President, the Vice President shall perform all the duties of the President and when so acting shall have all the powers of, and be subject to all the restrictions upon, the President. The Vice President shall have such other powers and perform such other duties as may from time to time be prescribed by the Board of Directors or these Bylaws.

10. SECRETARY.

The Secretary of the District shall be appointed by the Board of Directors. The Secretary shall keep a record of all proceedings had at meetings of the Board of Directors at the principal office of the District, or such other place as the Board of Directors may order. Such record shall include the time and place of holding the meetings, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Directors' meetings, and the number of members present or represented at members' meetings, and the proceedings thereof. The Secretary shall file all documents pertaining to the District's affairs at the office of the District and the same shall be open to inspection at all times by any person interested. The Secretary shall give, or cause to be given, notice of all meetings of the Board of Directors and of the members of the District as required by California law or the Bylaws, and s/he shall keep the seal of the District in safe custody and shall have such other powers and perform such other duties as may from time to time be prescribed and required by the Board of Directors or the Bylaws.

11. TREASURER.

The Treasurer shall be appointed by the Board of Directors. The Treasurer shall receive to the credit of the District and in trust for its use and benefit all monies belonging to the District, and shall deposit all such monies and other valuables in the name of and to the credit of the District with such depositories as may be designated by the Board of Directors. The Treasurer shall disburse funds of the District as may be ordered by the Board of Directors and shall render to the President and the Directors, whenever they request it, an account of all his or her transactions as Treasurer and the financial condition of the District. Books of account as maintained by the Treasurer shall at all times be open to inspection by any Director. The Treasurer shall do and perform such other duties as are required of the Treasurer by the California Water District Law or other applicable laws of the State of California.

12. ASSESSOR-TAX COLLECTOR.

The Assessor-Tax Collector shall be appointed by the Board of Directors. The Assessor-Tax Collector shall in each fiscal year prepare the District assessment book, prepare and mail any assessments to be levied upon landowners within the District, submit to the Board of Supervisors a statement of all assessments levied against property in the District and do and perform such other duties as are required by the Assessor and/or Tax Collector by the California Water District Law or other applicable laws of the State of California. The Assessor-Tax Collector shall render to the President and Directors, whenever they request it, an account of all his or her transactions as Assessor-Tax Collector. The Board of Directors is expressly authorized to provide for the

election of the office of Assessor-Tax Collector (or, if segregated, the offices of Assessor and/or Tax Collector) in accordance with the provisions of the California Water District Law.

13. DEPUTIES AND EMPLOYEES.

The Board of Directors may employ agents, officers and employees as required and prescribe their duties and fix their compensation. The Board of Directors may appoint deputies or assistants for the offices of Secretary, Treasurer and Assessor-Tax Collector in such numbers as may be necessary to perform the functions of said offices. The Board of Directors may consolidate the duties of any deputy or assistant so that such deputy or assistant may act as deputy or assistant to more than one officer of the District.

14. BONDS OF OFFICERS.

The Board of Directors may require a bond in an amount to be determined by the Board of Directors for any Director, officer or employee. The premium for any such bond shall be paid by the District.

ARTICLE VI. COMPENSATION OF DIRECTORS AND OFFICERS

1. DIRECTORS.

Unless otherwise provided by a resolution adopted by the Board of Directors, no Director shall receive compensation for his or her attendance at meetings of the Board or for any other services rendered as a Director. Any resolution adopted by the board providing compensation to Directors shall not exceed the amount of One Hundred Dollars (\$100.00) per day for each day's attendance at meetings of the Board and for each day's service rendered as a Director by request of the Board, not exceeding a total of six (6) days in any calendar month, together with any expenses incurred in the performance of duties required or authorized by the Board.

2. SECRETARY.

Unless otherwise determined by the Board, the Secretary of the District shall serve without compensation, other than to receive such allowance as may be authorized by the Board of Directors from time to time to cover expenses incurred by the Secretary in the performance of his or her duties on behalf of the District.

3. TREASURER AND ASSESSOR-TAX COLLECTOR.

The Treasurer and Assessor-Tax Collector shall each be paid such amounts as may be determined by the Board of Directors for each fiscal year that they shall perform the duties of those

offices, and if their services shall be terminated prior to the expiration of a fiscal year, their salaries shall be prorated to the date of termination, and such salaries shall be paid in one lump sum as soon as the District has sufficient funds with which to pay the same.

4. MISCELLANEOUS OFFICERS.

The Board of Directors, by resolution, may compensate officers, employees and deputies other than those set forth above in these Bylaws, with such sums as shall be fixed by the Board of Directors.

ARTICLE VII. AMENDMENT OR REPEAL OF BYLAWS

The Bylaws of the District may be repealed or amended or new Bylaws adopted by the assent of two-thirds (2/3) of the total vote of the District, given either in writing or by ballot cast at a District election. The Bylaws may also be amended by four-fifths (4/5) vote of the Directors and approval of the Board of Supervisors of Fresno County.

ARTICLE VIII. INCURRING INDEBTEDNESS BY DISTRICT

By resolution adopted by a majority of the Board of Directors, the District may, in any fiscal year, borrow money to pay its expenses and anticipated expenses for that fiscal year in the event the revenues received by the District to that date are insufficient to discharge such expenses as they mature, and to issue evidences of indebtedness for such borrowings executed by the President and the Secretary in the name of and on behalf of the District; provided, however, that the District shall not borrow any money or incur any indebtedness except by a bond issue or by warrants authorized as provided by California Water District Law, or as may otherwise be authorized by the laws of the State of California.

ARTICLE IX. PENALTIES


Any person governed by these Bylaws who shall violate the same shall be subject to suitable penalties to be levied and

assessed by the Board of Directors not to exceed Two Hundred Dollars (\$200.00) for any one offense.


RESOLVED:

The Board of Directors of Mid-Valley Water District hereby amends the bylaws of the District to read in their entirety as set forth in the within Amended and Restated Bylaws for the government and control of the affairs of the District.

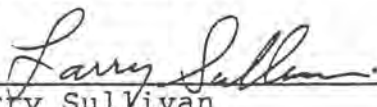
Dated this 28th day of January, 1994.



Norman Clark



Silveno Botelho



Larry Sullivan

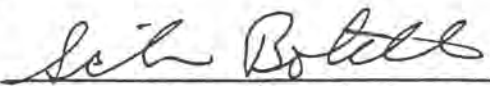


Jim Couto

CERTIFICATE OF ADOPTION

I, the undersigned, certify that I am the presently elected and acting Secretary of the Mid-Valley Water District, a California Water District, and the above Bylaws, consisting of 12 pages, are the Bylaws of this District as adopted by the Board of Directors at a meeting duly held on January 28th, 1994.

Dated: January 28th, 1994



Silveno Botelho, Secretary

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File #12136
March 8, 1994

EXHIBIT B



Agenda Item

Date: March 8, 1994
To: Board of Supervisors
From: Shari Greenwood, Clerk, Board of Supervisors
Subject: Mid-Valley Water District Bylaws

RECOMMENDED ACTION:

Approve amended and restated bylaws for Mid-Valley Water District.

FISCAL IMPACT:

None.

DISCUSSION:

Pursuant to California Water Code, Section 35306, district bylaws may be amended by a 4/5 vote of the directors and approval of the Board of Supervisors of the principal county of the district. The Mid-Valley Water District Board of Directors has amended and restated its bylaws and is requesting that your Board approve the same.

REVIEWING AGENCY:

County Counsel has reviewed the amended and restated bylaws.

ADMINISTRATIVE OFFICE REVIEW _____ Page 1 of 1
BOARD ACTION: DATE March 8, 1994 APPROVED AS RECOMMENDED X OTHER _____



Official of County
Seal
[Signature]

UNANIMOUS X CONRAD _____ KOLIGIAN _____ LEVY _____ OKEN _____ VAGIM _____

Appendix F. JID Wells

DEED

THIS INSTRUMENT, Made this 22nd day of April A. D. 1920

BETWEEN San Joaquin Valley Farm Land Company, a corporation organized and existing under and by virtue of the laws of the State of California, the Grantor, and James Irrigation District, a public corporation of Fresno County California, organized and existing under and by virtue of the California Irrigation District Act, the Grantee.

WITNESSETH: That the said Grantor for and in consideration of the sum of One Dollar and other valuable consideration to it in hand paid by the said Grantee the receipt whereof is hereby confessed and acknowledged has granted, bargained, sold, conveyed and confirmed and by these presents does grant, bargain, sell, convey and confirm unto the said Grantee, its successors and assigns forever, all those certain lots, pieces and parcels of land and real property situate, lying and being in the County of Fresno, State of California, to-wit:

1. That certain siphon situate in and under Levee No. 1 and By-Pass No. 1 of Reclamation District No. 1606 and extending from the connection between said siphon and a canal at a point in, and near the southeast corner of, Section 34, T. 15 S. R. 17 E. M. D. B. & M. in a general southwesterly direction to the connection between said siphon and a canal (being Main Canal No. 1 of James Irrigation District) at a point in the Northeast Quarter of Section 3, T. 15 S. R. 17 E. M. D. B. & M., together with all right of ownership, operation, maintenance and repair thereof, the same being an integral part of the irrigation system of James Irrigation District;

2. Also that certain weir in and upon By-pass No. 1 of Reclamation District No. 1606, connecting Levee No. 1 of said district with a parallel levee Easterly thereof and extending in a Northeasterly and Southwesterly direction across said By-pass in the Southwest quarter of Section 2, T. 15 S. R. 17 E. M. D. B. & M., the Southerly terminus thereof in said Levee No. 1 of said Reclamation District being Northerly of the main headgate of Canal No. 1 of James Irrigation District said weir being an integral part of the irrigation system of said James Irrigation District together with all right of ownership operation, maintenance and repair of said weir;

3. Also Lot numbered A1 of Subdivision C of Valley Garden Farms as shown upon the official map thereof of record in the office of the Recorder of Fresno County California.

3-A, All that part of Lot numbered 252 of Subdivision A of Valley Garden Farms, as per map thereof recorded in Volume 7 of Records of Surveys at pages 76 to 79 inclusive Fresno County Records required for Artesian Well No. 40 described as follows:

Beginning at a point on the Westerly boundary of said lot distant 35 feet Northerly from the Southwest corner thereof; thence Easterly and parallel to the South boundary of said lot, 350 feet to a point hereinafter designated as the point of beginning; thence Northerly and parallel to the West boundary of said lot 50 feet; thence Easterly and parallel to the South line of said lot 50 feet; thence Southerly and parallel to the West boundary of said lot 50 feet; thence Westerly and parallel to the said South boundary of said lot, 50 feet to the aforementioned point of beginning and containing 0.06 acres.

4. Also the easement and right to enter in and upon and to hold, possess and enjoy for the purposes of constructing over and across the same, and maintaining and operating laterals, sub-laterals and other irrigation works for the carriage

and conducting of water for irrigation purposes, those certain strips of land located and specified as rights of way for laterals and sub-laterals and other irrigation structures on that certain map on file and of record in the office of the County Recorder of said Fresno County, California, in Book 10 of Records of Surveys at pages 24 to 28 both inclusive, together with the right at all times of ingress to and egress from said strips of land, and the right at all times to enter in and upon the same, and any part thereof, for the purpose herein specified, to take, obtain and use with a minimum of injury to the freehold, such earth and material as may be necessary for the construction, maintenance, repair or enlargement of such laterals or any laterals, sub-laterals, structures, or other irrigation works, as now or hereafter may be commenced or constructed along or upon said strips of land, the structures herein referred to being any and all structures such as headgates, bridges, culverts and other structures as may be necessary, desirable or expedient, in addition to the canals, laterals and sub-laterals aforementioned as a part of the irrigation system of the Grantee, together with any and all canals, laterals, sub-laterals, siphons, checks, turn-outs, culverts, bridges and other irrigation works which are now situate upon and partially or fully completed or in process of construction thereon, excepting however any electric power transmission lines, poles and transformers which may be situate thereon, the title thereto and to an easement for the construction, operation, maintenance and repair of such electric transmission lines, poles and transformers along and upon said strips of land being hereby reserved in the Grantor, and excepted herefrom, and excepting also the title to all subsisting or outstanding easements over and across or upon any of said strips of land for existing roads, and excepting further all easements of record;

5. An easement or right of way along, over and across the following described strips of land, to-wit:

(a) A strip of land 60 feet in width being 40 feet in width on each side of the following described center line, to-wit:

Beginning at the Northeastly end of the aforementioned siphon described in paragraph 1 hereof, said point being 50 feet more or less, westerly of the East line of Section 34, T. 15, S.R. 17 E. M. D. R. & M.; thence northerly and parallel to, and 50 feet from the easterly boundary line of Sections 34, 27, 22 15, 10 and 3 in T. 15 S.R. 17 E. M. D. R. & M. to a point which is 30 feet southerly from the north line of said Section 3;

(b) A strip of land 60 feet in width being 30 feet in width on each side of the following described center line: Beginning at a point 60 feet southerly from, measured at right angles to, the north line of said Section 3 aforementioned and 10 feet westerly from measured at right angles to, the East line of said Section 3 aforementioned; thence Easterly and parallel to the northline of said Section 3 and of said Section 2 in T. 15 S.R. 17 E. M. D. R. & M. a distance of 3781.00 feet more or less;

(c) A strip of land 110 feet in width being 40 feet in width on each side of the following described center line, to-wit:

Beginning at a point near the northeast corner of the Southeast Quarter of the Southeast Quarter of Section 34, T. 15 S.R. 17 E. M. D. R. & M. said point being 50 feet westerly from, measured at right angles to, the East boundary line of said Section 34, and also being on the center line of the right of way described in Subdivision "A" of this paragraph; thence northeasterly to a point on the Easterly

boundary line of the Southwest Quarter of the Northeast quarter of Section 35 T. 15 S.R. 17 E. M. D. B. & M., said point being 85 feet northerly from measured at right angles to, the East and West half section line of said Section 35; thence Easterly and parallel to the East and West half section line of Sections 35, and 36 in T. 15 S.R. 17 E. to a point which is 85 feet Northwesterly from, measured along a line at right angles to, the center line of McMullin Grade, an established public road; thence northeasterly along a line parallel to the center line of said McMullin Grade to a point in the north and south half section line of Section 30, T. 15 S. R. 18 E. M.D. B. & M.;

(d) Also a strip of land 80 feet in width being 40 feet in width on each side of the following described center line, to-wit: Beginning at a point 85 feet northwesterly from, measured at right angles to, the center line of the aforementioned McMullin Grade, said point being 85 feet westerly from, measured at right angles to, the north and south half section line of said Section 30, T. 15 S.R. 18 E. M. D. B. & M.; thence Northerly along a line parallel to said north and south half section line of said section 30, to the North boundary line of said section;

(e) Also a strip of land 80 feet in width being 40 feet in width on each side of the following described center line, to-wit: Beginning at a point on the south boundary line of Section 17, T. 15 S.R. 18 E. M.D. B. & M. said point being 70 feet Northwesterly from measured at right angles to, the center line of the aforementioned McMullin Grade; thence northeasterly along a line parallel to the center line of said McMullin Grade through said Section 17 and Sections 16, 9, 10, 3 and 2 in said township and range, to a point on the north and south half section line of said Section 2;

(f) Also a strip of land 80 feet in width being 40 feet in width on each side of the following described center line, to-wit: Beginning at a point near the Southwest corner of Section 10, T. 15 S.R. 18 E. M. D. B. & M., said point being 70 feet northwesterly from measured at right angles to, the center line of said McMullin Grade, and also being 70 feet westerly from and measured at right angles to, the west line of said Section 10; thence northerly and parallel to the west line of Sections 10 and 3 in said Township and range to the north line of said Section 3;

(g) Also a strip of land 80 feet in width being 40 feet in width on each side of the following described center line to-wit: Beginning at a point on the West line of Section 10 T. 15 S.R. 18 E. M.D. B. & M. 70 feet northerly from the Southwest corner of said section 10; thence easterly and parallel to the south line of Sections 10, 11 and 12, in T. 15 S. R. 18 E. M.D. B. & M., to the East line of said Section 12;

Together with any and all canals, siphons, checks, turnouts, wells, motors, pumps, and other irrigation works which are now situate upon and partially or fully completed or in process of construction thereon, excepting any electric power transmission lines and poles and any transformers which may be situate thereon, the title thereto and to an easement for the construction, operation, maintenance and repair of such electric transmission lines, poles, and transformers along and upon said strips of land being hereby reserved in the grantor; excepting also the title to all subsisting or outstanding easements over and across any of said strips of land for existing roads, and excepting further all easements of record.

