

# AGENDA

## FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)

July 9, 2025 – 1:30 P.M.  
Hall of Records, Room 301, 2281 Tulare Street, Fresno, California

### COMMISSION MEMBERS

Mario Santoyo, Chair  
Victor Martinez, Chair Pro Tem  
Nathan Magsig  
Daniel Parra  
Buddy Mendes

### ALTERNATE MEMBERS

Tom Chaney  
Scott Robertson  
Vacant

### LAFCO STAFF

Brian Spaunhurst, Executive Officer  
Amanda Olivas, Clerk to the Commission  
Jessica Gibson, LAFCo Analyst  
Joel Matias, LAFCo Analyst  
Monica Leon, LAFCo Analyst  
Jessica Johnson, LAFCo Counsel

LAFCo Office: 1401 Fulton Street, Suite 800, Fresno, CA - 93721 - (559) 600-0604  
Staff reports prepared for each item listed in this agenda may be viewed at [www.fresnolaftco.org](http://www.fresnolaftco.org).

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1. **Call to Order and Roll Call**
  2. **Pledge of Allegiance**
  3. **Changes and Approval of Agenda**
  4. **Comments from the Public:** Any person wishing to address the Commission on a subject not listed on the agenda may do so at this time. (State your name and address and please keep your comments to three (3) minutes.)
  5. **Potential Conflict of Interest:** Any Commission member who has a potential conflict of interest shall now identify the item and recuse themselves from discussing and voting on the matter pursuant to Govt. Code sec. 84308.

### CONSENT AGENDA

All consent agenda items are considered routine in nature and will be enacted by one motion; there will be no individual discussion of these items unless requested by a member of the Commission or the public. Any item pulled from the consent agenda for discussion will be set aside until after approval of the consent agenda. Prior to taking any action the public will be given the opportunity to comment on any consent item. The consent agenda will be considered on or about 1:30 p.m.

6. **Recommendation:** Approve 6A-B by taking the following actions:
  - A. **Consider Approval:** Minutes from the LAFCo meeting of June 11, 2025.
  - B. **Consider Approval:** City of Fresno "California-Willow No. 4 Reorganization." A proposed reorganization to annex approximately 79.90 acres to the City of Fresno and detach from the Kings River Conservation District and the Fresno County Fire Protection

District for territory located at the southeast corner of East California Avenue alignment and South Willow Avenue. (LAFCo File No. RO-25-08)

### **REGULAR AGENDA ITEMS**

7. **Consider Approval:** City of Fresno “Ashlan-Polk Nos. 3 & 4 Reorganization.” A request by the City of Fresno to reconsider prior action approving the annexation of approximately 20.23 acres to the City of Fresno and detachment from the North Central Fire Protection District and Kings River Conservation District for territory located on the north and south sides of West Ashlan Avenues between North Polk and North Gregory Avenues within the unincorporated portion of the City’s Sphere of Influence boundary. (LAFCo File RO-25-07) (Continued from May 14, 2025)

**Recommendation:** Approve

8. **Consider Adoption:** Municipal Service Review and Sphere of Influence Update for Del-Rey Community Service District. (LAFCo File No. MSR 25-03/RSOI-218)

**Recommendation:** Adopt

9. **Consider Adoption:** Municipal Service Review and Sphere of Influence Update for Mid-Valley Water District. (LAFCo File No. MSR-24-01/RSOI-212)

**Recommendation:** Adopt

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

**Recommendation:** Adopt

11. **Consider Approval:** “Raisin City Water District Reorganization.” A proposal by Raisin City Water District to annex approximately 55,543 acres generally located in northwest central Fresno County. (LAFCo File No. RO-24-04)

**Recommendation:** Approve

12. **Consider Approval:** Executive Officer Contract Findings

**Recommendation:** Approve

13. **Informational Item:** CALAFCO Update

**Recommendation:** Receive and File

14. **Executive Officer Comments**

15. **Commission Comments/ Reports**

16. **Adjournment**

**THE NEXT LAFCO MEETING** will be held on August 13, 2025, at 1:30 p.m. in the Board of Supervisors' Chamber – Hall of Records, Room 301, Fresno, California.

**PLEASE NOTE:**

**(1)** “If you are an applicant for, or a participant in, any proceeding on the agenda for a land use entitlement and have made campaign contributions totaling more than \$500.00 to any member or alternative member of the Commission within twelve (12) months prior to the Commission considering your application, please immediately inform the Commission of your contribution. State law disqualifies each Commissioner and Alternate Commissioner from participating in and voting on land use entitlement decisions (which include changes of organization and reorganizations) if the Commissioner or Alternative Commissioner has received campaign contributions from (i) an applicant for a land use entitlement, (ii) someone who lobbies the Commission or LAFCo staff regarding an application for land use entitlement, (iii) someone who testifies in person before the Commission regarding an application for land use entitlement, or (iv) someone who otherwise acts to influence the outcome of an application for land use entitlement. State law also prohibits applicants, agents, and participants from making campaign contributions to a Commissioner or Alternate Commissioner within twelve (12) months after the Commission's action. If you have any questions regarding these requirements (which are contained in the California Gov. Code sec. 84308 *et seq.*) please feel free to contact LAFCo staff at (559) 600-0604.”

**(2)** In compliance with the Americans with Disabilities Act (**ADA**), if you need special assistance to participate at this meeting, please contact Ms. Amanda Olivas, Clerk to the Commission at 559-600-0604. Notification provided a minimum of 48 hours prior to the meeting will enable the Clerk to make reasonable arrangements to ensure accessibility to this meeting. Pursuant to the ADA, the meeting room is accessible to the physically disabled.



Fresno Local Agency Formation Commission  
1401 Fulton Street, Suite 800, Fresno, CA 93721, (559) 600-0604

**CONSENT AGENDA ITEM NO. 6-A**

**FRESNO LOCAL AGENCY FORMATION COMMISSION (LAFCo)**

**MEETING MINUTES**

**June 11, 2025**

**Members Present:** Commissioners Magsig, Mendes, Parra, Santoyo

**Members Absent:** Commissioner Martinez

**Staff Present:** Brian Spaunhurst, LAFCo Executive Officer  
Amanda Olivas, Clerk to the Commission  
Jessica Gibson, LAFCo Analyst  
Joel Matias, LAFCo Analyst  
Monica Leon, LAFCo Analyst  
Jessi Johnson, LAFCo Counsel

**1. Call to Order and Roll Call**

Chair Santoyo called the meeting to order at 1:30 p.m.

**2. Pledge of Allegiance**

Commissioner Parra led the Pledge of Allegiance.

**3. Comments from the Public**

There were no Comments from the Public.

**4. Potential Conflicts of Interest**

There were no Conflicts of Interest.

**CONSENT AGENDA**

**5. A. Minutes from the LAFCo Meeting of May 14, 2025.**

**B. City of Coalinga “Coalinga Water Treatment Plant Reorganization.”**

**Item 5-A was pulled for discussion.**

Motion: Approve Item 5-B

Moved: Commissioner Magsig

Second: Commissioner Mendes

Ayes: Commissioners Magsig, Mendes, Parra, Santoyo

Noes: 0

Absent: Commissioner Martinez



Abstain: 0  
Passed: 4-0-1-0

LAFCo Legal Counsel Jessica Johnson recommended a correction in the minutes under item 5, the minutes stated, “a change in the order of the agenda has...” and should state “a change in the order of the agenda has been modified.”

Motion: Approve Item 5-A as Amended  
Moved: Commissioner Magsig  
Second: Commissioner Mendes  
Ayes: Commissioners Magsig, Mendes, Parra, Santoyo  
Noes: 0  
Absent: Commissioner Martinez  
Abstain: 0  
Passed: 4-0-1-0

### **REGULAR AGENDA ITEMS**

#### **6. Executive Officer Comments.**

LAFCo Executive Officer Brian Spaunhurst provided comments.

#### **7. Commission Comments/Reports.**

There were no comments from the Commission.

### **CLOSED SESSION**

#### **8. Public Employee Performance Evaluation**

**Title: Executive Officer**

The Commission entered closed session at 1:44 p.m.

The Commission returned at 2:04 p.m.

Chair Santoyo stated there was no reportable action out of closed session.

#### **9. Adjournment.**

Moved: Commissioner Magsig  
Second: Commissioner Parra  
The meeting adjourned at 2:05 p.m.

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Amanda Olivas  
Clerk to the Commission

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

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**AGENDA ITEM NO. 6-B**

**DATE:** July 9, 2025

**TO:** Fresno Local Agency Formation Commission

**FROM:** Brian Spaunhurst, Executive Officer 

**BY:** Monica Leon, LAFCo Analyst

**SUBJECT:** **Consider Approval – City of Fresno “California-Willow No. 4 Reorganization.”** A proposed reorganization to annex approximately 79.90 acres to the City of Fresno and detach from the Fresno County Fire Protection District and the Kings River Conservation District, said territories generally located at the southeast corner of the East California Avenue alignment and South Willow Avenue (LAFCo File No. RO-25-08)

**Applicant:** City of Fresno

**Landowners/Parties of Real Interest (100% Consent):** City of Fresno, Ohanesian Holdings LLC, Martin T & Brenda Dedekian, Lucille Pilibos Trustee, Sarah Pilibos Trustee

(This proposed reorganization has been placed on the consent agenda without notice pursuant to Government Code Section 56662(a) because the territory is uninhabited, no affected local agency has submitted a written demand for notice and hearing, and all property owners have consented in writing to the annexation.)

**RECOMMENDATION: Approve 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 uninhabited pursuant to Gov. Code §56079.5; and
  - b. All landowners and affected agencies have consented to the reorganization.
- C. Assign the distinctive short form designation “California-Willow No. 4 Reorganization” and approve the reorganization subject to the following 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. Facts, as used in the proceeding sentence, is defined to include, but is not limited to, whether or not the proposed project is materially similar to the project described in any application before the Commission.
  - b. Submittal of corrected map and legal description.
  - c. Ownership of land permitting, the annexation shall include the full existing right-of-way width of adjacent roadways. Subject to the annexation, the city must acquire all property real or personal.
- D. Waive further Conducting Authority Proceedings and order the reorganization subject to the requirements of CKH and the conditions of approval listed above.
- 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 the Certificate of Completion is issued by the Executive Officer.
- F. Authorize and direct the Executive Officer to mail certified copies of this resolution as provided in Government Code Section §56882 and file as appropriate in the office of the Fresno County Clerk all environmental documents, if any, pertaining to the approval of this proposal, as required by State Law.

### **Executive Summary**

On November 03, 2022, the City of Fresno adopted Resolution No. 2022-244 requesting the Commission to begin proceedings for the “California-Willow No. 4 Reorganization” to detach approximately 79.90 acres from the Fresno County Fire Protection District and the Kings River Conservation District and annex it to the City of Fresno.

### **Proposal/Land Use**

- The proposal consists of the detachment of 79.90 acres from the Fresno County Fire Protection District and the Kings River Conservation District and annexation to the City of Fresno.

- Information related to the proposals affected territory, land use, proposed development, special districts, surrounding areas, and existing/proposed services can be found on **Attachment A**.
- The affected territory is within the City of Fresno's sphere of influence (**Attachment B**) and is contiguous to the Fresno city limits (**Attachment C**).
- The proposal is currently zoned AL20 (Limited Agriculture) and has been rezoned to the City of Fresno RS-5 (Single-Family Residential, Medium Density) by Pre-zone Bill No. B-37, City Ordinance No. 2022-036.
- The territory is uninhabited (8 registered voters).
- The proposal is consistent with the Fresno General Plan.

### **Consistency with LAFCo Policies, Standards, and Procedures**

- The County has determined that the proposal is consistent with the Memorandum of Understanding (Master Tax Sharing Agreement) and the Standards for Annexation between the City of Fresno and County of Fresno (see Letter from Paul Nerland).
- The proposal is consistent with the CKH and LAFCo Policies, Standards, and Procedures, including, but not limited to, sections 100 and 200.
- The property within the proposal has been rezoned to the Fresno RS-5 (Single Family Residential/Medium Density) zone district by Resolution No. 2022-244.

### **Revenue & Tax Code**

Fresno County has determined that the proposed California-Willow No. 4 Reorganization involving the annexation of 79.90 acres is consistent with the standards of annexation contained in the Memorandum of Understanding between the City of Fresno and County of Fresno. Therefore, no further tax negotiations are necessary pursuant to Revenue and Tax Code section 99.

### **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 for the first time in California's history.

SGMA requires local agencies to form Groundwater Sustainability Agencies ("GSAs") in local groundwater basins by June 2017 and requires the adoption of Groundwater Sustainability Plans ("GSPs") for groundwater basins deemed critically over drafted by year 2020. The North Kings GSA represents the City of Fresno.

After annexation, the water entitlement within the area will be managed by the City of Fresno. The Fresno Department of Public Utilities ("DPU") has determined that adequate water services are available to serve the project site subject to implementation of the Fresno General Plan policies and the construction and installation of public facilities and infrastructure in accordance

with Department of Public Works standards, specifications, and policies.

### **Environmental Determination**

The City of Fresno, acting as “Lead Agency” under CEQA, adopted a Mitigated/ Negative Declaration Report (SCH#2022080241). The Mitigated/Negative Declaration was filed with the Fresno County Clerk’s office on November 9, 2022, Document No. E202210000325 consistent with the requirements of CEQA. The Mitigated/Negative Declaration determined the Project would not have a significant effect on the environment. Mitigation measures were made a condition of the approval of the Project. A statement of Overriding Consideration was not adopted for this project. Findings were made pursuant to the provisions of CEQA.

As “Responsible Agency”, the Commission is required to review and consider the City’s environmental documents prior to taking its action. If the Commission determines that these documents are adequate, pursuant to CEQA, it may make the required findings provided under “Recommendations” above.

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 section 21152 of the Public Resources Code.

### **Costs and Other Changes Affecting Residents or Landowners**

Property owners will be required to connect to the City’s sanitary sewer system within three (3) years of service availability adjacent to their parcel. This requirement supports the City’s efforts to enhance environmental protection, reduce reliance on private septic systems, and ensure long-term infrastructure sustainability.

### **Agencies and Individuals Submitting Comments**

- Elections IT, Fresno County Elections Department
- Bryant Vandervelde, Supervising Cadastral Tech, Fresno County Assessor’s Office
- Karen Coletti, Secretary of Historical Landmarks & Records, Fresno County Public Library
- Kevin Tsuda, Environmental Health Specialist II, Environmental Health Division
- Wendy Nakagawa, Senior Engineer, Road Maintenance and Operation
- Christopher G. Lundeen, Engineering Technician III, Fresno Irrigation District
- Fresno Unified School District

### **Territory Boundaries**

The boundaries of the proposed annexation **are** definite and certain, and the County Assessor has determined that the map and legal description **are adequate** to file with the State Board of Equalization.

### **Registered Voter Data**

The County of Fresno Elections Office reported that there were **eight** registered voters in the affected territory.

### **Compliance with the Requirements of CEQA**

**Lead Agency:** City of Fresno

**Level of Analysis:** Mitigated Negative Declaration

**Finding:** A Mitigated Negative Declaration was prepared for the project pursuant to the provision of CEQA and adopted by the City Council. It was determined that there are not project specific impacts which require specific mitigation measures. (See Environmental Documents at [www.fresnolafco.org](http://www.fresnolafco.org) under the LAFCo Commission Hearing quick link in the July 9, 2025 file).

### **Individuals and Agencies Receiving this Report**

- LAFCo Counsel
- Bernard Jimenez, Planning and Resources Management Officer
- Kings River Conservation District
- Fresno County Fire Protection District
- Robert Holt, Supervising Planner, City of Fresno
- Wendy Nakagawa, Senior Engineer, Road Maintenance and Operation

# Attachment A

## PROPOSAL INFORMATION

### 1. Affected Territory

<b>Acreage:</b>	79.90
<b>Current Land Use:</b>	AL-20 (Limited Agriculture)
<b>Number of Residences/ Population:</b>	Residents: 4/ Population: 4 estimated
<b>Registered Voters:</b>	Voters: 8
<b>Assessor Parcel Number(s):</b>	481-020-01, 481-060-02S

2. Proposed Development – The affected territory proposes to subdivide the subject property into 199 single-family residential properties, A Class I bike and pedestrian trail, and an approximately 2-acre neighborhood park. The southwest property (APN: 480-060-02S) is currently a rural residential property.

3. Surrounding Territory – North: Agricultural/Rural Residential, East: Medium Density Residential, South: Medium Density Residential/Public Middle School, West: Medium Density Residential/Medium High Density Residential

### 4. Existing Service Agencies and Proposed Service Changes

<b>Service</b>	<b>Existing Service</b>	<b>Change</b>
Water	Domestic Water Private Wells	City of Fresno Water
Sewer	Sewer Collection Private Septic	City of Fresno Sewer
Fire Protection	Fresno County Fire Protection District	Fresno Fire Department
Solid Waste	Solid Waste Collection	City of Fresno Solid Waste
Storm Drainage	Fresno Metropolitan Flood Control District	FMFCD
Parks and Rec	Parks and Recreation	City of Fresno
Police	Police Fresno County Sheriff's Dept	City of Fresno Police Dept.