The easement hereby granted upon said strips of land being an easement to construct, operate, maintain and repair a canal upon, over and across each

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of said strips and also to construct, operate, maintain and repair thereon such siphons, checks, turn-cuts, headgates and other irrigation structures as may be necessary, desirable, or expedient as a part of the irrigation system of the Grantee and also to construct, operate, maintain and repair thereon such wells as may be necessary, desirable or expedient for the development and furnishing of fresh water for the irrigation of the lands within the present boundaries of said irrigation district, not exceeding, however a maximum total of 200 cubic second feet of such fresh water, the right to develop and take such subterranean waters being defined and limited in the next succeeding paragraph of this conveyance;

6. Also the preferential right to develop and take a maximum total of 200 cubic second feet of fresh subterranean waters flowing, percolating, lying or being beneath the surface of the following described lands, to-wit:

In T. 15 S.R. 17 E. M. D. B. & M.: All of Sections 5, 10, 11, 15, 22, 26 and 36; the $\frac{1}{2}$ of the SE $\frac{1}{4}$; and the $\frac{1}{2}$ of the NE $\frac{1}{4}$ of Section 2; the SW $\frac{1}{4}$; the $\frac{1}{2}$ and the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$; the $\frac{1}{2}$ and the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 23; the SW $\frac{1}{4}$; the $\frac{1}{2}$ and the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$; the $\frac{1}{2}$ and the SE $\frac{1}{4}$ of the SE $\frac{1}{4}$ of Section 25; all that part of sections 27, 34, and 35 lying northeasterly of By-pass No. 2 heretofore conveyed to Reclamation District No. 1605;

In T. 16 S.R. 17 E. M. D. B. & M.: The Northeast triangular one half of Section 1; that part of the Northwest triangular one half of Section 2 lying Northeasterly of By-pass No. 1 of Reclamation District No. 1605;

In T. 15 S. R. 18 E. M. D. B. & M.: The E $\frac{1}{2}$ of Section 1; the $\frac{1}{2}$ of Section 2; all of Sections 3, 8, 9 and 10; the West $\frac{1}{2}$ of Section 11; all of Sections 13, 15, 17, 18, 24 and 32; the S $\frac{1}{2}$ of Section 14; the E $\frac{1}{2}$ and the SW $\frac{1}{4}$ of Section 16; the NE $\frac{1}{4}$ of Section 22; and the $\frac{1}{2}$ and the SE $\frac{1}{4}$ of Section 30.

In T. 14 S. R. 18 E. M. D. B. & M.: the SW $\frac{1}{4}$ of Section 35;

In T. 15 S.R. 19 E. M.D. B. & M. : The NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ of Section 7; all of Section 18;

The preferential right to said water hereby conveyed being conveyed upon the following conditions subsequent, to-wit: That said water shall be developed and taken from beneath the surface of said lands solely by means of wells drilled or to be drilled along and upon the strips of land described in paragraph 3 of this conveyance, and shall be conducted to and used exclusively for, beneficial irrigation purposes solely upon the lands now situate within the boundaries of the grantee district as heretofore defined and established, and upon no other lands, and that the maximum aggregate total quantity of such fresh waters to be drawn by means of such wells from beneath the surface of such lands shall not exceed at any one time 200 cubic feet per second; and that in the event of the non-observance or violation of any of said conditions by said grantee or its successors or assigns, or in its or their behalf, or for its or their benefit, the grantor or its successors or assigns, or the then owner of any part of said lands, shall forthwith be entitled as of right to obtain and procure a permanent injunction restraining the further or continued non-observance or violation of any of said conditions and the said grantee for itself and its successors and assigns expressly waives any and all defenses in any suit for such injunction or injunctions other than the defense of fact that no non observance or violation of any such conditions had occurred.

This conveyance is made and accepted upon the express understanding and with the express covenant that the above named grantor or any of its successors or assigns may, at any time, develop by means of wells or otherwise, upon any of the lands described in this paragraph of this conveyance, salt water for any purposes

whatever and fresh water for use upon any of said lands or for use upon any other lands, and to take and use such waters for such purposes, provided, however, that the grantor or its successors or assigns shall not be entitled as of right or otherwise to develop, take or use from beneath the surface of the above described lands fresh waters for irrigation purposes at any time when the supply of such subterranean fresh waters lying percolating, or being beneath the surface of any part of said lands, does not exceed a maximum total aggregate quantity of 200 cubic feet per second, and that only the excess over and above said maximum total aggregate quantity of 200 cubic feet per second of such fresh waters may be so developed, taken and used by the grantor or its successors or assigns.

7. Also the right and title to all fresh water flowing, percolating, lying or being beneath the surface of any and all of the lands heretofore included within and as a part of the grantee district, together with the exclusive right to take, develop and distribute all of said subterranean fresh waters for beneficial use for irrigation purposes upon lands now included within and as a part of said grantee district, excepting so much of said subterranean waters as the present or any future owner of any part of said lands may develop upon the lands owned by him for exclusive use thereupon; it being expressly understood, covenanted and agreed that the right and title to said subterranean fresh waters hereby conveyed is conveyed upon the following conditions subsequent to-wit: That said subterranean fresh waters shall be developed and taken from beneath the surface of said lands solely by means of wells drilled or to be drilled within said district by said grantee or its successors or assigns upon well sites owned or hereafter to be acquired by said grantee or its successors or assigns, and shall be conducted to, and used exclusively for, beneficial irrigation purposes solely upon the lands now situate within the boundaries of the grantee district as heretofore defined and established and upon no other lands; and in the event of the non observance or violation or, any of said conditions by said grantee or its successors or assigns, or in its or their behalf, or for its or their benefit, the grantor or its successors or assigns, or the then owner of any part of said lands shall forthwith be entitled as of right to obtain and procure a permanent injunction restraining the further or continued non-observance or violation of any of said conditions, and the said grantee for itself, its successors or assigns, expressly waives any and all defenses in any suit for such injunction or injunctions other than the defense of fact that no non-observance or violation or any of such conditions had occurred.

This conveyance is made and accepted upon the express understanding and with the express covenant that the above named grantor or any of its successors or assigns may, at any time, develop by means of wells or otherwise, upon any of the lands described in this paragraph of this conveyance, salt water for any purposes whatever.

TO HAVE AND TO HOLD, That above granted property and rights together with the appurtenances particularly specified unto the said grantee and unto its successors and assigns forever.

Subject However to the lien for the taxes for the current fiscal and subsequent years, and subject also to the lien of any assessment heretofore or which hereafter may be levied upon any part of said granted premises by any reclamation or other district in which the same or any part thereof is or hereafter may be situate;

Provided, However, and it is expressly understood, covenanted and agreed

by and between the parties hereto that the fee simple title of the lands above described and of the whole thereof are reserved and intended to be reserved in the grantor, subject to the rights hereby granted to the grantees.

IN WITNESS WHEREOF, The Grantor has caused these presents to be signed and sealed by its duly authorized officers by authority of its Board of Directors on this, the day and year hereinabove first written.

SAN JOAQUIN VALLEY FARM LANDS COMPANY

By WILL E. KELLER, President

By J.M. O'BRIEN, Secretary

(CORPORATE SEAL)

State of California }
County of Los Angeles. } ss.

On this 1st day of May A.D. 1920, before me, Elizabeth F. Hillman, a Notary Public in and for said County, residing therein, duly commissioned and sworn, personally appeared Will E. Keller and J.M. O'Brien, known to me to be the President and Secretary respectively of San Joaquin Valley Farm Lands Company, a corporation, who executed the within instrument in behalf of said corporation and acknowledged to me that said corporation executed the same.

In Witness Whereof, I have hereunto set my hand and affixed my official seal on this, the day and year in this Certificate last above written.

ELIZABETH F. HILLMAN, Notary Public in and for

(SEAL)

the County of Los Angeles, State of California.

My commission expires Oct. 6 1921.

(Endorsed): Deed

From San Joaquin Valley Farm Lands Company, To James Irrigation District.

Dated April 22, 1920

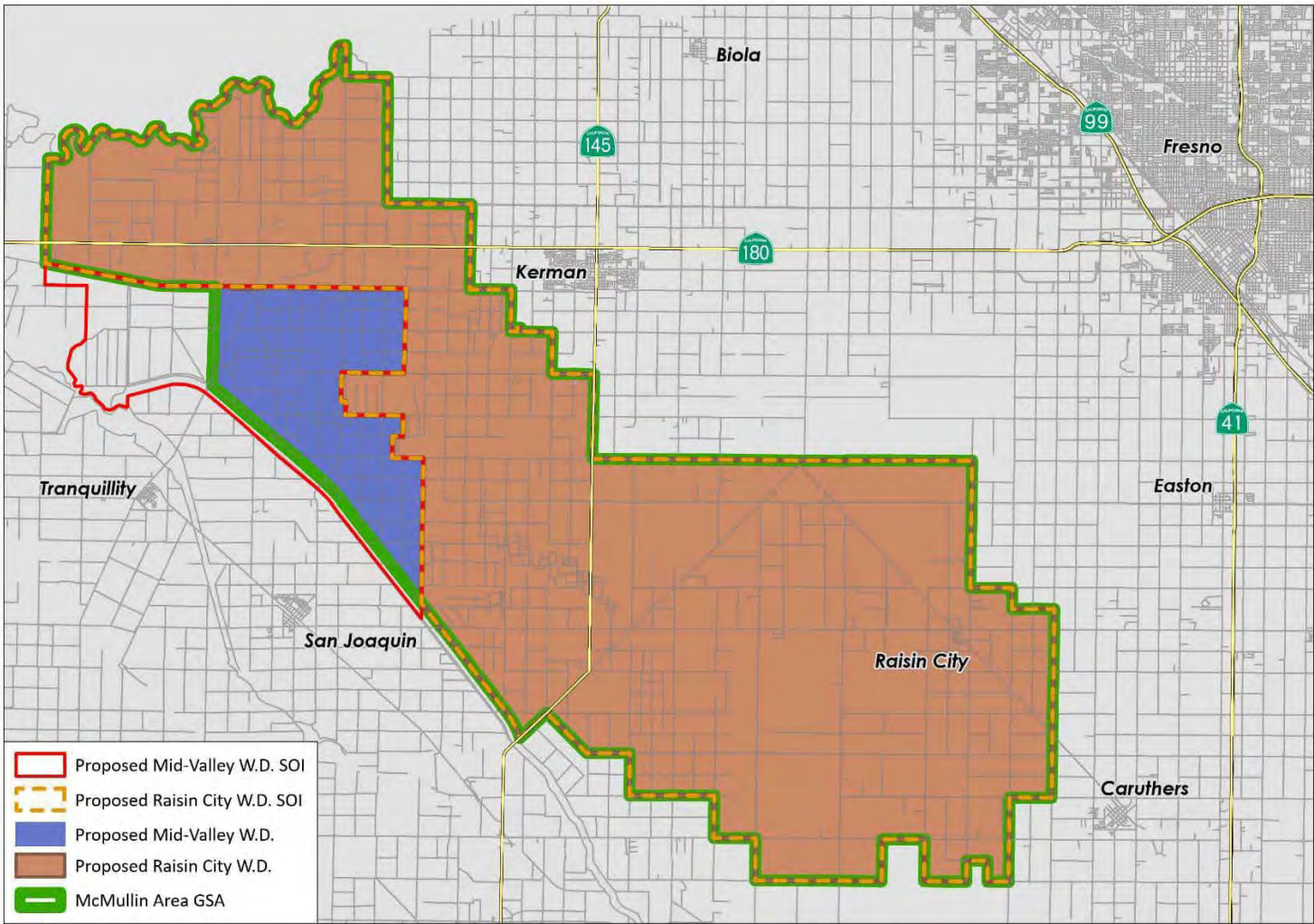
Filed for record at the request of James Irrigation District Sep. 1 1920 at 2 min. past 9 o'clock A.M. and recorded in Vol. 6 of Official Records pg. 1 et seq. Fresno County Records.

R. N. BARSTOW, County Recorder

By R.S. BISSETT, Deputy Recorder.

23150-B.





McMullin Area Groundwater Sustainability Agency

Raisin City Water District

**PROVOST &
PRITCHARD**

Indemnification Agreement (Fresno LAFCo – Raisin City Water District)

This Indemnification Agreement (this “Agreement”) is made and entered into as of this ____ day of _____, 2025 (the “Effective Date”), by and between the Fresno Local Agency Formation Commission, a state-mandated independent agency (“Fresno LAFCo”) and Raisin City Water District, a California water district formed and governed under Division 13 of the California Water Code (“RCWD” or “Applicant”). Fresno LAFCo and RCWD are sometimes collectively referred to in this Agreement as the “Parties” or singularly as a “Party.”