(See Service Plan on our website at [www.fresnolaftco.org](http://www.fresnolaftco.org))

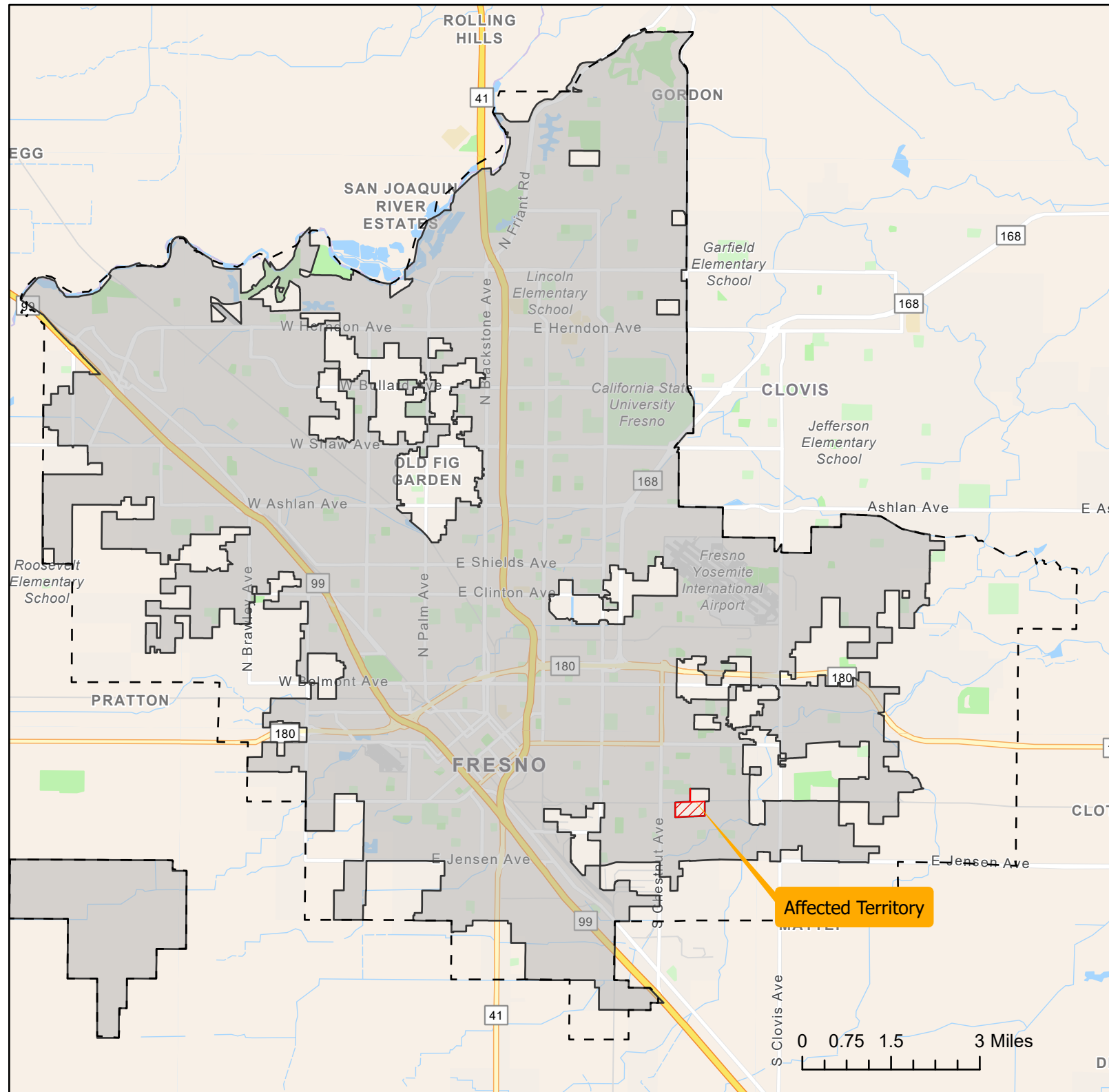
### 5. Cities and Districts Included Wholly or Partially Within the Affected Territory

Fresno County	Fresno County Library
State Center Community College District	Fresno County Fire Protection District
Kings River Conservation District	Fresno Metropolitan Flood Control District
West Fresno Red Scale Pest Control District	Fresno Vector and Mosquito Control District




Fresno Unified School District	Fresno County School Service
Fresno County Sherriff's Department	Fresno Irrigation District

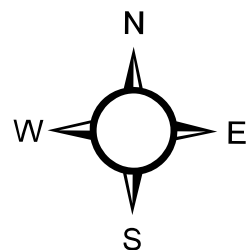


# Attachment B



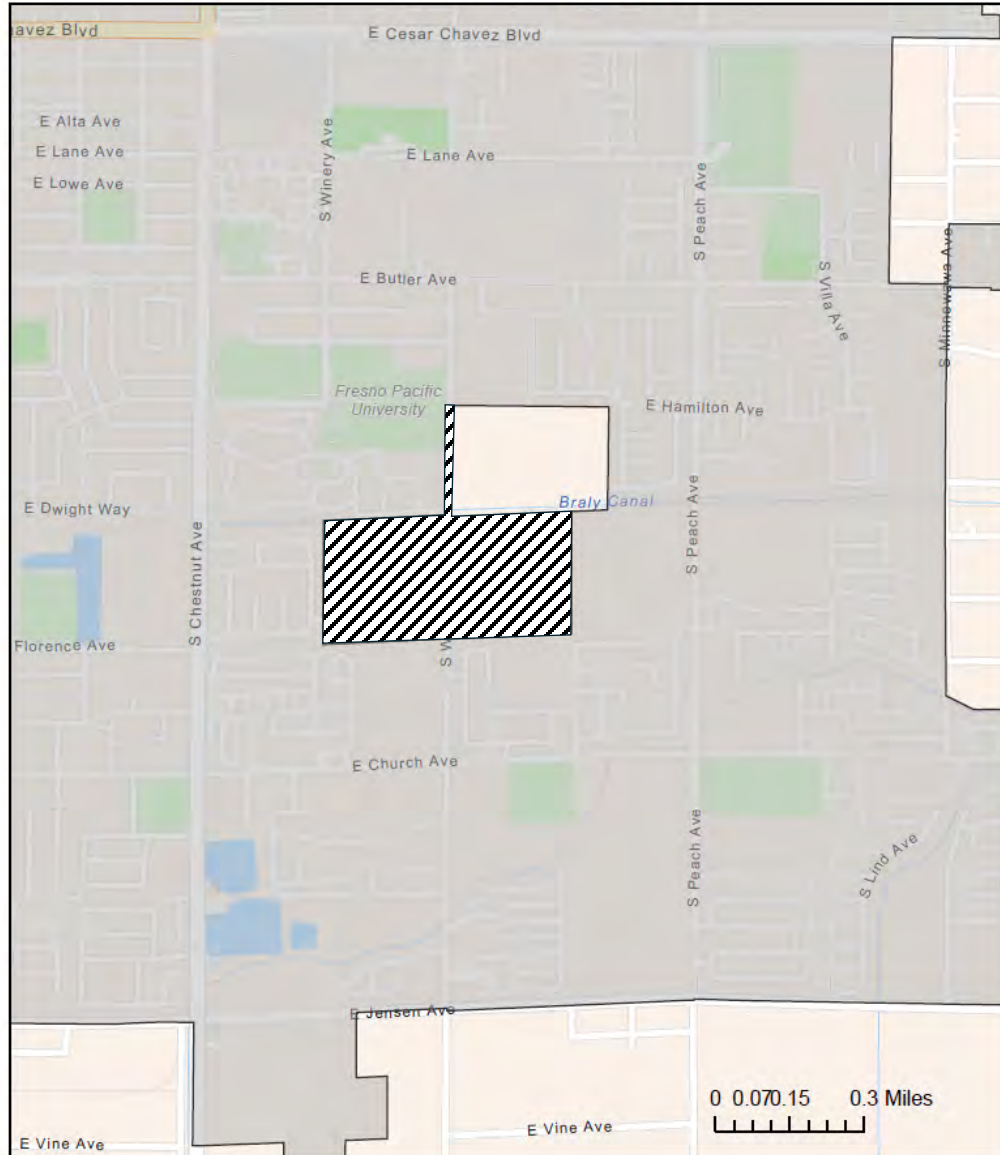
## Fresno Local Agency Formation Commission

-  Affected Territory
-  Fresno City SOI
-  Fresno City Limits






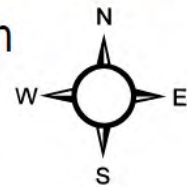
# Attachment C

## RO-25-08



Fresno Local Agency Formation Commission

-  Affected Territory
-  Fresno City SOI
-  Fresno City Limits



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

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**AGENDA ITEM No. 7**

**DATE:** July 9, 2025

**TO:** Fresno Local Agency Formation Commission

**FROM:** Brian Spaunhurst, Executive Officer 

**BY:** Joel Matias, LAFCo Analyst I

**SUBJECT:** **Request for Reconsideration: "Ashlan-Polk Nos 3 & 4 Reorganization"** A request by the City of Fresno to reconsider prior action approving the annexation of approximately 20.23 acres to the City of Fresno and detachment from the North Central Fire Protection District and the Kings River Conservation District for territory located to the north and south of West Ashlan Avenue between North Polk and North Gregory Avenues within the unincorporated portion of the City's Sphere of Influence boundary. (LAFCo File RO-25-07)  
**(Continued from May 14, 2025)**

**RECOMMENDATION:**

Approve the modified boundary requested from the City of Fresno.

**BACKGROUND:**

During the May 14<sup>th</sup>, 2025, LAFCo hearing, the Commission approved a reorganization to annex 20.23 acres of territory to the City of Fresno. A copy of the original staff report is attached as Exhibit "A". On June 5<sup>th</sup>, 2025, the City of Fresno submitted a written request for reconsideration for Ashlan-Polk Reorganization Nos. 3 & 4. A copy of the request letter and proposed new boundary is attached as Exhibit "B".

The request letter states that, due to the number of protests filed by registered voters, the application cannot proceed as submitted. A request for reconsideration is permitted pursuant to Government Code Section 56895 which states that such a request must be supported by "new or different facts that could not have been previously presented".

The city conducted additional analysis and found critical factors that were not considered and would align with the community's interests, service delivery efficiency, and long-term planning goals for the area. The City states that amendment would facilitate a more effective and sustainable outcome for all parties.