RECITALS

A. WHEREAS, the Cortese-Knox-Hertzberg Local Government Reorganization Act (“CKH”) governs the formation and operation of local agency formation commissions in California counties; and

B. WHEREAS, CKH authorizes Fresno LAFCo to charge applicants for filing and processing applications, proceedings undertaken by Fresno LAFCo, amending or updating a sphere of influence (“SOI”), and reconsidering a resolution making determinations, and Government Code section 56383.5 authorizes Fresno LAFCo to require an indemnification agreement as a condition of approval for, among other things, review and approval of proposals for change or organization or reorganization; and

C. WHEREAS, on or about January 15, 2025, RCWD submitted a Change of Organization/Reorganization application to Fresno LAFCo titled “Raisin City Water District Reorganization Project” (the “Proposal”) requesting the annexation of 68,916 acres to RCWD (the “Annexation”) and amendments to RCWD and Mid-Valley Water District’s respective spheres of influence (each, an “SOI Revision”), as identified more particularly in the Proposal, a copy of which is attached hereto and incorporated herein by this reference as Exhibit “A”; and

D. WHEREAS, Section 10 of the Proposal contained an indemnity agreement that requires the Applicant to indemnify, hold harmless, and promptly reimburse Fresno LAFCo for identified expenses, fees, and costs imposed upon or incurred by Fresno LAFCo for any litigation or administrative proceeding brought in connection with Applicant’s proposal and provides that Fresno LAFCo may require Applicant to execute an additional indemnity agreement as a condition of approval of the Application (the “Application Agreement”); and

E. WHEREAS, a Municipal Service Review (“MSR”) is required pursuant to CKH (Gov. Code § 56430) prior to considering an action to update an SOI; and

F. WHEREAS, in or around December 2024, RCWD prepared a separate draft MSR titled “2024 Municipal Service Review Raisin City Water District Mid-Valley Water District” in connection with the Application (the “RCWD MSR”); and

G. WHEREAS, the Annexation, the SOI Revisions, and the RCWD MSR are collectively referred to herein as the “Project”; and

H. WHEREAS, Fresno LAFCo has set a hearing to consider approval of the RCWD MSR and the Proposal for May 14, 2025 at 1:30 p.m.; and

I. WHEREAS, Fresno LAFCo staff independently considered the RCWD MSR and all public comments thereto, recommended revisions, which were made, and have recommended that Fresno LAFCo makes the written determinations required by Government Code section 56430, subdivision (a) and adopts the RCWD MSR; and

J. WHEREAS, Fresno LAFCo staff recommend requiring Applicant execute this Agreement as an additional indemnification agreement pursuant to Section 10 of the Proposal as a condition of approval of the Proposal; and

K. WHEREAS, the Parties desire to enter into this Agreement to clarify Applicant's obligation to indemnify Fresno LAFCo for all costs and fees, should litigation arise related to Fresno LAFCo's approval of any component of the Project, including but not limited to approval, acceptance, or adoption of the RCWD MSR, the SOI Revision, or the Proposal.

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained herein, the Parties hereby agree as follows:

1. **Legal Indemnification.** Should Fresno LAFCo be named as a party in any litigation (including but not limited to a "validation" action under CCP section 860 *et seq.*) or administrative proceeding in connection with the Approval of any component of the Project, as it may be amended from time to time, or any associated environmental document, RCWD agrees to defend, indemnify, hold harmless, and promptly reimburse Fresno LAFCo for:

1.1 All reasonable costs, expenses, and attorney's fees in connection with the defense of Fresno LAFCo, its agents, officers, and employees; and

1.2 Any damages, penalties, fines, or other costs imposed upon or incurred by Fresno LAFCo, its agents, officers, attorneys, and employees from any claim, action, or proceeding brought against any of them, the purpose of which is to attack, set aside, void, or annul an Approval of any component of the Project.

2. **Approval Defined.** For the purposes of this agreement, "Approval" shall be construed to mean Fresno LAFCo's consideration and approval, acceptance, or adoption, wholly, partially, or conditionally, of any component of the Project pursuant to the CKH and any other actions or determinations made pertaining to the Project, including findings for any environmental documents as provided under the California Environmental Quality Act (Pub. Res. Code § 21000 *et seq.*).

3. **Defense.**

3.1 **RCWD's Defense of Fresno LAFCo.** RCWD shall, at its sole cost and expense, provide a vigorous and competent defense of any claim, action, or proceeding against Fresno LAFCo related to an Approval of the Project. RCWD shall have the right to select legal counsel to defend against any claim, action, or proceeding, subject to Fresno LAFCo's reasonable approval.

3.2 **Right to Appoint Own Counsel.** Notwithstanding Section 3.1, Fresno LAFCo shall have the right to appoint its own legal counsel at any time to defend Fresno LAFCo and conduct its own defense, in which case Fresno LAFCo shall bear its own attorney's fees and costs related to the claim, action, or proceeding, and shall defend the claim, action, or proceeding in good faith. If Fresno LAFCo elects to appoint its own legal counsel and conduct its own defense, RCWD shall retain its own legal counsel at RCWD's sole cost and expense, unless the Parties agree otherwise in writing.

3.3 **Cooperation.** Unless Fresno LAFCo has appointed its own legal counsel pursuant to Section 3.2, Fresno LAFCo shall cooperate fully in RCWD's defense pursuant to this Agreement.

4. **Notice.** Pursuant to the provisions of Government Code section 56383.5, Fresno LAFCo shall promptly notify RCWD of any claim, action, or proceeding to attack, set aside, void, or annul an Approval of the Project, no later than three (3) business days after Fresno LAFCo has been served.

5. **Settlement.** RCWD shall not be required to pay or perform any settlement relating to this Agreement unless RCWD approves the settlement, which shall not be unreasonably withheld. RCWD shall not settle any Claim without the prior written consent of Fresno LAFCo, which shall not be unreasonably withheld.

6. **Enforcement.** Each Party shall bear its own attorney's fees and costs arising from or related to the preparation of this Agreement. In any action to enforce the terms of this Agreement, the prevailing party shall be entitled to recover its reasonable attorney's fees and costs.

7. **Insurance Requirements.** To the extent possible and without incurring unreasonable expense or burden, RCWD shall endeavor to obtain and maintain insurance coverage sufficient to cover its indemnification obligations under this Agreement. Such insurance shall be maintained with insurers licensed to do business in the State of California and shall include Fresno LAFCo as an additional insured. RCWD shall provide Fresno LAFCo with certificates of insurance evidencing such coverage upon request.

8. **Breach by Fresno LAFCo.** Pursuant to the provisions of Government Code section 56383.5, RCWD shall not be required to defend, indemnify, or hold Fresno LAFCo harmless under this Agreement if Fresno LAFCo fails to notify RCWD as required by Section 4 or to fully cooperate with RCWD's defense as required by Section 3.3.

9. **Survival.** The indemnification obligations set forth herein shall survive the termination or expiration of this Agreement.

10. **Counterparts.** This Agreement may be executed by the Parties hereto in one or more original counterparts, all of which together will constitute one and the same agreement.

[SIGNATURES ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Agreement on the date stated under that Party's name, with this Agreement being effective on the Effective Date.

"RCWD"

Raisin City Water District, a California
water district

By: _____
District Representative Signature

Print Name

Date

"Fresno LAFCo"

Fresno Local Agency Formation
Commission, a state mandated
independent agency

By: _____
Brian Spaunhurst
Executive Officer

Date

EXHIBIT “A”

The Proposal

JAMES IRRIGATION DISTRICT

BOARD OF DIRECTORS
Riley Chaney, President
Andrew Groppetti, Vice-President
Robert Barcellos, Director
Wm. Cory Carvalho, Director
Robert Motte, Director

Organized February 16, 1920
8749 Ninth Street
Post Office Box 757
San Joaquin, California 93660-0757

Manny Amorelli, General Manager,
Treasurer/Assessor-Collector
Donna Y. Hanneman, Secretary

Telephone: (559) 693-4356
Facsimile: (559) 693-4357

February 20, 2025

TRANSMITTED BY E-MAIL TO: bspaunhurst@fresnocountyca.gov
ORIGINAL WILL NOT BE MAILED

BUDDY MENDES, CHAIRMAN
FRESNO COUNTY LOCAL AGENCY
FORMATION COMMISSION
1401 Fulton Street, Suite 800
Fresno, CA 93721

SUBJECT: PROTESTING RAISIN CITY WATER DISTRICT PROPOSED ANNEXATION & MUNICIPAL SERVICES REVIEW

Dear Chair Mendes:

Thank you for the opportunity to comment on the Raisin City Water District (RCWD) proposed annexation and draft Municipal Services Review (MSR). James Irrigation District (JID) wishes to notify the Board of its formal opposition to the proposed annexation by RCWD.

JID has owned and operated groundwater wells and related facilities as part of its public water project for the benefit of landowners and water users within JID's boundaries for over a century, and those facilities are situated within the area of the proposed expanded RCWD Sphere of Influence (SOI) and annexation. JID is concerned about the potential effects of the proposed annexation on JID and the facilities and resources that JID has dedicated to a public use since the 1920s, and there is nothing in the record that provides any assurances to JID that the proposed annexation by RCWD will not adversely affect JID's significant rights and facilities in the proposed service area.

First, JID wants to ensure that the record of these proceedings reflects the history of the area that is proposed to be annexed. In the 19th century, one landowner (Jefferson G. James) established the James Ranch and owned most of the properties contained within present-day McMullin Area GSA (MAGSA), Reclamation District 1606 (RD1606), Tranquillity Irrigation District, and JID. Jefferson James began the development of the area to irrigated agriculture by the building of canals and diversion of water from the Kings and San Joaquin Rivers.

BUDDY MENDES, CHAIRMAN
FRESNO COUNTY LOCAL AGENCY
FORMATION COMMISSION

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February 20, 2025

In 1912, the San Joaquin Valley Farmlands Company (Farmlands Co.) acquired much of the ranch and further developed the area with the construction of additional canals and wells for irrigation purposes, in addition to farming and subdividing the ranch. In 1920, Farmlands Co. granted to the recently formed James Irrigation District a system of canals, wells, other facilities, and groundwater rights pursuant to a grant deed (the "1920 Deed"). This grant included the right to as much as 200 cubic feet per second (cfs) of groundwater underlying an area of approximately 18,000 acres for the benefit of lands in JID. A portion of this area is within RCWD (formed over 40 years after the grant to JID), and another portion is in the area of the proposed annexation. To date, the facilities constructed pursuant to the 1920 Deed are within the area proposed for annexation by RCWD. Other JID facilities in the proposed annexation area include the Southwest Banking Project, a 100-acre fee title property jointly operated with Fresno Irrigation District (FID). JID and FID have been operating this facility since 2018 to intentionally recharge water in the area.

According to Government Code Sections 56650–56668.5, when an application for a change or organization or reorganization is submitted, LAFCo requires the applicant to submit a plan for provided services within the affected territory. Specifically, Section 56653 at a minimum requires the plan to contain the following:

- (1) An enumeration and description of the services currently provided or to be extended to the affected territory.
- (2) The level and range of those services.
- (3) An indication of when those services can feasibly be extended to the affected territory, if new services are proposed.
- (4) An indication of any improvement or upgrading of structures, roads, sewer or water facilities, or other conditions the local agency would impose or require within the affected territory if the change of organization or reorganization is completed.
- (5) Information with respect to how those services will be financed.

JID has reviewed the December 2024 draft MSR and application materials by RCWD and they do not meet the Section 56653 requirements. There is nothing in the record regarding RCWD's plan for the distribution of water for irrigation purposes, how RCWD would improve groundwater conditions, what water could be conveyed into RCWD or how any projects or water acquisitions would be financed. Consequently, the plan does not provide any detail regarding services, facilities and financing as required by the LAFCo statute. On a related note, JID correspondence with LAFCo from October 2015, indicates

BUDDY MENDES, CHAIRMAN
FRESNO COUNTY LOCAL AGENCY
FORMATION COMMISSION

Page 3 of 4

February 20, 2025

that LAFCo would require RCWD to prepare, submit and maintain a master plan as part of a MSR and SOI adjustment. JID is not aware of this being completed.

The record is also incorrect as it pertains to existing public agency boundaries. The draft MSR states (Pg. II-5, Pg. II-9) that "The SOI revision and subsequent annexation would make both boundaries coterminous with the MAGSA boundary." However, the figures within the document show the annexation area as being within MAGSA but the proposed SOI goes outside of MAGSA into James GSA over portions of RD1606. Incidentally, RD1606 is the sole landowner within the James Bypass and has informed JID that it is opposed to its boundaries being within the SOI boundary of any local water or irrigation district other than JID.

A further boundary concern is that the Southwest Banking Project is included within the proposed annexation area. The mapping does not show the Southwest Banking Project, nor FID canals in the annexation area, nor are they even mentioned or evaluated in connection with the proposed annexation.

Regarding proposed plans for water service, the paragraph on Page II-11 regarding future projects and the McMullin On-Farm Recharge Phase 2 Project is incorrect where it states "the project would divert up to 500 cfs Kings River flood flows." RCWD does not have any rights to Kings River water. And those entities that do have such rights cannot divert Kings River water to or through said project as the project is outside of the place of use for Kings River water. Consequently, RCWD's proposed project that forms part of the basis for the proposed annexation has neither the funding necessary for construction of project facilities, nor the rights to water that would be necessary to operate the project if it were constructed.

Regarding the annexation and SOI change, Government Code Section 56668 indicates that LAFCo is to consider:

- (c) The effect of the proposed action and of alternative actions, on adjacent areas, on mutual social and economic interests, and on the local governmental structure of the county.
- (e) The effect of the proposal on maintaining the physical and economic integrity of agricultural lands
- (j) The comments of any affected local agency or other public agency.
- (k) The ability of the newly formed or receiving entity to provide the services which are the subject of the application to the area, including the sufficiency of revenues for those services following the proposed boundary change.

BUDDY MENDES, CHAIRMAN
FRESNO COUNTY LOCAL AGENCY
FORMATION COMMISSION

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February 20, 2025

The record does not contain information regarding how RCWD plans would affect adjacent areas, including the lands within JID. RCWD has not indicated how it will provide the services identified in the MSR, nor shown that it has sufficient funding to provide the services. RCWD is not providing the proposed services even within their current boundary. It has limited assessment revenue, no property, no facilities and no water rights. How will RCWD provide services to an expanded territory that it cannot currently provide to its existing service area?

Regarding the MSR for Mid-Valley Water District (MVWD), there are inaccuracies and errors in the information presented as follows:

1. MVWD does own and operate facilities, which include a pumping plant that is in place under a license agreement with RD1606.
2. The statement regarding Kings River Water supplies on Page III-9 about obtaining unlimited supplies and contract renewals every three years is not accurate. Kings River Water Association (KRWA) does not typically renew flood water contracts. MVWD is not within the place of use for the existing Kings River water rights held by KRWA and is unlikely to obtain a water supply.
3. It is unlikely that the project mentioned in the southern portion of the District would be constructed and therefore stating that there is still interest by JID should be eliminated from the text (Pg. III-9).
4. The mapping should match the text and show the proposed SOI as being coterminous with the MAGSA boundary.

For the foregoing reasons, James Irrigation District respectfully requests that the Commission deny the annexation request and SOI change.

Sincerely,

JAMES IRRIGATION DISTRICT



Riley Chaney, President
BOARD OF DIRECTORS

Enclosure: James Irrigation District Resolution 2025-01 Protesting Raisin City Water District Annexation, Adopted February 11, 2025

RESOLUTION 2025-01

RESOLUTION OF THE BOARD OF DIRECTORS JAMES IRRIGATION DISTRICT

PROTESTING RAISIN CITY WATER DISTRICT ANNEXATION

WHEREAS, the JAMES IRRIGATION DISTRICT ("JID") owns certain water rights, easements, and related facilities in connection with that certain deed from the San Joaquin Valley Farms Lands Company to JID, dated on or about April 22, 1920, pursuant to which JID has developed a well field (the "Well Field");

WHEREAS, JID has operated the Well Field as part of its public water project for the benefit of landowners and water users within JID for over 100 years;

WHEREAS, the Well Field is situated within an area currently under consideration by the Fresno County Local Agency Formation Commission ("Fresno LAFCo") for inclusion in a proposed expanded Sphere of Influence of, and proposed annexation by, the Raisin City Water District ("RCWD"), which proposed reorganization (the "Reorganization") is being considered pursuant to the LAFCo Statute (Gov. Code §56000 *et seq.*);

WHEREAS, Government Code section 56668.3 provides that as to a proposed change or organization or reorganization that includes a district annexation, Fresno LAFCo is to consider, among other things, "any resolution raising objections to the action that may be filed by an affected agency" (Gov. Code §56668.3(a)(4));

WHEREAS, the record of the proposed Reorganization reflects RCWD'S intentions to develop projects in connection with the annexation that would allegedly provide water recharge and recovery services to landowners and water users within RCWD, including the portion that is the subject of the proposed annexation;

WHEREAS, further, Fresno LAFCo is to “give great weight to any resolution raising objections to the action that is filed by a city or a district,” (emphasis added), and “The commission’s consideration shall be based only on financial or service related concerns expressed in the protest” (Gov. Code §56668.3(b)); and

WHEREAS, JID is an affected agency because the proposed reorganization would result in the inclusion *in RCWD* of land, facilities, and rights that JID has dedicated to a public use and has relied upon for over 100 years to satisfy its water supply obligations to its landowners and water users; and

WHEREAS, JID’s concerns relate to financial and service-related issues.