## **THE RECONSIDERATION PROCESS:**

State law requires that when a Commission has adopted a resolution making determinations, any person or affected agency may file a written request with the Executive Officer requesting amendments to or reconsideration of the resolution. A request for reconsideration must state the specific modification to the resolution being requested; and **what new or different facts that could not have been presented previously that are claimed to warrant the reconsideration** (Government Code Section 56895(a) Emphasis added.).

At the conclusion of the reconsideration hearing, the Commission may approve or deny the request, with or without amendment, wholly, partially, or conditionally. If the Commission approves the request, the Commission would be required to adopt a resolution making determinations superseding the resolution previously issued. If the Commission denies the request, it would not be required to adopt a new resolution making determinations.

The determinations of the Commission are final and conclusive. No person or agency shall make any further request for the same change or a substantially similar change, as determined by the Commission.

## **ANALYSIS AND DISCUSSION:**

The number of registered voters in the affected territory at the time of LAFCo application submittal differed from when the project was originally submitted to the city. LAFCo received a significant number of protests the day before the hearing and at the hearing that the city was not previously aware of as no comments or protests were presented to the City's Planning Commission or City Council. As the current boundaries are likely to not move forward due to protests, the city is requesting the Commission's reconsideration to adopt proposed alternative boundaries. Currently in the revised boundary there is one consent form from a landowner and one parcel on an extension of service. The need for the reconsideration is required to promote the development in the area. Currently the City has developed around the area creating a large peninsula. The revised boundaries do not create an island and, if approved, would reduce the size of the peninsula.

Under Section 56895 of the Cortese-Knox-Hertzberg (CKH) Act, reconsideration is appropriate when new or different facts—previously unavailable—justify a reassessment of the annexation proposal.

The parcel located at 5613 W Ashlan Ave is positioned within the City's Sphere of Influence (SOI) and aligns with the planned growth of the area. Development on this site would contribute to addressing the City's housing needs by facilitating new residential construction. Given its location and existing land use considerations, annexation of this parcel supports the City's broader development objectives.

Additionally, the property at 5612 W Ashlan Ave is already receiving City water and sewer services through an extension of service agreement. This property falls within both the approved annexation area and the revised boundary submitted by the City. The extension of service agreement, executed on November 27, 2024, between Daniel and Patricia Arzate and the City of Fresno, includes a provision under Section B (2) – Consent to Future Annexation, which explicitly states:

"The applicant agrees not to oppose or protest, in any way, the future annexation of the applicant's property to the City and to pay the applicant's share of all application fees and charges required by the City or other government agencies at the time of annexation. The applicant will sign a petition to annex the property when requested by the City."

While the additional property and circumstances surrounding the original reorganization application do not, in staff's assessment, alter the fundamental annexation proposal, the revised boundary remains consistent with LAFCo's policy regarding the elimination of unincorporated islands and peninsulas. The inclusion of these properties strengthens the annexation case by ensuring logical and efficient service delivery while aligning with regional planning objectives.

### **ALTERNATIVE RECOMMENDATIONS:**

If the Commission chooses to deny the City's proposed boundary revision, it has the authority to propose an alternative boundary during the hearing. One possible modification would be to limit the annexation area to APN 511-011-06, the parcel designated for development. This approach would facilitate housing construction and support community growth while addressing the ongoing need for additional housing in the area.

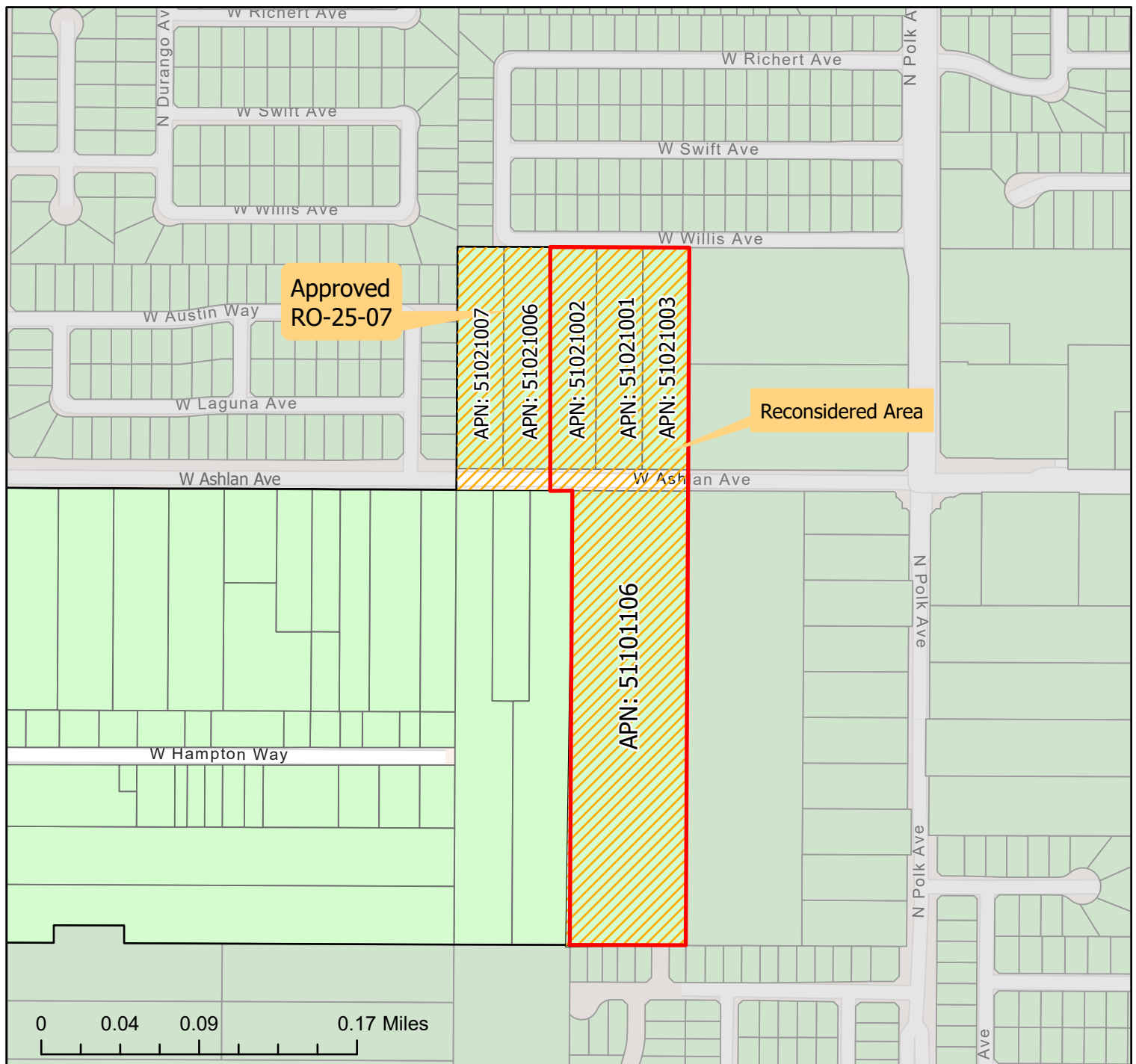
Alternatively, if the Commission determines that a revised boundary is unnecessary, it may deny the City's request entirely. In this case, the original annexation project—approved at the May 14th hearing—would proceed as initially planned. Should the Commission deny the request, staff will move forward with Conducting Authority Proceedings involving residents within the originally approved annexation boundary.

If the revised boundary is denied and the project advances but is ultimately terminated during the Conducting Authority Proceedings, the City would be required to wait one year before submitting an annexation proposal involving the same or substantially the same territory. This delay would stall growth and development in the area, preventing residents from accessing essential City services that would otherwise be available to them.





### **Individuals and Agencies Receiving this Report:**

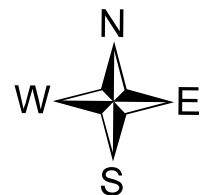
- LAFCo Commissioners and Alternates
- Jessi Johnson, Baker, Manock, and Jensen
- Bernard Jimenez, Division Mgr., Development Services Div., Public Works and Planning
- Will Kettler, Principal Planner, Development Services Division, Public Works and Planning
- Georgeanne White, City Manager, City of Fresno
- Israel Trejo, Planning Manager, City of Fresno
- Juan Lara, City of Fresno

# Approved RO-25-07 & Area for Reconsideration



## Fresno Local Agency Formation Commission

-  Approved Ashlan-Polk RO-25-07 Territory
-  Area for Reconsideration
-  Fresno City Limits
-  Parcels





&  
2600 Fresno Street - Third Floor  
Fresno, California 93721-3604  
(559) 621-8277 FAX (559) 498-1012

Planning & Development Department

**Jennifer K. Clark**  
Director

June 5, 2025

Brian Spaunhurst, Executive Officer  
Fresno Local Agency Formation Commission  
[Bspaunhurst@fresnocountyca.gov](mailto:Bspaunhurst@fresnocountyca.gov)  
(sent via e-mail only)

SUBJECT: REQUEST FOR RECONSIDERATION FOR ASHLAN-POLK  
REORGANIZATION NOS. 3 & 4 (LAFCO FILE NO. RO-25-06)

Pursuant to Section 56895 of Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000, the City of Fresno is requesting your reconsideration of the annexation boundary associated with the Ashlan-Polk Nos. 3 & 4 Reorganization (LAFCo File No. RO-25-06).