NOW, THEREFORE, BE IT RESOLVED that:

Section 1. The Board hereby finds as follows:


- (a) The proposed Reorganization could have a detrimental affect on JID’s historical Well Field operations.
- (b) The effects of the proposed Reorganization, and particularly the proposed project, on JID’s operations are not fully known because those proposals, and particularly the proposed project, have not undergone any public engineering or environmental review or study; however, such effects would likely include changes to water quality, water quantity, place of use, and other issues that would be contrary to JID’s financial interests and those of its landowners and water users. Such effects would restrict JID’s ability to continue to provide reliable water service to its constituents and would simultaneously deprive JID of revenue it derives from providing such service.
- (c) The water supplies that RCWD has identified for its proposed project are highly speculative in nature, as RCWD does not have the rights to water that is the subject of its proposal, RCWD has no plan for acquiring such rights, and even if RCWD were to acquire such rights, the water supplies RCWD has identified cannot be conveyed to RCWD or the area that is the subject of the proposed annexation because it is outside the authorized place of use of such water.

Section 2. Based on the foregoing findings, the Board opposes the Reorganization described in this Resolution.

Section 3. Staff is authorized to do all things necessary and appropriate to enter this Resolution and any related correspondence into the record of the proceedings for the Reorganization.

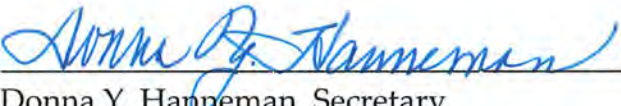
PASSED AND ADOPTED at a Regular Meeting of the Board of Directors of the JAMES IRRIGATION DISTRICT conducted February 11, 2025, on motion of Director Andrew Groppetti, and seconded by Director Robert Motte, was hereby authorized by the following vote, to wit:

AYES:	5	(A.Groppetti, R.Motte, R.Barcellos, W.Carvalho, R.Chaney)
NOES:	0	
ABSTAIN:	0	
EXCUSED:	0	
ABSENT:	0	



Riley Chaney, President
BOARD OF DIRECTORS
JAMES IRRIGATION DISTRICT

ATTEST:



Donna Y. Hanneman, Secretary
BOARD OF DIRECTORS
JAMES IRRIGATION DISTRICT

CERTIFICATION OF SECRETARY

The undersigned certifies that she is the Secretary of JAMES IRRIGATION DISTRICT and that the foregoing Resolution was adopted by the Board of Directors of said District at a meeting thereof, duly and regularly held on February 11, 2025 , at which meeting a quorum of the Board of Directors was at all times present and acting.

IN WITNESS WHEREOF, I have set my hand and seal of the Board of Directors this 11th day of February, 2025.

{ SEAL }



Donna Y. Hanneman, Secretary
BOARD OF DIRECTORS
JAMES IRRIGATION DISTRICT

RECLAMATION DISTRICT NO. 1606

BOARD OF TRUSTEES
Gerald W. Kinnunen, President
Jeff Yribarren, Vice-President
Matthew J. Carvalho, Trustee

Organized May 9, 1914
8749 Ninth Street
Post Office Box 757
San Joaquin, California 93660-0757

Manny Amorelli
Manager & Secretary
Telephone: (559) 693-4356
Facsimile: (559) 693-4357

March 10, 2025

TRANSMITTED BY E-MAIL TO: bspaunhurst@fresnocountyca.gov
ORIGINAL WILL NOT BE MAILED

BUDDY MENDES, CHAIRMAN
**FRESNO COUNTY LOCAL AGENCY
FORMATION COMMISSION**
1401 Fulton Street, Suite 800
Fresno, CA 93721

SUBJECT: **PROTESTING RAISIN CITY WATER DISTRICT PROPOSED ANNEXATION & MUNICIPAL SERVICES
REVIEW**

Dear Chair Mendes:

We write to you to express our concerns regarding the Raisin City Water District ("RCWD") proposed annexation and draft Municipal Services Review ("MSR") currently under consideration by the Fresno LAFCo. The James Irrigation District ("JID") has already notified you of its opposition to the proposal, and Reclamation District No. 1606 ("RD 1606") shares in those concerns in almost every respect. Those concerns include potential effects on water supplies and water operations that have not been studied or addressed. They also include concerns about considerable inaccuracies in boundary descriptions and depictions.

In particular, JID notified you of the considerable limitations placed on RCWD's plan for a project to divert Kings River flood flows. RD 1606 has further concerns about that proposed project in that the proposal refers to the use of conveyance facilities owned and operated by RD 1606 to facilitate delivery of the water that RCWD has identified. In that respect, RD 1606 is an affected public agency with regard to the annexation proposal.

BUDDY MENDES, CHAIRMAN
FRESNO COUNTY LOCAL AGENCY
FORMATION COMMISSION

March 10, 2025

Page 2 of 2

Please note that no agreement or understanding exists, nor have any discussions been undertaken, between RD 1606 and RCWD regarding the use of RD 1606 facilities for the purposes described in the proposal. Further, RD 1606 is not inclined to permit the use of its facilities in a manner that would result in unauthorized diversions of water to areas outside its authorized place of use.

Thank you for your consideration of Reclamation District No. 1606's comments and opposition to this proposal.

Sincerely,

RECLAMATION DISTRICT NO. 1606



Manny Amorelli
MANAGER

RESOLUTION 2025-01

RESOLUTION OF THE BOARD OF TRUSTEES

RECLAMATION DISTRICT NO. 1606

PROTESTING RAISIN CITY WATER DISTRICT ANNEXATION AND MID-VALLEY WATER DISTRICT SPHERE OF INFLUENCE

At a meeting of the Board of Trustees of the RECLAMATION DISTRICT NO. 1606 ("RD1606"), a California Reclamation District duly organized and existing under and by virtue of the provisions of Division 15 of the California Water Code, held on the 21st day of May, 2025, the following resolution was adopted:

WHEREAS, RD1606 has managed its lands, infrastructure and water rights for the benefit and protection of its landowners, tenants, water users, the James Irrigation District and City of San Joaquin, all situated within RD1606 for over 100 years; and

WHEREAS, a portion of RD1606 lands and infrastructure are situated within an area currently under consideration by the Fresno County Local Agency Formation Commission ("Fresno LAFCo") for inclusion in a Sphere of Influence ("SOI") for Mid-Valley Water District ("MVWD") and proposed expanded Sphere of Influence of, and proposed annexation by, the Raisin City Water District ("RCWD"), which proposed reorganization ("the Reorganization") is being considered pursuant to the LAFCo Statute (Gov. Code §56000 *et seq.*); and

WHEREAS, Government Code section 56668.3 provides that as to a proposed change of organization or reorganization that includes a district annexation, Fresno LAFCo is to consider, among other things, "any resolution raising objections to the action that may be filed by an affected agency" (Gov. Code §56668.3(a)(4)); and

WHEREAS, the record of the proposed Reorganization reflects RCWD's intentions to develop projects in connection with the annexation that would allegedly provide water recharge and recovery services to landowners, tenants and water users within RCWD, including the portion that is the subject of the proposed annexation; and

WHEREAS, Fresno LAFCo is to "give great weight to any resolution raising objections to the action that is filed by a city or a district" (emphasis added), and "The commission's consideration shall be based only on financial or service-related concerns expressed in the protest" (Gov. Code §56668.3(b)); and

WHEREAS, RD1606 is an affected agency because the proposed SOI for MVWD includes lands that are within the jurisdiction of RD1606; and

WHEREAS, the SOI could result in the inclusion in MVWD of RD1606 land, facilities, infrastructure and rights that RD1606 singularly owns, and has dedicated to a public use and has relied upon for over 100 years to satisfy its obligations to its landowners, tenants and water users; and

WHEREAS, RD1606's concerns relate to financial and service-related issues.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the RECLAMATION DISTRICT NO. 1606 as follows:

Section 1.

1. The proposed Reorganization could have a detrimental effect on RD1606's historical operations/responsibilities.
2. The effects of the proposed Reorganization, and particularly the proposed project, on RD1606's operations/responsibilities are not fully known because those proposals, and particularly the proposed project, have not undergone any public engineering or environmental review or study; however, such effects would likely include changes to water quality, water quantity, place of use, and other issues that would be contrary to RD1606's financial interests and those of its landowners, tenants, member agencies and water users. Such effects would restrict RD1606's ability to continue to provide reliable service to its constituents and would simultaneously deprive RD1606 of revenue it derives from providing such service.
3. The water supplies that RCWD has identified for its proposed project are highly speculative in nature, as RCWD does not have the rights to water that is the subject of its proposal, RCWD has no plan in place for acquiring such rights. Further, even if RCWD were to acquire such rights, the water supplies RCWD has identified cannot be conveyed to RCWD or the area that is the subject of the proposed annexation because it is outside the authorized place of use of such water, and RCWD lacks ownership of or access to facilities that would be necessary to convey such water.

Section 2. Based on the foregoing findings, the RD1606 Board of Trustees opposes the Sphere of Influence and Reorganization described in this Resolution.

Section 3. Staff is authorized to do all things necessary and appropriate to enter this Resolution and any related correspondence into the record of the proceedings for the Sphere of Influence and Reorganization.

The foregoing Resolution was introduced and adopted at a Special Meeting of the Board of Trustees of the RECLAMATION DISTRICT NO. 1606 conducted May 21, 2025, on motion of Trustee Matthew Carvalho, and seconded by Trustee Jeff Yribarren, by the following vote:

AYES:	3	(M.Carvalho, J.Yribarren, G.Kinnunen)
NOES:	0	
ABSTAIN:	0	
EXCUSED:	0	
ABSENT:	0	



Gerald W. Kinnunen, President
BOARD OF TRUSTEES
RECLAMATION DISTRICT NO. 1606

ATTEST:




Manny Amorelli, Secretary
BOARD OF TRUSTEES
RECLAMATION DISTRICT NO. 1606

CERTIFICATION OF SECRETARY

The undersigned certifies that he is the Secretary of RECLAMATION DISTRICT NO. 1606 and that the foregoing Resolution was adopted by the Board of Trustees of said District at a Special Meeting thereof, duly held on May 21, 2025, at which meeting a quorum of the Board of Trustees was at all times present and acting.

IN WITNESS WHEREOF, I have set my hand and seal of the Board of Trustees this 21st day of May, 2025.

{ SEAL }



Manny Amorelli, Secretary
BOARD OF TRUSTEES
RECLAMATION DISTRICT NO, 1606



2907 S. Maple Avenue
Fresno, California 93725-2208
Telephone: (559) 233-7161
Fax: (559) 233-8227

CONVEYANCE. COMMITMENT. CUSTOMER SERVICE.

February 24, 2025

Jessica Gibson
Fresno LAFCo
1401 Fulton Street, Suite 800
Fresno, CA 93721

RE: Raisin City Water District Reorganization, RO-24-04
FID's Big Sandridge No. 65, Houghton Waste Basin No. 195, Lower Dry Creek No. 77,
Southwest Banking Facility No. 583, and Lower Dry Creek Ext. No. 561

Dear Ms. Gibson:

The Fresno Irrigation District (FID) has reviewed the Raisin City Water District (District) Reorganization RO-24-01 which proposes the annexation of approximately 55,543 acres, of which approximately 22,137 acres of those lands are located outside the District's Sphere of Influence, into Raisin City Water District, APNs: multiple. FID has the following comments and conditions are as follows:

Areas of Concern

1. FID has concerns that the Southwest Banking Project (co-owned by FID and the James Irrigation District), as well as other FID facilities, are included within the proposed annexation area. The mapping does not show the Southwest Banking Project, nor FID canals and other facilities in the annexation area, nor are they mentioned or evaluated in connection with the proposed annexation.
2. FID's active Big Sandridge Canal No. 65, Houghton Waste Basin No. 195, Lower Dry Creek Canal No. 77, Southwest Banking Facility No. 583, and Lower Dry Creek Ext. Canal No. 561 are located within the reorganization area, as shown on the attached FID exhibit map. The Southwest Banking Facility No. 583 is co-owned with the James Irrigation District. FID operates and maintains these facilities and will retain all jurisdiction over them.
3. FID records indicate Grants of Easement, Deeds, and Rights to Flood associated with these facilities along with the rights afforded by California Water Code.
4. California enacted landmark legislation in 2014 known as the Sustainable Groundwater Management Act (SGMA). The act requires the formation of local groundwater sustainability agencies (GSAs) that must assess conditions in their local water basins and adopt locally-based management plans. The overlying Groundwater Sustainability

\\fids01\Eng\Agencies\LAFCO\Reorganization\RO-24-04 Raisin City Water District\RO-24-04 RCWD Reorganization - FID
Comments-Final.doc

BOARD OF DIRECTORS

President RYAN JACOBSEN Vice-President JERRY PRIETO, JR. CHRISTOPHER WOOLF
GEORGE PORTER GREGORY BEBERIAN General Manager BILL STRETCH

Agency is responsible to manage the groundwater basin within the annexation service area.

5. Projects may negatively impact local groundwater supplies or exacerbate subsurface outflow from FID's service area. Any and all impacts adversely affecting FID must be mitigated.
6. Notice of possible requirements is hereby given and provided below for any future project(s) that may impact FID facilities within the annexation area.

General Comments for Development, Projects, and/or Construction Impacting FID Facilities

1. FID will require that the landowner grant an exclusive easement for the land underlying the canal and associated area along the canal required for maintenance pursuant to Water Code Section 22425 and FID policy. FID's District Canal Right-of-Way Requirements sheet is enclosed for your reference. The proposed easement (width) will depend on several factors including: 1) width of canal, 2) height of canal banks, 3) final alignment of canal, 4) additional space needed where roads/avenues intersect canal, etc.
2. FID will require the project proponent's Engineer/Land Surveyors use the inside top hinge of the canal to define the edge of FID's right-of-way such that FID has the minimum width of right-of-way along the top of bank as required by FID policy and the bank to be built out full width, clear of obstructions, structures, vegetation, etc. to provide clear passage and full width at all points along the canal bank.
3. FID will require project applicants and/or the applicant's engineer meet with FID at their earliest convenience to discuss specific requirements, e.g. easement width and alignment, right-of-way width and alignment, depth and size, fees, etc.
4. Typically, for any type of project and/or development that impacts a large open canal or is adjacent to, FID requires the project proponent to improve the canal per FID requirements, including channel stabilization, freeboard, and maintenance requirements, to protect the canal's integrity for the changed setting. FID does not have sufficient information to determine what kind of improvements will ultimately be required as part of the development/project. The engineers working on the project and FID's engineering staff must meet to discuss specific requirements. as discussed below.
5. If a fence is installed between the development/project and open canal, a block/masonry wall shall be required. Chain-link and wood fencing will no longer be accepted for urban, commercial and industrial developments.
6. Canal Access – FID will continue to access to its canals and banking facilities. In order to access the maintenance road with our larger equipment, FID will require a drive approach wide enough to accommodate the equipment. FID requires a 50-foot wide drive approach narrowing to a 20 feet wide drive bank per FID Standard Detail No. 1-02.

7. FID will require its review and approval of all Private and Public facilities that encroach into FID's property/easement. If FID allows the encroachment, the Public or Private party will be required to enter into the appropriate agreement which will be determined by FID.
8. FID requires its easements be shown on all maps/plans with proper recording information, and that FID be made a party to signing all maps/plans.
9. FID will require the project proponent to submit for FID's approval a grading and drainage plan which shows that the proposed development will not endanger the structural integrity of the Canal, or result in drainage patterns that could adversely affect FID facilities.
10. FID will not allow FID owned property or easements to be in common use with public utility easements but will in certain instances allow for its property to be in common use with landscape easements with an appropriate agreement as required by FID.
11. FID requires its review and approval of all improvement plans which affect its property/easements and canal/pipeline facilities including but not limited to Sewer, Water, Street, Landscaping, Dry Utilities, and all other utilities.
12. All existing trees, bushes, debris, old canal structures, pumps, canal gates, and other non- or in-active FID and private structures must be removed within FID's property/easement and the project limits.
13. Footings of retaining walls shall not encroach onto FID property/easement areas.
14. Trees will not be permitted within FID's property/easement areas.
15. No large earthmoving equipment (paddle wheel scrapers, graders, excavators, etc.) will be allowed within FID's easement and the grading contractor will be responsible for the repair of all damage to pipelines caused by project proponent and/or its contractor's grading activities.
16. FID is concerned about the potential vibrations caused by construction efforts near existing District facilities as it may cause damage to FID's canals, pipelines and culverts. Contractor(s) must keep all large equipment, construction material, and soil stockpile outside of FID's easement and a minimum of 30 feet away from existing cast-in-place concrete pipe. The project proponent and/or its contractor(s) will be responsible for all damage caused by construction activities.
17. The above comments are not to be construed as the only requests FID will have regarding this project. FID will make additional comments and requests as necessary as the project progresses.

Jessica Gibson
Re: RO-24-04
February 24, 2025
Page 4 of 4

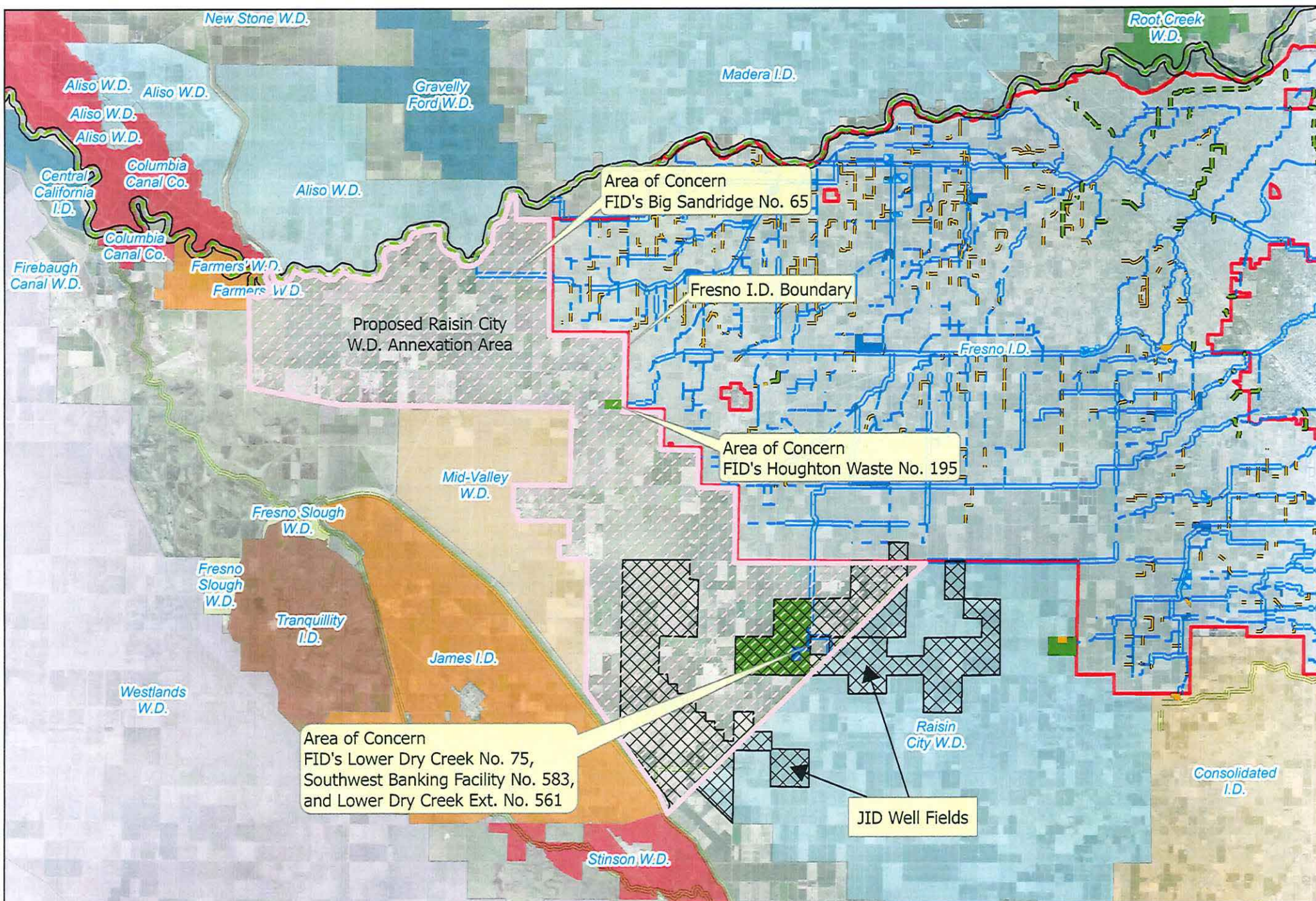
Thank you for submitting this for our review. We appreciate the opportunity to review and comment on the subject documents for the proposed Reorganization. Should you have any questions, please feel free to contact me at (559) 233-7161 extension 7103 or LKimura@fresnoirrigation.com.

Sincerely,



Laurence Kimura, P.E.
Chief Engineer

Attachments



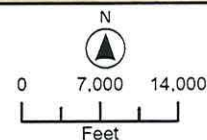
Legend

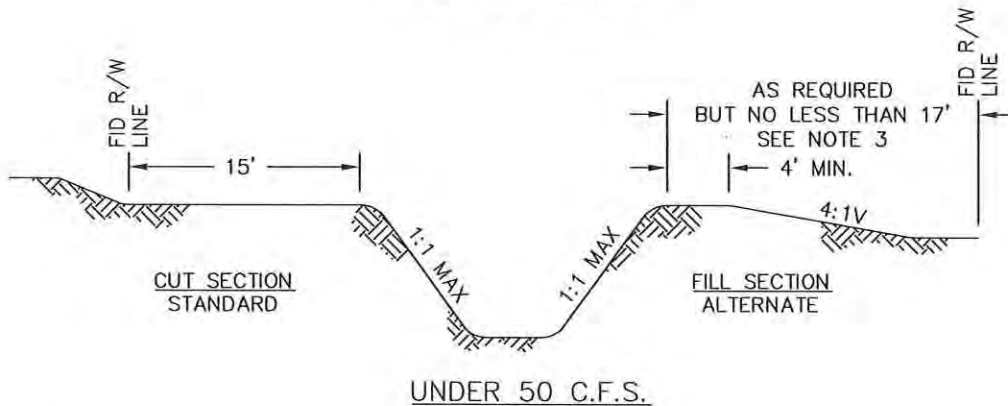
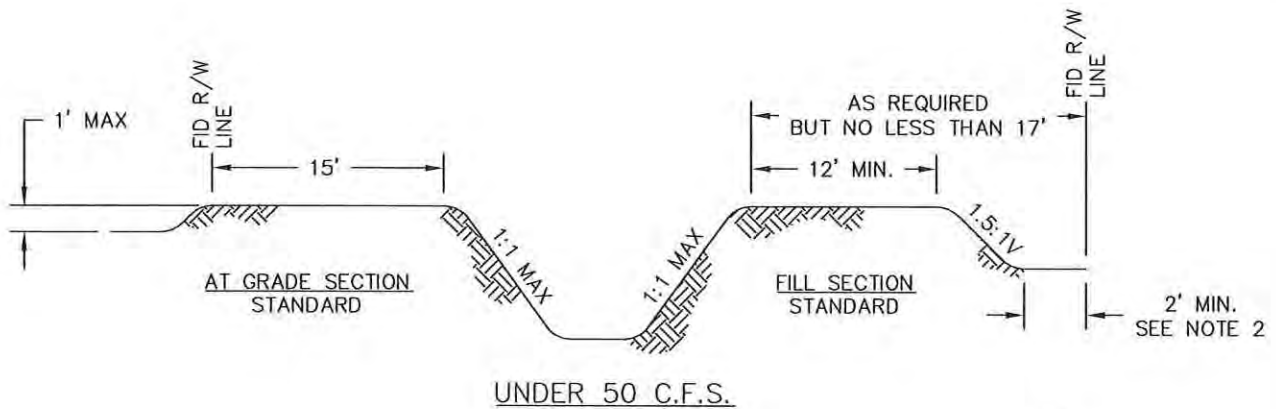
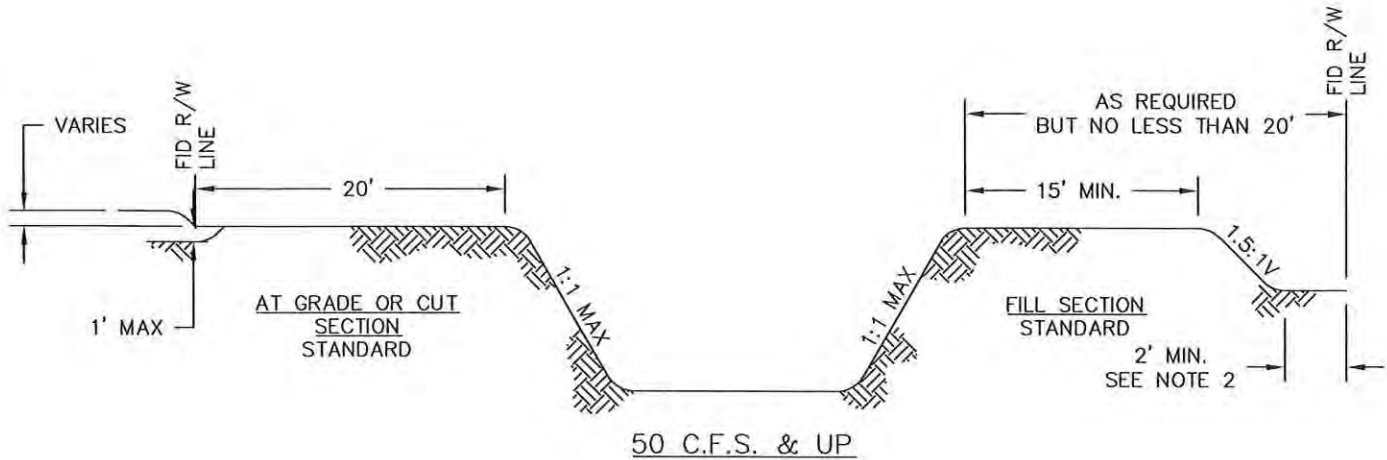
FID Canal	FID Pipeline	Stream Group	FID Boundary	Parcel
Private Canal	Private Pipeline	Other-Creek/River	Railroad	FMFCD Acquired Basins
Abandoned Canal	Abandoned Pipeline	Other-Pipeline	Streets & Hwys	FMFCD Proposed Basins

Path: \\fids01\Eng\Agencies\LAFCO\Reorganization\RO-24-04 Raisin City Water

This map was produced by the Fresno Irrigation District and is provided for reference and informational purposes only and is not intended to show map scale accuracy or all inclusive map features, nor for legal purposes. FID makes no statements regarding the accuracy of this map as the features shown are in their approximate location. Please contact the FID Engineering Dept. at (559) 233-7161 for further information on FID facilities.

Spatial Reference:
Name: NAD 1983 StatePlane California IV FIPS 0404





NOTES:

1. ALL PRIVATE FACILITIES TO BE LOCATED OUTSIDE FID RIGHT-OF-WAY.
2. ADD 2 FEET TO EMBANKMENT WIDTH TO ESTABLISH OVERALL RIGHT-OF-WAY WIDTH TO ACCOMMODATE GRADER BLADE CLEARANCE.
3. THE ALTERNATE SECTION CANNOT BE USED IF THE OVERALL WIDTH EXCEEDS THE STANDARD WIDTH AND IS PERMITTED ONLY WHEN DISTRICT OPERATIONS AND MAINTENANCE FUNCTIONS DO NOT REQUIRE A STANDARD ROADWAY.