The annexation was contested on May 14, 2025. Due to the number of registered voter protests, the application cannot move forward as submitted. After thorough analysis, we have identified critical factors that could not be considered previously and warrant an adjustment to the annexation boundary. The proposed revision will better align with community interests, service delivery efficiency, and long-term planning goals for the area. This amendment will facilitate a more effective and sustainable outcome for all parties.

We appreciate your time and consideration of this request, and are available to provide additional information or clarification. If you have any questions, please contact Juan Lara at (559) 621-8039 or [Juan.Lara@fresno.gov](mailto:Juan.Lara@fresno.gov). Thank you for your attention.

Sincerely,

A handwritten signature in blue ink, appearing to read "Israel Trejo".

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Israel Trejo, Planning Manager  
Development Services Division  
Planning and Development Department

A handwritten signature in blue ink, appearing to read "Jennifer K. Clark".

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Jennifer Clark, Director  
Planning and Development Department

Enclosure: revised annexation boundary

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

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**AGENDA ITEM No. 8**

**DATE:** July 10, 2024

**TO:** Fresno Local Agency Formation Commission

**FROM:** Brian Spaunhurst, Executive Officer 

**BY:** Joel Matias, LAFCo Analyst I

**SUBJECT:** **Consider Adoption:** Municipal Service Review and Sphere of Influence Update for the Del Rey Community Service District. File No. MSR 25-03/RSOI-218 (Del Rey Community Service District)

**Attachment A** – Del Rey Community Service SOI Update map

**Attachment B** – Del Rey Community Service MSR and SOI Update

**Attachment C** - Notice of Determination/CEQA Findings

**Attachment D** - Determinations and Recommendations

**Recommendations:** Adopt the Municipal Service Review (MSR) prepared for the Community Service District of Del Rey and update the Del Rey Community Service Districts (SOI) by taking the following actions:

**Action 1: Municipal Service Review, LAFCo File No. MSR-25-03**

- A. Acting as Lead Agency pursuant to California Environmental Quality Act (CEQA) Guidelines find that the MSR prepared for the Del Rey Community Service District is Categorically Exempt from the provisions of CEQA under Section 15306, "Information Collection."

**Action 2: Del Rey Community Service District SOI Update, LAFCo File No. RSOI-218**

- B. Acting as Responsible Agency pursuant to CEQA Guidelines, find that prior to approving the Del Rey Community Service District update, the environmental effects of the Proposal as shown in the Notice of Exemption SCH No. 2024120067, prepared and certified by the Del Rey Community Service District as Lead Agency, were reviewed and considered, and determine these documents to be legally adequate pursuant to CEQA Guidelines Section 15096. **(Attachment C)**

**Action 3: Written Determinations and Recommendations**

- A. Find that the MSR prepared for the Del Rey Community Service District is complete and satisfies State law.



- B. Find that the written determinations of the MSR have been prepared consistent with Government Code (“GC”) sec. 56430 and adopt the MSR prepared for Del Rey Community Service Plan.
- C. Find that approval of the requested Del Rey Community Service District SOI update is based on sufficient information provided to the Commission in the MSR, SOI determinations, the Executive Officer’s Report to the Commission, all other testimony, evidence and information provided by persons and interested agencies, and is in compliance with State law, including, but not limited to, the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (CKH).
- D. Find that the proposed Del Rey Community Service Plan SOI update fulfills LAFCo’s purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies to advantageously provide for the present and future needs of the County and its communities.
- C. Adopt the required written determinations for the Del Rey Community Service District SOI update and determine that these written determinations have been prepared pursuant to GC sec. 56425(e).
- D. Find that all public notices of this Commission’s hearing of this matter were duly given in accordance with State law.
- E. Approve the “Del Rey Community Service District SOI Update” and revise the Del Rey Community Service District SOI to include the area bounded by parcels 35008004 and 35008068T to the west, American Avenue to the north, one parcel (APN 35023003T) at the corner of American and Indianola Aves to the east, and Lincoln Avenue to the south.; approximately 77 acres in size as depicted in **Attachment A**.

**Proponent: Del Rey Community Service District, Carlos Arias, District Manager**

### **Summary**

This proposal is a request by the Del Rey Community Service District, via Del Rey Community Service District Council Resolution, to add approximately 77 acres of territory into the Del Rey Community Service District SOI (“Proposal”). The Proposal area is bounded by parcels 35008004 and 35008068T to the west, American Avenue to the north, one parcel (APN 35023003T) at the corner of American and Indianola Aves to the east, and Lincoln Avenue to the south. **(Attachment A)** The Proposal will allow for annexation and development of 77 acres and includes approximately 77 acres of non-development area into the updated Del Rey Service District SOI.

### **Overview of Del Rey Community District MSR**

This MSR update is prepared in response to the Del Rey Community Service District’s SOI update application (RSOI-218) filed with Fresno LAFCo.

The Proposal requests that the Commission consider a revision to the Del Rey Community Service District SOI to encompass approximately 77 acres. According to the District's Community Plan, the District's planning area has a total area of 345 acres, and contains a mixture of residential, agricultural, commercial, public and industrial land use.

The proposed SOI revision as submitted by the District encompasses seven parcels. The Proposal will allow for future annexation, approval, and subsequent development of the 77-acre development area which includes residential and commercial services.

On December 3rd, 2024, the Del Rey Community Service District submitted a Notice of Exemption for the expansion of the SOI to match the latest 2024 Community Plan Update (SCH No. 2024120067). The District determined that it would solely modifying the SOI and service area and does not involve any physical activity.

The Proposal would provide the residents of the District with the opportunity for residents of the District the opportunity to connect to District services when those services become available.

### **MSR Availability and Public Review**

LAFCo Policy 112-05 requires that a draft MSR be posted on the Commission's website with a minimum 21-day public review period. The Del Rey MSR update was circulated June 18, 2025 through July 9, 2025.

Pursuant to GC sec. 56427, mailed notices were sent to all affected local agencies and owners of land within the affected territory. Additionally, a 21-day notice of Commission hearing was published June 18, 2025, in *The Business Journal*.

### **Background**

#### **A) Request for Amendments of the Sphere of Influence**

Section 56428 of CKH authorizes any person or local agency to file a written request with the LAFCo executive officer requesting an amendment to a sphere of influence adopted by the Commission. GC sec. 56425 and 56430 govern LAFCos' procedural measures aimed at assessing the requested SOI amendment.

On October 3, 2024 LAFCo received Del Rey's initial SOI update application submitted on behalf of the Community Service District Board. The application was issued the LAFCo file number; RSOI-218 Del Rey Community Service District Sphere of Influence update.

### **Statutory Findings for a Sphere of Influence Expansion**

A sphere of influence is defined and discussed in sections 56076, 56425, and 56426.6 of CKH.

CKH defines a sphere of influence as the "plan for the probable physical boundaries and service area of a local agency, as determined by the Commission" (GC sec. 56076). Furthermore, CKH charges the Commission with approving spheres of influence "in order to carry out its purposes and responsibilities for planning and shaping the logical and orderly development and coordination of local governmental agencies to advantageously provide for the present and future needs of the county and its communities." (GC sec. 56425(a))

Prior to the District submitting an application to the Commission to update its sphere, representatives from the District and County met pursuant to GC sec. 56424(b) and discussed the proposed new sphere and explored methods to agree on development standards and planning and zoning requirements within the SOI expansion that would promote the logical and orderly development of areas within the sphere. The Del Rey Community Service District Board of Directors on November 16<sup>th</sup>, 2024 approved the expansion of the SOI to align with the most recent 2024 Community Plan Update.

Written determinations for a sphere of influence amendment pursuant to CKH are presented here and analyzed in detail in **Attachment D** of this report:

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; and
5. For an update of a sphere of influence of a city or special district that provides public facilities or services related to sewers, municipal and industrial water, or structural fire protection, that occurs pursuant to subdivision (g) on or after July 1, 2012, the present and probable need for those public facilities and services of any disadvantaged unincorporated communities within the existing sphere of influence.

### **Del Rey SOI Analysis**

Currently, the Districts SOI contains 277.2 acres. The Proposal requests the Commission to revise the current District SOI with the addition of 77 acres of unincorporated land into the updated Districts SOI making the new total acreage roughly 344.2 acres.

The Fresno County General Plan Land Use Element designates the development area as Low Density Residential and is zoned AL-20 (Limited Agriculture). The non-development area is designated a Rural Residential and is zoned RR (Rural Residential), M1 and M3 (Light and Heavy Industrial), and CM (Commercial) by Fresno County.

By Commission policy, a sphere of influence is generally considered a 20 to 25-year planning horizon to identify the probable growth area of a community. The District has determined that the parcels to be included in the SOI expansion facilitate and encourage orderly growth and development, both essential to the social, fiscal, and economic well-being of the community.

Analyses and determinations required by CKH are contained in the Municipal Service Review and Sphere of Influence update prepared for the Commission and are augmented by the 2024 General Plan Amendments, and the Notice of Exemption for the Del Rey Service District Annexation project SCH No. 202412067.

In summary, the MSR determinations support an SOI expansion as orderly and logical growth of the Del Rey Community Service District that would provide for efficient extension of municipal services.

The MSR and supporting data provides the evidence to support each determination. GC section 56430 requires that in order to prepare and update spheres of influence, the Commission shall first conduct a municipal service review and prepare a written statement of its determinations with respect to each of the following:

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 including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.
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. Any other matter related to effective or efficient service delivery, as required by commission policy.