FRESNO IRRIGATION DISTRICT

"Your Most Valuable Resource – Water"

CANAL RIGHT-OF-WAY

SCALE: NOT TO SCALE

DATE: JANUARY 2018

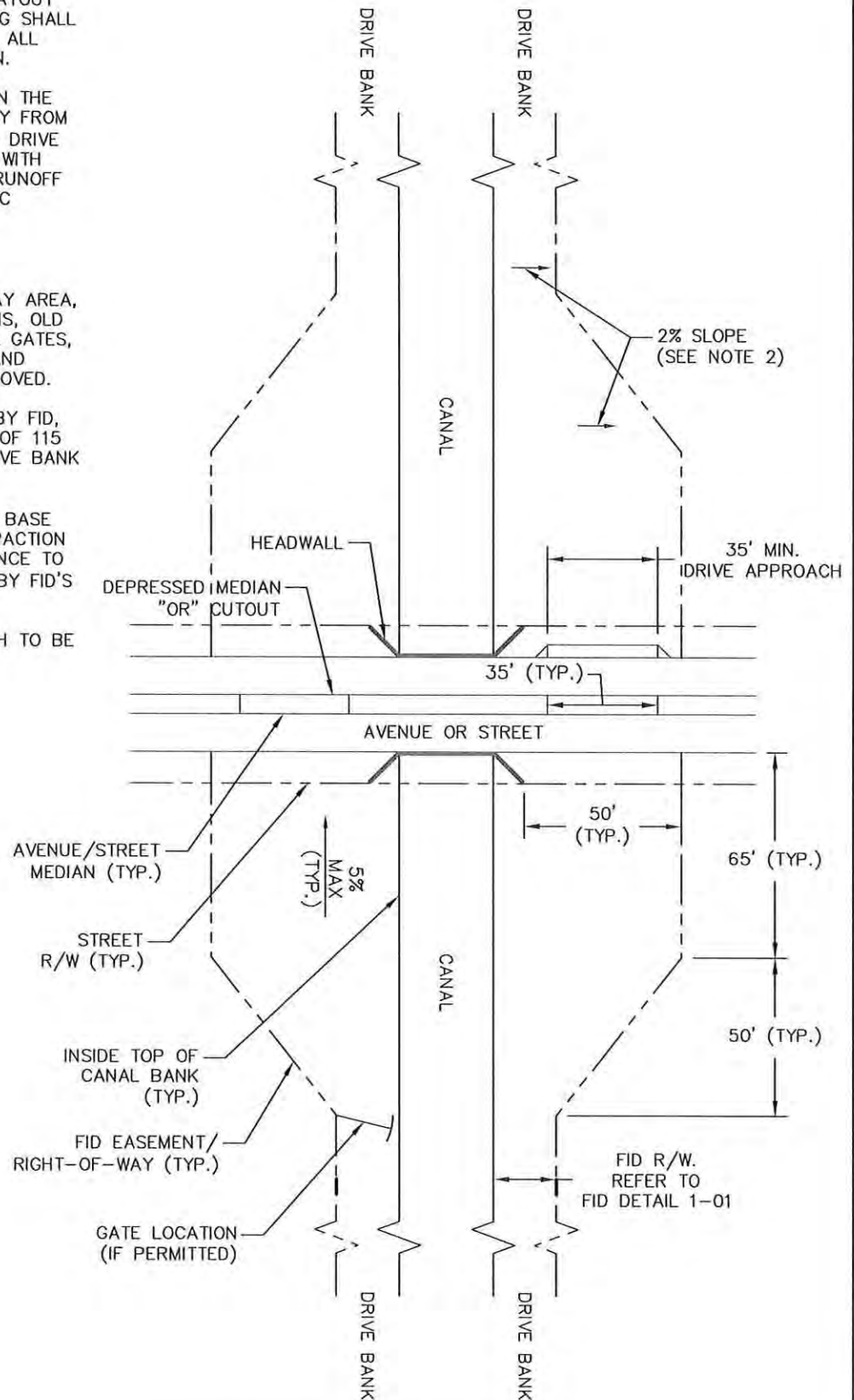
STANDARD DETAIL

1-01

SHEET 1 OF 1

NOTES:

1. DIMENSIONS AND NOTES ARE FOR LAYOUT PURPOSES ONLY. A SCALED DRAWING SHALL BE PREPARED AND SUBMITTED WITH ALL PLAN SETS PRIOR TO CONSTRUCTION.
2. DRAINAGE WILL NOT BE ACCEPTED IN THE CANAL AND SHALL BE ROUTED AWAY FROM FID PROPERTY/DRIVE BANKS. SLOPE DRIVE BANKS 2% AWAY FROM THE CANAL WITH PROVISIONS MADE FOR RAINFALL. RUNOFF TO BE CONVEYED TO NEARBY PUBLIC STREETS OR DRAINAGE SYSTEM BY DRAINAGE SWALES OR OTHER FID ACCEPTABLE ALTERNATIVES.
3. WITHIN FID EASEMENT/RIGHT-OF-WAY AREA, ALL EXISTING TREES, BUSHES, DEBRIS, OLD CANAL STRUCTURES, PUMPS, CANAL GATES, AND OTHER NON OR INACTIVE FID AND PRIVATE STRUCTURES MUST BE REMOVED.
4. IF AN ACCESS GATE IS PERMITTED BY FID, GATE MUST BE PLACED A MINIMUM OF 115 FEET AWAY FROM ROAD, WHERE DRIVE BANK NARROWS TO 20 FEET.
5. THREE INCH (3") THICK AGGREGATE BASE COMPACTED TO 93% RELATIVE COMPACTION SHALL BE REQUIRED AT THE ENTRANCE TO EACH DRIVE BANK AS DETERMINED BY FID'S ENGINEER. NO REGRIND ASPHALT.
6. DRIVEWAY APPROACH MINIMUM WIDTH TO BE 35 FEET.



FRESNO IRRIGATION DISTRICT

DRIVE APPROACH – URBAN AREAS

"Your Most Valuable Resource – Water"

SCALE: NOT TO SCALE

DATE: JANUARY 2018

STANDARD DETAIL

1-02

SHEET 1 OF 1



Fresno Local Agency Formation Commission

DATE: February 11, 2025

TO: Jessica Johnson, LAFCo Counsel
Bernard Jimenez, Deputy Director of Planning, County of Fresno
Fresno County Library, Historical Landmarks and Records Commission
Mid-Valley Water District
SoCal Gas
California Highway Patrol, GIS
David Padilla, Chief, Planning North, Caltrans
Fresno Westside Mosquito Abatement District
Fresno Mosquito and Vector Control District
Fresno County Sheriff's Department
Consolidated Mosquito Abatement District
West Fresno County Red Scale Pest Control District
Kings River Conservation District
Fresno County Fire Protection District
North Central Fire Protection District
Tranquillity Resource Conservation District
County Service Area 43
James Irrigation District
James Resource Conservation District
Washington Colony Cemetery District

FROM: Jessica Gibson, LAFCo Analyst II

SUBJECT: **Request for Comments**
Raisin City Water District Reorganization, RO-24-04

The Local Agency Formation Commission (LAFCo) is in receipt of a resolution of application initiating proceedings for the attached proposal. In accordance with Government Code (GC) Section 56386, your agency has been identified as an affected and/or interested agency and we are requesting your assistance in reviewing and commenting on this application.

In accordance with GC Section 56662(a) the Commission may make determinations upon the proposal without notice and hearing and may waive protest proceedings entirely if the territory is uninhabited and no affected agency has submitted a written demand for notice.

Please return any comments you have regarding this proposed reorganization by **February 25, 2025**. Your assistance is greatly appreciated. Thank you.

JG

Attachments: Application, Map, Legal Description, Service Plan, Resolution

**RAISIN CITY WATER DISTRICT
BOARD OF DIRECTORS**

RESOLUTION 2025-01

***RESOLUTION OF THE BOARD OF DIRECTORS OF THE RAISIN CITY WATER
DISTRICT REQUESTING THE LOCAL AGENCY FORMATION COMMISSION OF
FRESNO COUNTY UNDERTAKES PROCEEDINGS FOR ANNEXATION NO. 24-01
AND A CORRESPONDING AMENDMENT TO THE DISTRICT SPHERE OF
INFLUENCE***

WHEREAS, the owners of certain lands within the area described in Exhibit "A" (attached hereto and by reference made a part hereof) totaling approximately 55,543 acres, desire to have said land annexed to Raisin City Water District (District) and the District is amenable to the annexation of those certain lands; and

WHEREAS, approximately 27,137 acres of those lands are outside of the District's current Sphere of Influence; and

WHEREAS, Government Code Section 56654 provides, in part, that a proposal for reorganization may be made by the adoption of a resolution of application by the legislative body of an affected local agency, and the District is an "affected local agency" within the meaning of Government Code section 56654; and

WHEREAS, the provisions of Government Code section 56654(b) do not apply in this instance because the reorganization does not involve the exercise of new or different functions or classes of services; and

WHEREAS, the Raisin City Water District desires to initiate proceedings pursuant to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, commencing with Government Code section 56000; and

WHEREAS, the reasons for the proposed annexation are as follows

1. The annexed properties would have access to District surface water supplies, conserving groundwater for use during drought.
2. Owners of the annexed properties would be represented by the McMullin Area Groundwater Sustainability Agency on matters pertaining to the Sustainable Groundwater Management Act.
3. Owners of the annexed properties would receive legal representation on matters concerning both surface water and groundwater.

WHEREAS, the area proposed for annexation contains agricultural land interspersed with rural residences, and no development is proposed, all District facilities are in place to serve the affected areas, and the District does not foresee the possibility the annexation in and of itself will result in a significant effect on the environment; and

WHEREAS, the District stipulates that the area proposed for annexation contains more than twelve (12) registered voters, and is thus considered "inhabited" as defined in Government Code section 56056; and

WHEREAS, the proposed annexation of lands and corresponding amendment to the District's current sphere of influence will include lands within the Mid-Valley Water District's current sphere of influence, but not the current service area for Mid-Valley Water District's services; and

WHEREAS, the District does not propose any additional terms and conditions be imposed upon the change of organization; and

WHEREAS, notice of intent to adopt this resolution of application has not been given to each interested and subject agency pursuant to Government Code section 56654(c); and

WHEREAS, the Board of Directors previously adopted Resolution No. 2024-01, regarding this matter, said Resolution No. 2024-01 containing information regarding the proposed acreage of annexation; and

WHEREAS, the information contained in said Resolution No. 2024-01 was accurate at the time of its adoption, but that has since changed; and

WHEREAS, the Board of Directors wishes to correct the information contained in said Resolution No. 2024-01 via a superseding resolution.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Raisin City Water District does hereby adopt and approve this Resolution of Application.

BE IT FURTHER RESOLVED that the Board of Directors finds that the proposed actions fall within the scope and meaning of CEQA Guidelines section 15319, Annexation of Existing Facilities and Lots for Exempt Facilities, and that the proposed actions are exempt from additional review under the California Environmental Quality Act.

BE IT FURTHER RESOLVED that this proposal consists of the annexation of lands and corresponding amendment to the District's current sphere of influence and does not involve the exercise of new or different functions or classes of services within the District.

BE IT FURTHER RESOLVED that this Resolution is intended to replace and supersede Resolution No. 2024-01.

BE IF FURTHER RESOLVED that the Local Agency Formation Commission of Fresno County is hereby requested to undertake proceedings as provided by the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 for the areas identified in Exhibit A.

BE IT FURTHER RESOLVED that the clerk of the District shall file a certified copy of this Resolution with the Local Agency Formation Commission of Fresno County's executive officer pursuant to Government Code section 56756.

PASSED AND ADOPTED by the Board of Directors as a Resolution of the Raisin City Water

District at a regular Board Meeting held on the 21st day of January, 2025, by the following vote:

AYES: 3

NOES: 0

ABSENT: 2

ABSTAIN: 0



R. Gere Gunlund, President

ATTEST:



Randy Hopkins, Secretary

Service Plan Worksheet

Applicant local agency name: Raisin City Water District

Project size and location: The Project would increase RCWD's SOI by 40,510 acres and its service area by 68,916 acres.

Approved entitlements (i.e., tentative map, site plan review):
N/A

Introduction and Purpose

LAFCo requires that when a proposal for a change of organization or reorganization is submitted, the applicant shall submit a plan for providing services within the affected territory. This service plan will include information required by Government Code section 56653 and is subject to review pursuant to Fresno LAFCo Standards, Policies, and Procedures section 400. Information included in the service plan shall include:

- Enumeration and description of the services to be extended to the affected territory;
- Level and range of services to be extended;
- Indication of when services can feasibly be extended to the affected territory;
- Indication of any improvement of structures, roads, sewer or water facilities, or other conditions necessary to provide services;
- Information on how services will be financed.

A service plan is necessary for a complete application. A service plan identifies how newly annexed territory will be served and by what agency. It provides the basis for the Fresno Local Agency Formation Commission's (LAFCo) California Environmental Quality Act (CEQA) determination and subsequent determination and action on the requested change of organization or reorganization. As an information document, the service plan will be distributed by LAFCo with the proposal's request for comments. As a public document, a service plan is also available to property owners, other local agencies, and interested parties who may have plans or proposals underway in the immediate vicinity of a proposed change of organization or reorganization.

In order to complete the Service Plan Worksheet, you should be familiar with the following:

- Agency utilities and service system levels;
- Agency public services – police, fire, parks, schools, etc.;
- Agency finances - annual budget process, audited financial statements, grant funding opportunities, rate or fee schedule;
- Any supportive information referenced in the questionnaire; and
- The location of any Disadvantaged Unincorporated Community (DUC) within 300 feet of the affected territory.

Project Description

Provide information regarding the location and size of the territory to be served, specific information or circumstances, and description of agency's actions relating to the proposal.

Service Provider Description

For the following section, check all current/planned service providers to the territory. Indicate the name of the service provider next to the specific service. Utilize the Fresno LAFCo website to complete this section. The maps page ([click here](#)) will determine other agencies that provide different services to individuals within your agency's service area. The MSR page ([click here](#)) provides Commission approved MSRs that elaborate on the services provided by each agency.

Current Service Providers:

- ☒ Domestic water Private wells
- ☒ Wastewater collection Septic
- ☐ Wastewater treatment _____
- ☐ Streets _____
- ☐ Solid waste collection _____
- ☒ Fire protection FCFPD
- ☒ Law enforcement County Sheriff
- ☐ Parks and recreation _____
- ☐ Transit _____
- ☐ Storm drainage _____
- ☐ Street lighting _____
- ☐ Schools _____
- ☐ Any other services – list and describe similar types of services provided to the territory.

Planned Service Providers:

- ☒ Domestic water Private Wells
- ☐ Wastewater collection Septic
- ☐ Wastewater treatment _____
- ☐ Streets _____
- ☐ Solid waste collection _____
- ☒ Fire protection FCFPD
- ☒ Law enforcement County Sheriff
- ☐ Parks and recreation _____
- ☐ Transit _____
- ☐ Storm drainage _____
- ☐ Street lighting _____
- ☐ Schools _____
- ☐ Any other services – list and describe similar types of services provided to the territory.

Please provide a service level description for each checked service above. Include type of infrastructure or public facilities, existing conditions, service capacity, and planned improvements.

Example:

- Wholesale water supply: *The City of Smithville owns a public water system that has 4,000 customer connections. The City's water system has capacity to service 5,000 connections. The City's obtains its water resources from both surface water and groundwater pumping. The City has a contractual agreement with FID for 1,000 acre-feet of surface water annually delivered via Friant-Kern Canal. The City also annually pumps an estimated 7,600 acre-feet from its eight wells located throughout your agency limits. Well records for eight City wells indicate that groundwater levels have declined an average of 0.35 foot per year since 1960. Upon annexation, the City's water system is expanded consistent with the adopted water system standards.*

Financial Information

Describe the agency's method to finance infrastructure and capital improvements.

- Property tax exchange agreement
- Service fees
- Development impact fees
- Community Facilities District
- State grant funding
- Special assessments

The District is primarily financed by annual property assessments charged to all landowners within the District. The District collects an annual land assessment of \$0.75 per acre with a minimum assessment of \$2 per parcel. According to the District, annual land assessments are collected by the District and are used to provide indirect services through cooperative agreements with other local agencies. The District uses funding from land assessments to administer District operations, fund the development of future District recharge projects, conduct groundwater studies, and advocate and represent landowners within the District. The District does not presently charge fees for any of these services outside of its assessments.

In addition, the District applies for grant funding through the State when applicable.

Additional Supporting Information

Please provide any additional relevant information you believe may help LAFCo describe services and improvements for land proposed to be annexed, reorganized, or detached.