### **Required Findings and Determinations**

Under CKH, there are a series of required findings that need to be made in respect to this Proposal. Staff presents in this report and attachments the evidence and analyses in support of the required findings.

#### *SOI Expansion and Williamson Act Land Conservation Contracts*

Under GC sections 56426, and 56426.6(a), the Commission shall not approve a change to the sphere of influence of a local government agency of territory that is subject to a contract entered into pursuant to the California Land Conservation Act of 1965 (Chapter 7 (commencing with Section 51200) of Part 1 of Division 1) if that local government agency provides, or would provide, facilities or services related to sewers, nonagricultural water, or streets and roads to the territory, unless these facilities or services benefit land uses that are allowed under the contract and the landowner consents to the change to the sphere of influence.

Williamson Act Contracts in the affected area are administered by Fresno County as a means to conserve productive agricultural resources. **The Del Rey CSD MSR notes that there are no active Williamson Act Contracts within the area requested to be included in revised Del Rey CSD SOI.**

### *Environmental Determination*

The Del Rey CSD, acting as lead agency under California Environmental Quality Act (CEQA), prepared a Notice of Exemption for the Del Rey Community Service District Annexation/SOI Expansion project. The SOI expansion was included in the project description for the annexation of public facilities. The NOE was filed with the California State Clearing House under categorical exemption 15319- annexation of existing facilities and lots for exempt facilities.

As the “Responsible Agency” pursuant to CEQA Guidelines, the Commission is required to independently review and consider the environmental effects of the Project as presented in the adopted Notice of Exemption prior to reaching its decision on the Proposal (sec. 15096 *et seq.* of the CEQA guidelines).

After such review, the Commission must find if there are any feasible alternatives or mitigation measure(s) within the Commission’s power and authority that would substantially lessen or avoid any significant effect the Project would have on the environment identified in the certified EIR. Prior to reaching a decision on the proposed Clovis SOI update, the Commission is also required to make findings pursuant to the GC sections: 15091, 15093, 15096(g)(1), and 15096(h) of the CEQA Guidelines.

### **Individuals and Agencies Receiving this Report**

- Jessica Johnson, LAFCo Counsel
- Bernard Jimenez, Planning & Resource Management Officer, Fresno County Department of Public Works and Planning
- Alfonso Manriquez, Del Rey Community Service District Engineer
- Carlos Arias, Del Rey Community Service District

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# DEL REY COMMUNITY SERVICES DISTRICT

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## DRAFT MUNICIPAL SERVICE REVIEW AND SPHERE OF INFLUENCE UPDATE

February 2025

Prepared for:  
Fresno Local Agency Formation Commission

Prepared by:



## DEL REY COMMUNITY SERVICES DISTRICT

### **District Contact**

Manager: Carlos Arias  
Address: 10649 E. Morro Ave., Del Rey, CA 93616  
Phone: (559) 888-2272  
Website: <https://delreycsd.com/>

### **Management Information**

District Formation: 1963  
Principal Act: Municipal Water District Act of 1911 (California Water Code 7100)  
District Powers: Water, Sewer, Solid waste, Storm Drainage, Street lighting, and Parks maintenance  
Governing Body: Five-member Board of Directors elected by district for four-year terms  
Board Members:  

1. Daniel Ramirez, President	term expires 12/04/2026
2. Joaquin Nunez, Director	term expires 12/04/2026
3. Stephanie Graza, Director	term expires 12/06/2028
4. Maria Norma Cisneros, Director	term expires 12/06/2028

  
Board Meetings: Board Meetings are held on the 3rd Thursday of every month at 7:00 PM (Summer) /6:00 PM (Fall) at the District Hall  
Staffing: District Manager, Plant Supervisor, Office Assistant, Plant Operator, Maintenance personnel ( Full-Time – 4, Part Time – 1)

### **Service Information**

Population Served: Approximately 1,800  
Sphere of Influence (SOI): 344.2 acres  
Infrastructure: Municipal Groundwater Wells, Sewer Collection System, and WWTP

### **Fiscal Information**

Budget: \$1,774,385.00 (Proposed Budget 2024-2025)  
Sources of Funding: Service fees for water and sewer

### **Administrative Policies**

Policies/Procedures:	Yes	By-Laws:	Yes
Previous SOI update:	2008		

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# **1. MUNICIPAL SERVICE REVIEW**

## **FRESNO LAFCO MSR POLICY**

The Local Agency Formation Commission (“LAFCo”) is charged with determining and updating the spheres of influence (“SOI”) for local agencies (special districts and cities) within the County of Fresno. SOIs are planning tools used to provide guidance for individual boundary change proposals. They discourage duplication of services by local agencies, identify the need for specific reorganization studies, and provide the basis for recommendations to local agencies for potential government reorganizations. Every determination made by LAFCo must be consistent with the SOI for that local agency.

This Municipal Service Review (“MSR”) has been prepared pursuant to the Commission’s MSR program and presents data and analysis in support of the Commission’s determinations pursuant to Government Code sections 56425 and 56430, to evaluate the District’s services, service policies, and financial practices in place to provide services in its existing SOI.

An MSR is required to prepare or update a local agency’s sphere of influence. While the Commission is not required by law to make any changes to SOI, the Commission may, at its discretion, opt to reaffirm, expand, or shrink an SOI, or approve, deny, or approve with conditions any changes of organization or reorganization impacting the governmental agency as a result of the information gathered during the MSR update process.

In accordance with GC section 56066, Fresno County is the principal county for Del Rey CSD. Therefore, Fresno LAFCo is responsible for updating the SOI for the District consistent with GC section 56425.

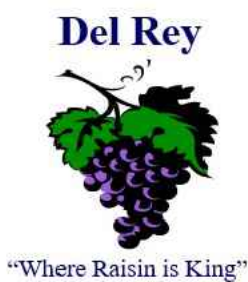
## **ENVIRONMENTAL REVIEW**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 (“CKH”) directs LAFCo to comply with the California Environmental Quality Act (“CEQA”). An MSR gathers data to present an independent assessment of services provided within a defined geographic area in the County and provides a foundation that may support future LAFCo actions. Therefore, an MSR is exempted under CEQA Statute and Guidelines section 15306.



DEL REY COMMUNITY  
SERVICES DISTRICT

MUNICIPAL SERVICE REVIEW FOR  
FRESNO COUNTY LAFCO



LEGEND

MAJOR ROAD HIGHWAY

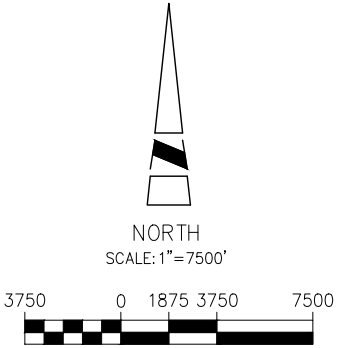
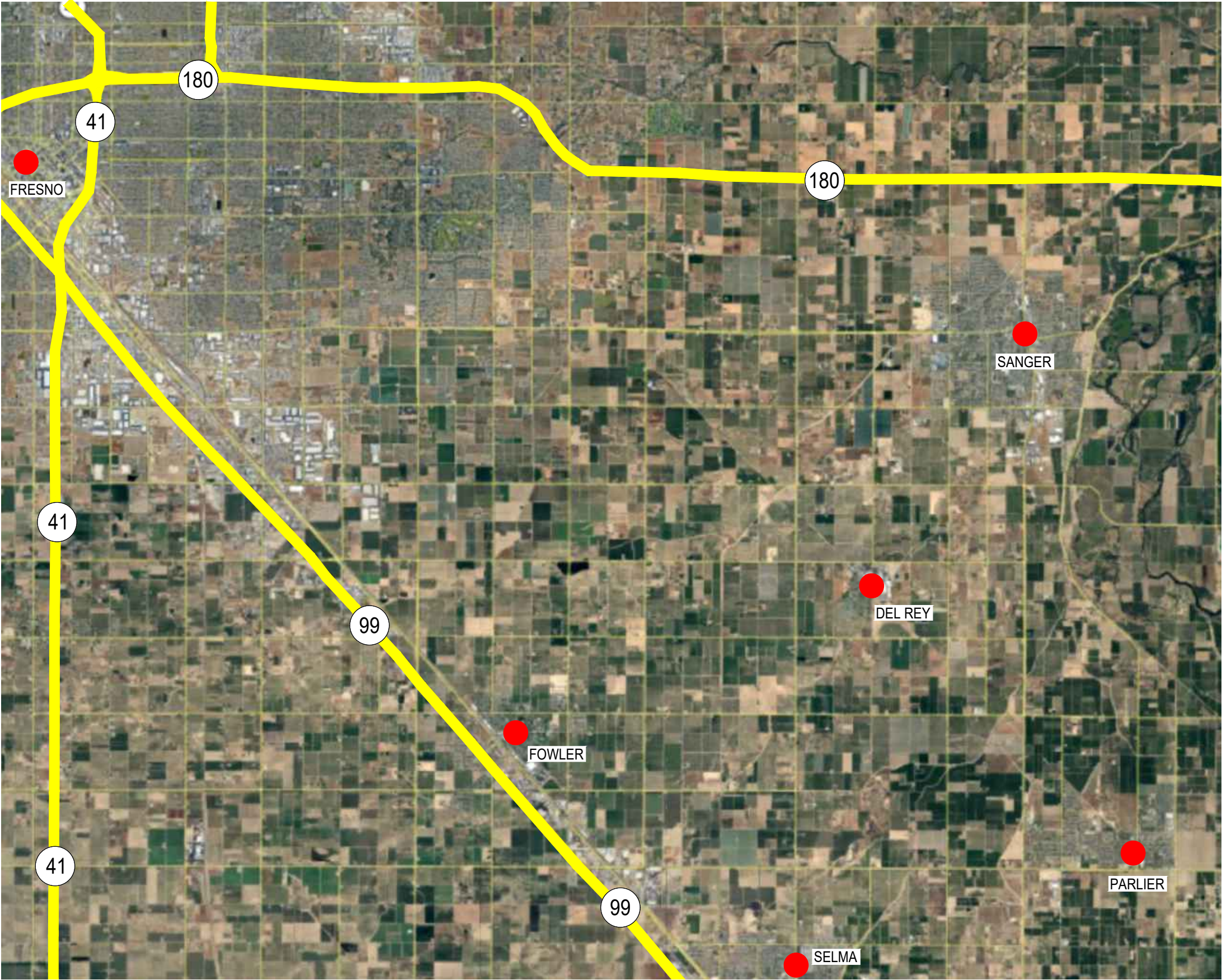