- Sustainable Groundwater Management Act (SGMA) of 2014, agency's interaction with local Groundwater Sustainability Agencies (GSA)

The District is a participating member of the McMullin Area Groundwater Sustainability Agency (MAGSA) pursuant to SGMA. MAGSA was formed as a Joint Powers Authority that is comprised of the County of Fresno, RCWD, and the Mid-Valley Water District. The MAGSA Board is the governing and legislative body for the McMullin Area Groundwater Sustainability Area and two members represent the RCWD area. The proposed annexation and SOI amendment would make the District's service area and SOI coterminous with the boundaries of MAGSA.

The District's primary objective is to represent the interests of District landowners and work to achieve groundwater sustainability in the Lower Kings Basin of Fresno County.

RAISIN CITY WATER DISTRICT SERVICE PLAN WORKSHEET

DOMESTIC WATER:

The subject properties are currently served by private domestic and irrigation wells. Each landowner is responsible for providing their own water via groundwater wells.

The District is a member of the McMullin Area Groundwater Sustainability Agency (MAGSA). In accordance with the Sustainable Groundwater Management Act (SGMA), GSAs located in areas in critical overdraft are required to adopt Groundwater Sustainability Plans by 2020. The proposed SOI amendment and annexation would make RCWD's SOI and service area coterminous with the boundaries of MAGSA. The proposal would allow the annexed land to receive services from RCWD. RCWD currently provides its landowners with representation, advocacy and information services regarding Statewide water policy, water rights, new State legislation, and other issues affecting local agricultural irrigation.

WASTEWATER COLLECTION:

N/A

WASTEWATER TREATMENT:

N/A

STREETS:

N/A

SOLID WASTE COLLECTION:

N/A

FIRE PROTECTION AND LAW ENFORCEMENT:

The subject area is currently provided service by the Fresno County Sheriff's Department and Fresno County Fire Protection District. No change would be made.

PARKS AND RECREATION:

N/A

STORM DRAINAGE:

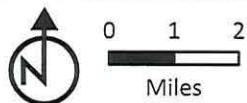
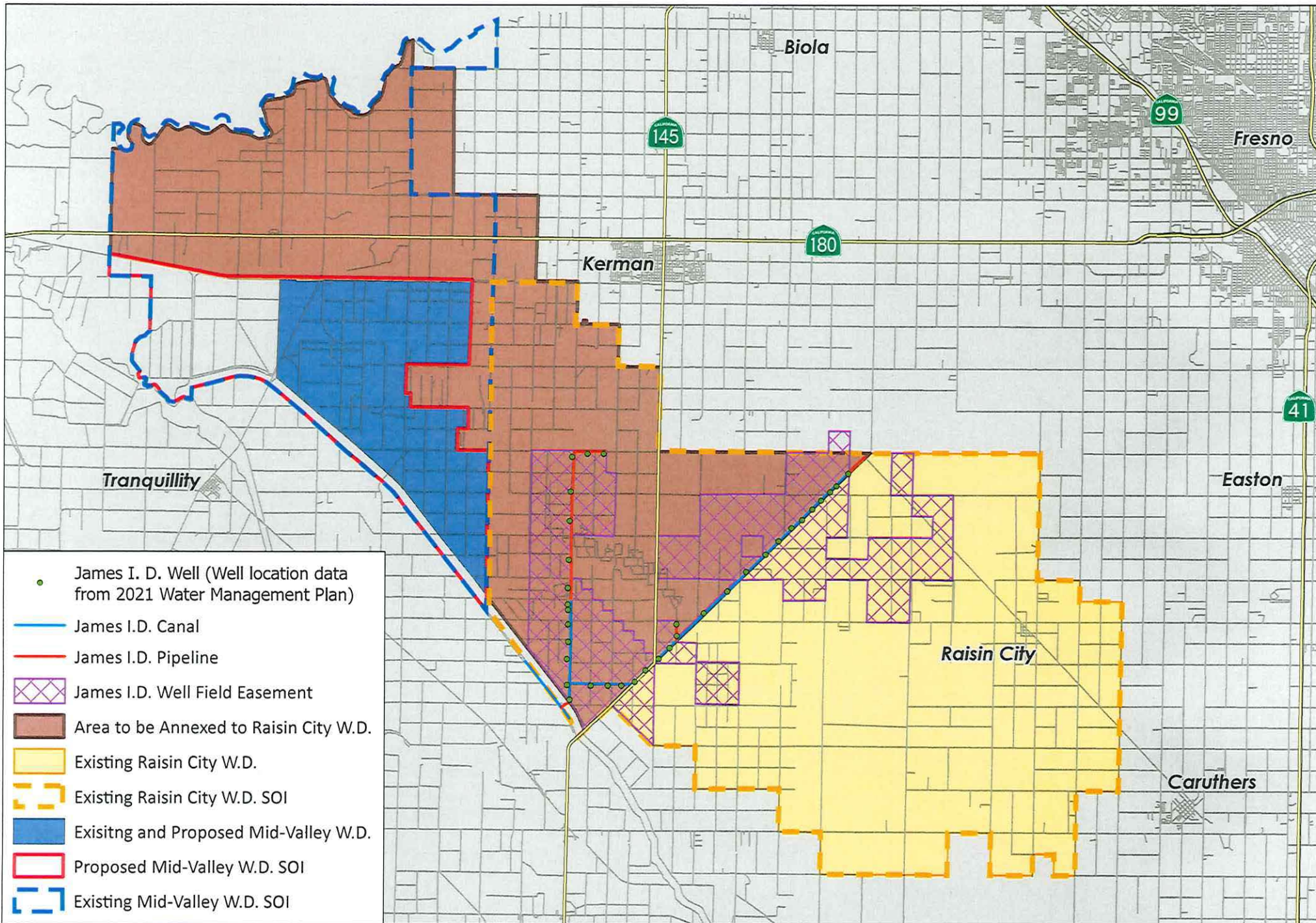
N/A

STREET LIGHTING:

N/A

SCHOOLS:

N/A



Existing and Proposed Service Area and SOI

Raisin City Water District

**PROVOST &
PRITCHARD**

From: [Ramirez, Augustine](#)
To: [Gibson, Jessica](#)
Cc: [Jimenez, Bernard](#)
Subject: FW: Raisin City Water District Reorganization, RO-24-04
Date: Thursday, March 13, 2025 11:11:57 AM
Attachments: [image002.png](#)
[image001.png](#)
[image003.png](#)

Good morning Ms. Gibson,

The County of Fresno (County) appreciates the opportunity to review and comment on the proposed Raisin City Water District (RCWD) Reorganization Project (Project). The Project as proposed, seeks to annex additional lands into and expand the Sphere of Influence (SOI) of the RCWD and reduce the SOI of the Mid-Valley Water District to accommodate the annexation.

The lands being proposed for annexation are currently represented on the McMullin Area Groundwater Sustainability Agency (MAGSA) by the County. At the time MAGSA was formed in 2016, there was no other public agency, besides the County, that had groundwater management or land use authority overlying these lands that qualified under the Sustainable Groundwater Management Act to act as a Groundwater Sustainability Agency. The County has actively participated on the MAGSA Board of Directors since its creation.

The Project, by incorporating these adjacent lands into its service area, will expand RCWD's ability and responsibility to manage groundwater resources for the area. The RCWD SOI expansion as proposed appears to be coterminous with the proposed annexation boundary with the exception of a portion for Reclamation District 1606 that is currently represented by the James Irrigation District Groundwater Sustainability Agency.

The County supports the Project as proposed and has no further comments at this time.



Augustine C. Ramirez | Division Manager

Department of Public Works and Planning

Water and Natural Resources Division

Community Development Division

2220 Tulare St. 6th Floor Fresno, CA 93721

Main Office: (559) 600-4022 Direct: (559) 600-4266

[How are we doing?](#)



4886 East Jensen Avenue
Fresno, California 93725

Tel: 559.237.5567
Fax: 559.237.5560

www.krkd.org
@kingsrivercd

Via Electronic Transmission

May 12, 2025

Fresno Local Agency Formation Commission
c/o Brian Spaunhurst, Executive Officer
1401 Fulton St, Suite 800
Fresno, CA 93721

Re: Comments on Raisin City Water District MSR – Omission of KRCD Infrastructure and Coordination

Dear Mr. Spaunhurst and Commissioners,

On behalf of the Kings River Conservation District (KRCD), I am writing to express concerns regarding the recently released Municipal Service Review (MSR) for the Raisin City Water District (RCWD). KRCD has long played a regional role in flood management and infrastructure development in the Kings Subbasin. Our work is publicly funded, and our facilities are designed to serve multiple agencies across jurisdictional boundaries.

KRCD was surprised to find that the report omits under “Present and Planned Capacity of Public Services” critical infrastructure and ongoing projects within RCWD’s service area that are managed by KRCD. Most notably, the McMullin On-Farm Flood Capture and Recharge Project Phase 1 and associated flood control easements are entirely absent from the review, despite representing a significant regional infrastructure investment.

These facilities serve vital roles concerning flood control and long-term regional planning that are central to KRCD’s operational responsibilities. An accurate MSR must reflect both current infrastructure and the entities responsible for its operation. Their exclusion from the MSR presents an incomplete picture of available services, infrastructure interdependencies, and future planning efforts within the area. The MSR also fails to acknowledge that any future expansion of this project will require KRCD’s involvement and agreement to use the Phase 1 facilities. Despite this, RCWD has not engaged with KRCD regarding how its projects will rely on Phase 1 infrastructure.

This omission creates an incomplete and potentially misleading picture of available public services and planned infrastructure in the District.

We respectfully request that Fresno LAFCO update the MSR to accurately reflect KRCD’s infrastructure and responsibilities within RCWD’s boundaries, and that our agency be engaged in future reviews and updates to ensure coordination and accuracy.

BOARD OF DIRECTORS

Division I, CHRIS KAPHEIM, Dinuba ♦ Division II, MASARU YOSHIMOTO, Fowler ♦ Division III, ANTHONY NONINI, Fresno ♦ Division IV, MARK McKEAN, Riverdale ♦ Division V, D. PAUL STANFIELD, Hanford
Division VI, CEIL W. HOWE, JR., Stratford ♦ Division VII, JENIFER MARSHALL, Sanger

OFFICERS

CHRIS KAPHEIM, President ♦ ANTHONY NONINI, Vice President ♦ DAVID M. MERRITT, General Manager ♦ BINU BRAR, Auditor

Mr. Brian Spaunhurst and Fresno LAFCO

May 12, 2025

Page 2

Thank you for your attention to this matter. We remain available to provide additional information and to assist with a more comprehensive understanding of the infrastructure and services that impact the Raisin City Water District.

Sincerely,

A handwritten signature in blue ink, appearing to read "DM Merritt", is positioned above the typed name.

David M. Merritt
General Manager

DDM/cm

Cc: Jessica Gibson

L25-0050

File: 300.05.04.03

KINGS RIVER WATER ASSOCIATION

OFFICERS

RYAN JACOBSEN
CHAIRMAN

JOHN MENDES
VICE-CHAIRMAN

JERRY HALFORD
SECRETARY/TREASURER

STEVEN HAUGEN
ASSISTANT SECRETARY/TREASURER

STEVEN HAUGEN
WATERMASTER

JOSEPH D. HUGHES
ATTORNEY

KEVIN JOHANSEN
CONSULTANT ENGINEER

4888 E. JENSEN AVENUE
FRESNO, CA 93725
TELEPHONE: (559) 266-0767
FAX: (559) 266-3918

EXECUTIVE COMMITTEE

JERRY HALFORD
ALTA ID

PHIL DESATOFF
CONSOLIDATED ID

BILL STRETCH
FRESNO ID

SCOTT SILLS
KINGS COUNTY UNITS

MARK MADDOX
NORTH FORK AREA

JEOP WYRICK
TULARE LAKE AREA

May 12, 2025

Brian Spaunhurst, Executive Director
Fresno Local Agency Formation Commission
1401 Fulton Street, Suite 800
Fresno, CA 93721

RE: LAFCo File No. MSR-24-01/RSOI-211

Mr. Spaunhurst:

Kings River Water Association (KRWA) submits the following comments to Fresno Local Agency Formation Commission (LAFCO) regarding LAFCO's May 14, 2025 public hearing on the "Municipal Service Review and Sphere of Influence Update for Raisin City Water District (LAFCo File No. MSR-24-01/RSOI-211)." KRWA represents all entities with rights to divert and use water from the Kings River. For nearly a century, KRWA has administered those rights under licenses from the State Water Resources Control Board, court decrees, and long-standing agreements among its member units. Because KRWA oversees how Kings River water is allocated and used, any claim that a project will divert that water, particularly without coordination or legal authority, falls directly within KRWA's area of responsibility.

As a threshold matter, KRWA requests that LAFCO table and continue this public hearing to its next regularly scheduled meeting in June. The issues raised by this service review are significant and complex involving our member units and communities throughout the KRWA service area. More time is requested to coordinate and conduct a thorough review.

If, however, LAFCO is disinclined to table and continue this public hearing, KRWA offers the following comments regarding Raisin City Water District's (District) 2025 Municipal Service Review (MSR):

Simply put, KRWA respectfully requests that LAFCO direct its staff to revise the MSR to remove any reference to or reliance upon the Kings River as a prospective water source for the District or the McMullin On-Farm Recharge Phase 2 Project.

The District's assertion that it will "divert up to 500 cfs of Kings River flood flows" is not just inaccurate; it is a legally impossible claim undermining the foundation of the MSR's analysis. The significance of this misstatement in the MSR cannot be overstated. A project's feasibility

depends in large part on its access to a lawful and reliable water supply. The claim that the District will divert 500 cfs of Kings River floodwater forms a foundational assumption supporting its proposed services and planning area expansion. Because no such supply is available, neither legally nor physically, the MSR's conclusions regarding future service adequacy and infrastructure planning are materially misleading.

In light of the statutory directive in Government Code section 56430(a)(3) to evaluate the "[p]resent and planned capacity of public facilities, adequacy of public services, and infrastructure needs," the absence of a valid, lawful water supply renders the MSR noncompliant. LAFCO cannot reasonably conclude that services are adequate or that the District's proposed expansion is supportable when it rests on a water source that is unavailable under California water law.

The District highlights in its MSR the "McMullin On-Farm Recharge Phase 2 Project" (Project) as a "future project." (See MSR, p. II-11.) In doing so, the District claims that the Project will "divert up to 500 cubic feet per second [of] Kings River flood flows to agricultural land with high infiltration capacity soils." (*Ibid.*) This is incorrect.

The State Water Resources Control Board has recognized the Kings River as a Fully Appropriated Stream, meaning there is no additional water available for appropriation by any party, including McMullin Area Groundwater Sustainability Agency, the proponent of the Project, or the District. Despite the clear implications for Kings River water rights and operations, KRWA was not contacted in the preparation of the MSR. This lack of coordination further undermines the credibility of the proposal and raises procedural concerns regarding transparency and accuracy in LAFCO's review process.