FIGURE 1-1:  
REGIONAL LOCATION AND  
VICINITY MAP





DEL REY COMMUNITY  
SERVICES DISTRICT

MUNICIPAL SERVICE REVIEW FOR  
FRESNO COUNTY LAFCO



LEGEND

- DISTRICT SOI
- DISTRICT AREA

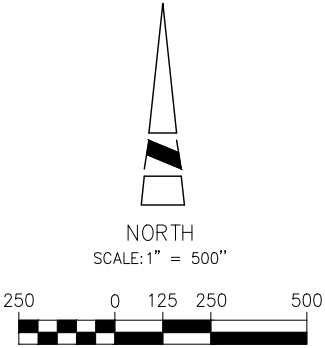
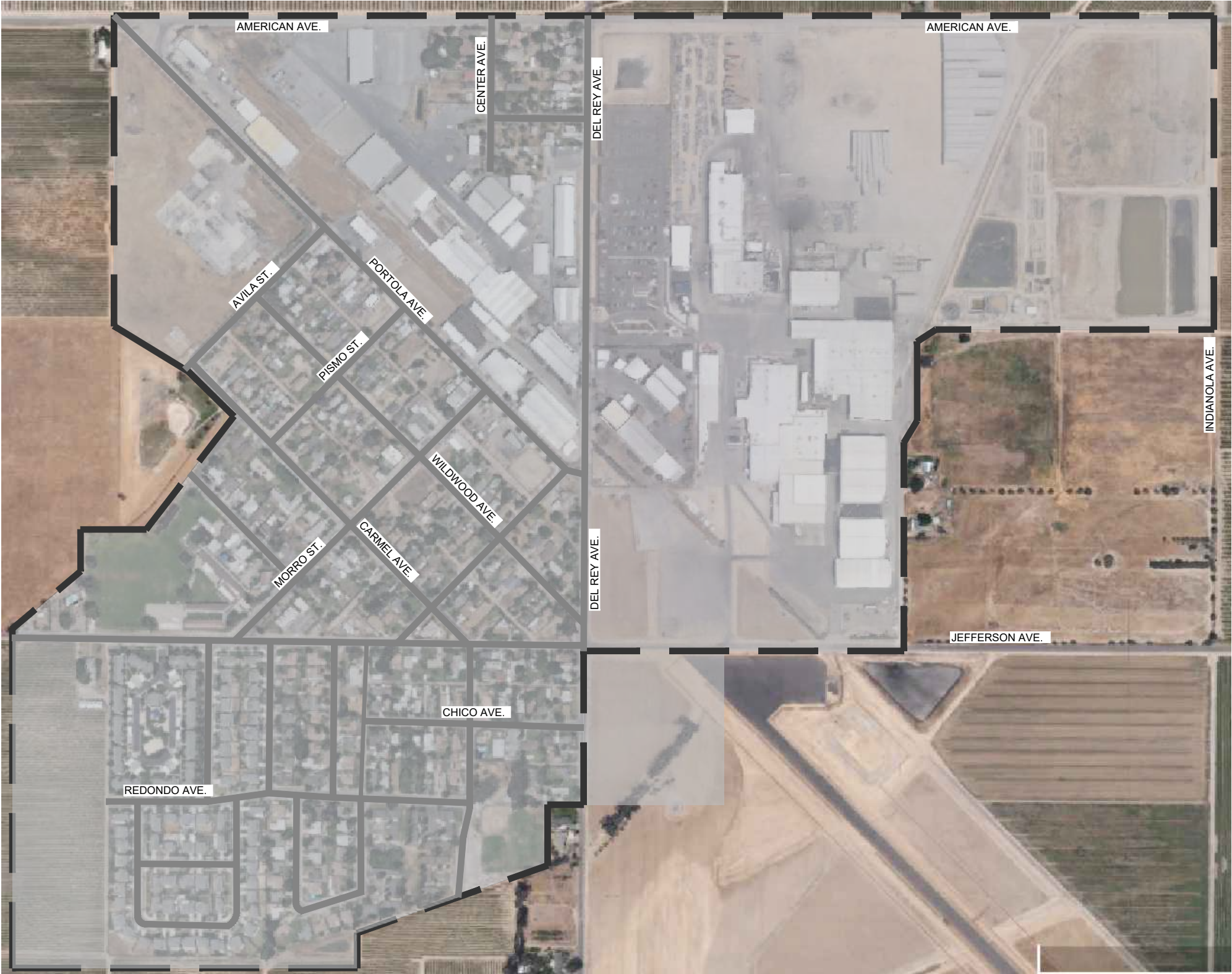


FIGURE 1-2:  
SERVICE AREA BOUNDARY



## 2. AUTHORIZED DISTRICT SERVICES

The Del Rey Community Services District (CSD) is committed to providing high-quality essential services that enhance the well-being of the community. Below is a detailed overview of the authorized services offered by the Del Rey CSD:

1. **Water Supply:** Del Rey CSD focus on delivery of safe and reliable water that includes -
  - **Water Quality Monitoring:** Regular testing of water sources to ensure compliance with state safety standards.
  - **Infrastructure Maintenance:** Maintenance and improvements to water lines, storage facilities, and pumping stations to prevent disruptions and leaks.
  - **Conservation Programs:** Initiatives aimed at promoting water conservation among residents.
2. **Sewer Collection and Wastewater Treatment**
  - **Maintenance of Sewer Lines:** Routine inspection, cleaning, and maintenance of the sewer collection system to prevent blockages and overflows.
  - **WWTP:** The District owns and operates the WWTP to treat wastewater effectively to ensure the WWTP can accommodate peak demand flows and compliance with state regulations.
3. **Public Safety and Emergency Services:** Del Rey CSD collaborates with local agencies (Fresno County) to maintain a safe community.
  - **Emergency Response Services:** Coordination with fire departments, police department and emergency medical services to ensure prompt responses to emergencies.
4. **Parks and Recreation**
  - **Parks Maintenance:** Regular upkeep of parks including landscaping, playground equipment, and sports facilities.
  - **Community Events:** Hosting events throughout the year that encourage community participation, such as clean-up days, and workshops.
5. **Solid Waste Management:** The District has an agreement with IWS for Solid Waste Management for regular collection of household waste, recyclables, industrial waste and yard waste to maintain community cleanliness.

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## GROWTH AND POPULATION PROJECTIONS

Del Rey is one of several unincorporated communities within Fresno County, located midway between the Cities of Sanger and Parlier. Land uses in the District are regulated by the County of Fresno for the unincorporated land within the District and the Fresno County General Plan Land Use Element designates majority of the District's territory for urban density areas, commercial facilities, and agricultural use.

The District's Community Plan was prepared in January 2008. The focus of the District's Community Plan is to provide community development designed to accommodate the growth of the twenty-year period between 2007 and 2027. The Community Plan represents an agreement on the fundamental values and a vision that is shared by the residents and the business community of Del Rey and the surrounding area of interest. Its purpose is to provide decision makers and staff with direction for confronting present issues, as an aid in coordinating planning issues with other governmental agencies, and for navigating future growth.

The unincorporated community of Del Rey lies in the San Joaquin Valley's east-side region. Located in Fresno County, Del Rey is seven miles east of Highway 99 and five miles south of Highway 180. Del Rey Avenue runs north and south through the District. Del Rey has experienced a population decline over the last decade. According to the 2020 U.S. Census, the community's population is 1,358, which was down from 1,639 at the 2010 Census and up from 950 at the 2000 Census. The previous District's Community Plan projects that the area within the District's planned SOI will accommodate approximately 4,254 residents by the year 2033.

According to the District's *Community Plan*, the District's planning area has a total area of 345 acres, and contains a mixture of residential, agricultural, commercial, public and industrial land use. This size corresponds to the proposed Sphere of Influence (SOI) limits. Of the 345 acres of planning area, the existing District service area is 278 acres, and the existing SOI is 77 acres.