An MSR is not a platform for speculative projects or uncertain infrastructure plans. It must evaluate existing and planned services based on real-world feasibility and lawful access to necessary resources. Where a proposed project relies on a water supply that is legally unavailable, the MSR becomes not only inaccurate but misleading to LAFCO and the public. The purpose of an MSR is to "determine the adequacy of municipal services being provided by a local agency" and allow LAFCO, among others, to "gain an understanding of the services provided and to identify opportunities for cooperation and greater efficiency among services providers." (MSR, p. I-1.) To achieve this purpose, the MSR must contain accurate information. Accordingly, KRWA respectfully requests that LAFCO direct staff to revise the MSR to remove any reference to or reliance upon the Kings River as a prospective water source for the District or the McMullin On-Farm Recharge Phase 2 Project. Inclusion of this legally unavailable supply in the MSR undermines the integrity of the review and may give rise to reliance by third parties on inaccurate or unlawful assumptions.

For these reasons, KRWA urges LAFCO to correct the MSR before moving forward. A flawed document misstating legal realities, lacks coordination with affected agencies, and relies on unavailable water supplies cannot support a sound planning decision. We appreciate the opportunity to provide this input and are available to discuss these issues further at your convenience.

Sincerely,



Steven Haugen, Watermaster

July 1, 2025

Fresno Local Agency Formation Commission
1401 Fulton St., Suite 800
Fresno, CA 93721

Subject: Request to Postpone the Vote to Annex the White Area into Raisin City Water District

LAFCO Commissioners,

As a stakeholder in the Raisin City Water District (RCWD), I am writing to formally express my opposition to the upcoming vote at the July 9, 2025 Commissioners Hearing Meeting. This annexation raises serious liability, water sustainability, and equity concerns for existing RCWD stakeholders, particularly those farming smaller 20–40 acre parcels in the district. While I strongly oppose the annexation proposal that is the subject of that vote, the most timely concern is that your vote on this proposal will be premature, and can be better informed by allowing stakeholders more time to fully and reasonably demonstrate the serious and consequential risks associated with the proposed annexation

1. Unfair Representation and Voice Dilution

The white area is largely composed of consolidated agricultural holdings—some over 640-acre blocks—owned by large-scale operations. Their inclusion into RCWD would disproportionately shift political and voting influence, effectively drowning out the voice of existing small- to mid-size growers who have farmed in Raisin City for generations.

The erosion of the RCWD's long standing community-centered governance leaves local legacy farmers with a shrunk voice in decisions that directly affect their ability to farm.

2. Increased Liability Due to James ID Wells

The proposed annexation increases legal and hydrological liability due to the inclusion of the James Irrigation District's well field. James ID is currently pumping significant quantities of groundwater from within MAGSA's hydrological boundary, yet is not under MAGSA or RCWD's jurisdiction or enforcement authority. Further, James ID is currently in a lawsuit due to their continued refusal to comply with MAGSA's Export Policy. This directly increases landowner liability to SGMA.

By annexing the white area, RCWD stakeholders become responsible for water balance in a zone where another agency extracts groundwater. This could result in reduced pumping allocations for compliant RCWD growers as a means to offset over-pumping by James ID. It also exposes us to regulatory or enforcement actions if sustainability targets cannot be met due to outside pumping we cannot control.

These legal concerns are further worsened by the recent court ruling denying MAGSA's authority over James ID wells, essentially exposing stakeholders to additional liability while lessening their ability to influence the decision-making process. A California Superior Court recently ruled that MAGSA does not have control over James IDs wellfield, located in the proposed annexation area.

3. No Viable Surface Water Supply

Unlike other districts, RCWD and MAGSA do not have access to surface water or flood water infrastructure capable of supplementing groundwater demands in the proposed annexation area. This is especially problematic because no new surface water supplies are being proposed. Without recharge water, annexation increases the strain on an already over-drafted basin, magnifying the risk that our existing pumping will be insufficient.

This recipe for long-term unsustainability sets up RCWD's small farmers for serious economic hardship. Without more time to explore groundwater replenishment demands, this annexation puts existing farmers in serious jeopardy of insufficient water supply.

4. Oil Field Contamination Risks

There is an active oil field in the white area that raises serious questions about water quality degradation risks—one of SGMA's six undesirable results. Any future contamination events or legacy pollution from oil operations in the annexed area will become a District liability.

Annexation proponents have not provided a comprehensive environmental risk assessment addressing potential contamination leaching into groundwater, the risk to adjacent domestic wells, or future liability exposure to RCWD.

For the reasons stated above, I respectfully request that RCWD postpone any votes on annexation in RCWD until:

1. A full, transparent stakeholder impact analysis is performed,
2. Water quality risks and pumping impacts are independently assessed,
3. Voting equity protections for existing RCWD stakeholders are addressed,
4. James ID's pumping in the annexation zone is brought under enforceable control, or excluded.

With more time to present information to the Commissioners, we are confident we can find a solution that does not economically impact existing small farmers, while allowing larger operations to manage their resource requirements.

Sincerely,

Jerry Rai
Landowner / Stakeholder
Raisin City Water District

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)
EXECUTIVE OFFICER'S REPORT

AGENDA ITEM NO. 11

DATE: July 9, 2025

TO: Fresno Local Agency Formation Commission

FROM: Brian Spaunhurst, Executive Officer 

BY: Jessica Gibson, LAFCo Analyst

SUBJECT: **Consider Approval – “Raisin City Water District Reorganization”** A proposed annexation of approximately 55,543 acres to the Raisin City Water District for territory generally located generally located in northwest central Fresno County. (LAFCo File No. RO-24-04)

Applicant: Raisin City Water District

Landowners/Parties of Real Interest: 747 landowners

ATTACHMENT A: Proposal Information

ATTACHMENT B: Proposed Raisin City Water District Annexation Map

RECOMMENDATION: Conditional Approval by Taking the Following Actions:

Action 1:

- A. Acting as Responsible Agency pursuant to California Environmental Quality Act (“CEQA”) Guidelines, find that prior to approving the proposed reorganization, the environmental effects of the Proposal as shown in the CEQA documents prepared, adopted, and submitted by the Lead Agency, were reviewed and considered, and determine these documents to be adequate pursuant to CEQA Guidelines section 15096.

Action 2:

- A. Find that the proposed annexation is consistent with LAFCo Policies and the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”).
- B. Find pursuant to CKH and information in the record that:
 - a. The territory is inhabited pursuant to Gov. Code § 56046; and
 - b. Not all landowners or registered voters have consented to the reorganization.
- C. Assign the distinctive short form designation “Raisin City Water District Reorganization”.

- D. Find that the notice mailed on April 23, 2025, was given to all landowners and registered voters within the affected territory, as well as within 300 feet of the affected territory, disclosed that there is potential for the extension or continuation of any previously authorized charge, fee, assessment, or tax by the local agency in the affected territory, and that the Commission intends to waive protest proceedings pursuant to Government Code section 56663 unless written opposition is received before the conclusion of the Commission proceedings on this proposal.
- E. This Commission's action approving this proposal shall expire one year from the date of this resolution unless all proceedings are complete including condition compliance and a Certificate of Completion issued by the Executive Officer.
- F. If written opposition to the proposal was received and not withdrawn prior to the conclusion of the hearing, approve the proposal subject to the requirements of the CKH, the 30-day reconsideration period, and compliance with all of the above conditions, and direct staff to set a protest hearing pursuant to the requirements of CKH (Government Code section 57000 et seq.).
- G. Nothing in LAFCo's determination authorizes the transfer of ownership of any third party facilities, James Irrigation District ("JID"), Fresno Irrigation District ("FID"), Reclamation District No. 1606 ("RD 1606") or any other entities, to RCWD.

Action 3: Conditions of Approval

- A. Pursuant to Fresno LAFCo Policy 108-07, the Executive Officer shall record the approved application if all conditions have been satisfied and once, he or she has determined that the facts pertaining to the application during the time of recording are materially similar to those facts considered by the Commission when the application was approved.
- B. Raisin City Water District's ("RCWD") execution of an Indemnification Agreement as described in the staff report for Agenda Item No. 10 (LAFCo File No. MSR-24-01/RSOI-211).
- C. Prepare an MSR Update or Addendum with the inclusion of a Master Service Plan before additional powers are activated per RCWD's principal act authority.
 - a. Upon pursuit of additional activation of powers enumerated in the RCWD's principal act, the District will conduct CEQA analysis according to State guidelines and amend the MSR to provide a service plan for providing water services, which may include administration of a Proposition 218 election or other fee, charge, or ratemaking procedures consistent with the California Constitution to fund water projects.
 - b. This condition is not subject to Action 2(E).

Executive Summary

On May 13, 2024, RCWD submitted an application to Fresno LAFCo for annexation of approximately 55,543 acres. However, prior to the annexation proceeding, an expansion of the Sphere of Influence (“SOI”) must be approved and the Municipal Service Review (“MSR”) must be determined to be adequate. At present, the District is authorized by LAFCo to provide the following services: levying and collecting assessments and standby charges, executing agreements, entering into contracts, and engaging in planning activities related to the distribution of water for irrigation purposes. Agricultural water users within the District primarily rely on groundwater pumping for irrigation. The District’s primary purpose is to improve groundwater conditions throughout the Raisin City area.

Proposal/Land Use

- The proposal consists of the annexation of approximately 55,543 acres.
- Information related to the proposal’s affected territory, land use, proposed development, special districts, surrounding areas, and existing/proposed services can be found on **Attachment A**.
- The territory is inhabited.
- The affected territory is within the RCWD SOI. (**Attachment B**)

Environmental Determination

The RCWD, acting as “Lead Agency” under CEQA, determined that the proposal is categorically except pursuant to CEQA guidelines section 15319 – Annexation of Existing Facilities and Lots for Exempt Facilities. On April 5, 2024, RCWD filed a Notice of Exemption with the Fresno County Clerk (#E202410000093).

As a “Responsible Agency” pursuant to CEQA Guidelines, the Commission is required to independently review and consider the environmental review for the proposed annexation. LAFCo finds that the proposal does not have the potential to result in a significant effect on the environment, and that the annexation is not subject to CEQA pursuant to CEQA Guidelines section 15319. Therefore, the proposal is exempt from environmental review.

Pursuant to CEQA Guidelines section 15096(i), if the Commission determines that these documents are adequate, a Notice of Determination will be prepared and filed with the County of Fresno Clerk’s office in compliance with Public Resources Code section 21152.

Costs and Other Changes Affecting Residents or Landowners

RCWD may impose fees or assessments on lands within its boundaries.

Agencies and Individuals Submitting Comments

- Kevin Tsuda, Environmental Health Specialist II, Fresno Co. Dept. of Public Health

- Cesar Gonzalez, IT Analyst, Fresno County Elections Department
- Bryant VanderVelde, Supervising Cadastral Tech., Fresno Co. Assessor's Office
- Augustine Ramirez, Division Manager, Fresno Co. Dept. of Public Works & Planning
- Bernard Jimenez, Assistant Director, Fresno Co. Public Works & Planning
- Laurence Kimura, P.E., Chief Engineer, Fresno Irrigation District
- Riley Chaney, Board of Directors President, James Irrigation District
- Manny Amorelli, General Manager, Reclamation District No. 1606 & James Irrigation District
- David M. Merritt, General Manager, Kings River Conservation District
- Steven Haugen, Watermaster, Kings River Water Association

Territory Boundaries

The boundaries of the proposed annexation are definite and certain, and the Fresno County Assessor's Office has determined that the map and legal description are adequate to file/record with the Fresno County Recorder's Office.

Registered Voter Data

The Fresno County Election's Office reported that there are 514 registered voters in the affected territory.

Compliance with the Requirements of CEQA (Original Proposal)

Lead Agency: Raisin City Water District

Level of Analysis: Exempt

Finding: Exception (see Environmental Documents at www.fresnolafco.org under the LAFCo Commission Hearing Quicklink in the July 9, 2025 file).

Individuals and Agencies Receiving this Report

- Jessica Johnson, LAFCo Counsel
- Randy Hopkins, P.E., Manager – Engineer, Provost & Pritchard
- R. Gere Gunlund, Director and Board President, Raisin City Water District
- Laurie Sales, Senior Project Administrator, Provost & Pritchard
- Bernard Jimenez, Assistant Director, Fresno Co. Public Works & Planning
- Manny Amorelli, District Manager, Reclamation District No. 1606 & James Irrigation District
- Ariel Namvar, Board President, Mid-Valley Water District
- David Merritt, General Manager, Kings River Conservation District
- Laurence Kimura, P.E., Chief Engineer, Fresno Irrigation District
- Steven Haugen, Watermaster, Kings River Water Association
- Jerry Rai, Interested Party

Attachment A

PROPOSAL INFORMATION

1. Affected Territory

Acreage:	55,543
Current Land Use:	Agricultural
Number of Residences/ Population:	1,928
Registered Voters:	514
Assessor Parcel Number(s):	801 parcels

2. Proposed Development – The proposal does not involve the exercise of new or different functions or classes of service within the district. The affected territories are not proposed for development.

3. Surrounding Territory – Agricultural and rural residential

4. Existing Service Agencies and Proposed Service Changes

Service	Existing Service	Change
Water	Private Wells	No Change
Sewer	Septic	No Change
Fire Protection	Fresno County Fire	No Change

5. Cities and Districts Included Wholly or Partially Within the Affected Territory

- Fresno County
- CSA 35
- Fresno County Library District
- North Central Fire Protection District
- Lower San Joaquin Levee District
- Fresno Westside Mosquito Abatement District
- Kerman Unified School District
- State Center Community College District
- Fresno Mosquito and Vector Control District
- Fresno Irrigation District
- West Fresno Red Scale Pest Control District
- Fresno County Fire Protection District
- Kings River Conservation District
- Tranquillity Resource Conservation District
- Golden Plains Unified School District
- West Hills Community College District
- Mendota Unified School District

Portion not included in proposed
Mid-Valley WD or Raisin City WD SOI or
Service Area boundaries.

Big Sandridge
Spillway No. 142

Big Sandridge
No. 65

Houghton Waste
No. 195

Biola

Fresno

145

180

Kerman

Lower Dry
Creek Ext.
No. 561

Lower Dry
Creek No. 77

Adams Waste
No. 198

San Joaquin

Raisin City

Caruthers

- Fresno I.D. Conveyance Facilities
- James I.D. Conveyance Facilities
- Southwest Banking Facility No. 583 (Fresno I.D. and James I.D.)
- Fresno I.D. Pond
- Fresno I.D. Flood Rights Area
- James I.D. Well Field Easement (As Recorded in Book 6, Page 1 of Fresno County Official Records)
- McMullin On-Farm Project
- Proposed Raisin City W.D.
- Proposed Mid-Valley W.D.
- Proposed Raisin City W.D. SOI
- Proposed Mid-Valley W.D. SOI
- Kings River Conservation District
- Fresno I.D.



0 1 2
Miles

Proposed Service Area and SOI

Raisin City Water District


PROVOST &
PRITCHARD

FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)
EXECUTIVE OFFICER'S REPORT

AGENDA ITEM NO. 13

DATE: July 9, 2025

TO: Fresno Local Agency Formation Commission

FROM: Brian Spaunhurst, Executive Officer 

SUBJECT: CALAFCO Status Update.

RECOMMENDATION: Receive and File.

Background

At its June 11, 2025, Commission Hearing, the Executive Officer provided an update on the status of CALAFCO. While small updates are typically provided during Executive Officer comments, there are several items that might require Commission input and/or direction.

This report is to serve as a formal update on the status of membership, significant changes underway, and discuss any questions the Commission may have.