## SPHERE OF INFLUENCE

Del Rey's Sphere of Influence (SOI) was last updated by Fresno LAFCO in 2008. The current SOI is coterminous with the District's boundary. The District's current SOI encompasses approximately 278 acres. Del Rey CSD depicts planned land uses within the 345 acres comprising its future SOI boundary. In Del Rey CSD, land use is primarily centered around agriculture. The Residential zones feature single-family homes, while commercial areas include local retail and service businesses. The industrial spaces support agricultural processing and related activities. Public facilities encompass schools, parks, and community centers, and transportation infrastructure ensures connectivity.

**Del Rey CSD Land Use Distribution**

Land Use	Existing Total Acreage	Proposed Total Acreage	Total Acreage
Residential	84.4 acres	47 acres	131.4 acres
Commercial	5.50 acres	10 acres	15.50 acres
Industrial	140.70 acres	0	140.70 acres
Public Facilities	46.70 acres	20 acres	66.70 acres
<b>Total</b>	<b>277.2 acres</b>	<b>77 acres</b>	<b>344.2 acres</b>

To expand industrial and residential development within Del Rey, it is recommended that the 77 acres around the existing District boundary be considered for inclusion in the SOI. This is consistent with the Del Rey Community Plan prepared in January 2008.

The Del Rey Community Service District's infrastructure is sufficient to provide the existing residents with required services. There is the potential for growth in the District if Union Community is built and annexed into the District. Future and planned development will incur the total costs for the establishment of necessary infrastructure.

## **LAND USE ELEMENT**

The Land Use Element describes future land use in the community and includes goals, objectives and policies and standards that will guide such development. The Land Use Element is the heart of the Community Plan Update. The proposed Land Use Map (Figure 2-1) shows the proposed location, extent and intensity of land uses. The following land use categories are proposed: Public Lands and Open Space; Medium Density Residential (2.8 – 5.8 dwelling units per net acre); Medium High Density Residential (5.8 to 14.5 dwelling units per net acre); Central Business Commercial and Service Commercial.

## **DISADVANTAGED UNINCORPORATED COMMUNITIES**

The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 ("CKH") requires 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 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 or contiguous to the SOI of a city or special district.

GC section 56033.5 defines a DUC as: i) all or a portion of a "disadvantaged community" as defined by section 79505.5 of the Water Code (community with an annual median household income ("MHI") that is less than 80 percent of the statewide annual median household income); and a status of ii) "inhabited territory" as defined by GC section 56046 (12 or more registered voters), or as determined by Commission policy. Fresno LAFCo policy further refines the definition of a DUC as having at least 15 dwelling units at a density not less than one unit per acre.

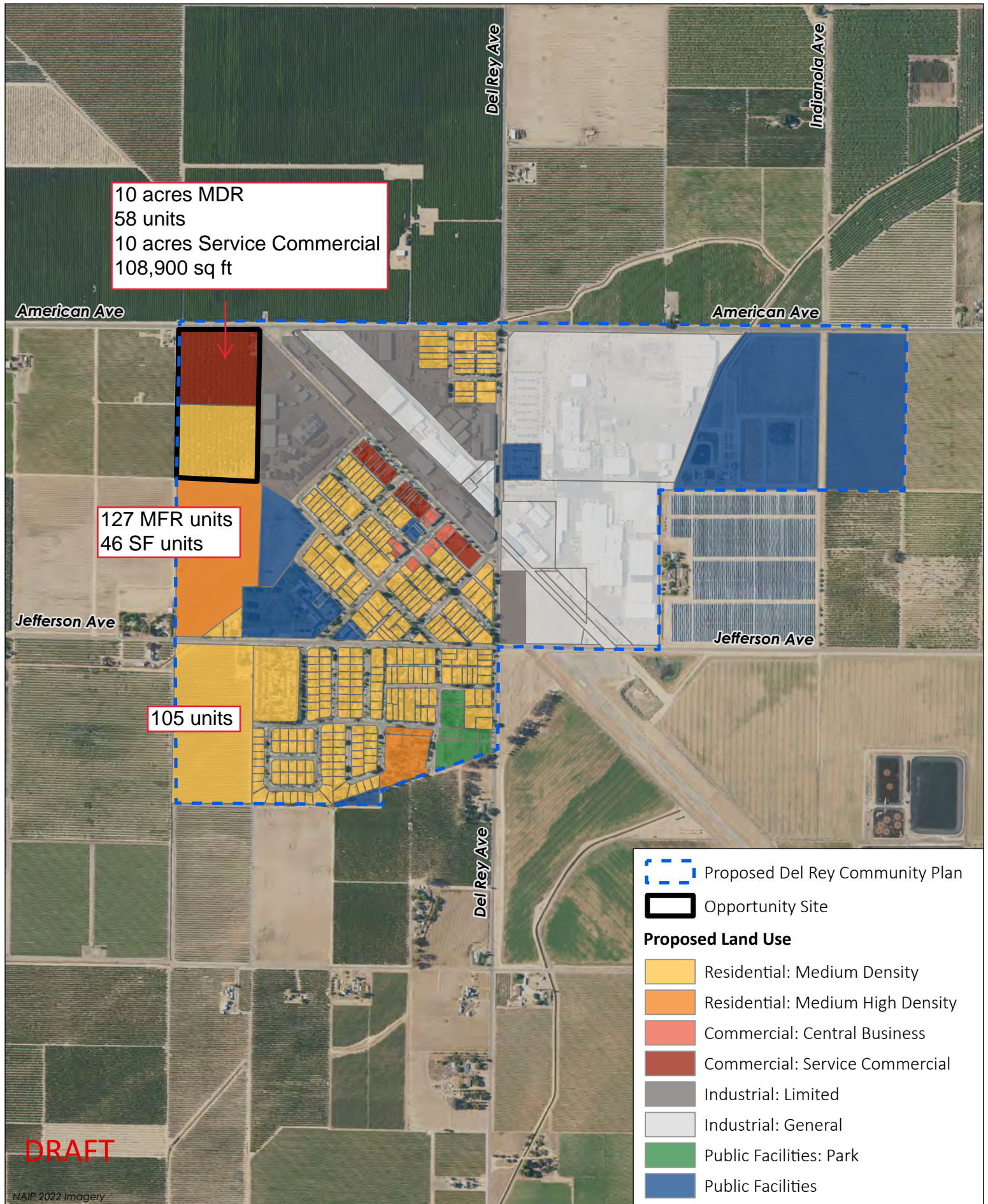
In 2015, the Fresno LAFCo adopted a DUC database management and implementation guidelines ("DUC database") to fulfill its responsibility to periodically identify DUCs pursuant to Senate Bill 244 (Wolk). The DUC database established a system to identify, record, and track DUC locations within Fresno County using Geographic Information Systems ("GIS").

GIS files are derived from the U.S. Census Bureau's American Community Survey ("ACS") compiled for the five-year period 2016-2020 to identify the demographic composition for the various census geographies. Although the ACS provides single-year estimates, the five-year estimate between years 2018-2022 provide more precise data and mapping information for analyzing small populations. The five-year reports are the most reliable form of information generated by the U.S. Census Bureau.<sup>21</sup>

The statewide MHI reported for years 2018 through 2022 was \$95,521. Hence, the calculated threshold for a DUC is any geographic unit with a reported MHI that is less than \$48,897. Del Rey's Median Household Income is approximately \$48,857 as per 2022 American Community Survey 5- year estimates. The census block group data was utilized to provide the economic and population backgrounds for this section of the MSR.

A large portion of the District is located within census geographic units that exceeded the threshold for Disadvantaged Communities as defined by California Water Code section 79505.5. Based Fresno LAFCo's updated DUC database, the District does not contain any DUCs.



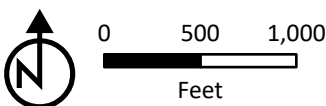


Proposed Del Rey Community Plan

Opportunity Site

**Proposed Land Use**

- Residential: Medium Density
- Residential: Medium High Density
- Commercial: Central Business
- Commercial: Service Commercial
- Industrial: Limited
- Industrial: General
- Public Facilities: Park
- Public Facilities



PROVOST &  
PRITCHARD



## 3. DISTRICT INFRASTRUCTURE

### WATER INFRASTRUCTURE

The community is located within the boundaries of the Consolidated Irrigation District (CID). Two branches of the Garfield irrigation ditch run through Del Rey's Community Plan boundaries. These ditches carry water from the Kings River and provide irrigation to surrounding cropland. Del Rey is located in the Kings sub-basin of the San Joaquin Valley groundwater basin in the Tulare Lake hydrologic region. The groundwater is relatively free of contaminants and is used by residential, commercial, and industrial customers. Groundwater provides all the potable water for the community. The Del Rey Community Services District (District) owns and operates the water system that provides water service to residential, commercial, and industrial customers in the District. The District operates four wells to supply water to the community.

TYPE	METERED	FLAT RATE	TOTAL
Residential	-	303	<b>303</b>
Commercial	27	8	<b>35</b>
Industrial	-	11	<b>11</b>
Irrigation	-	-	<b>0</b>
Total Active Connection	-	-	<b>349</b>
Total Fire Hydrants	-	-	<b>38</b>
Total Backflow Prevention Devices	-	-	<b>17</b>

### DISTRICT WELLS

The District's distribution system consists of water mains ranging in size from 6 to 10 inches. The District's water system is supplied from four active wells. The District extracts groundwater from four (4) active wells, Well Nos. 04, 05, 06, and 07. The District's existing well capacities range from 700 to 1,400 gallons per minute (gpm), with a total combined capacity of approximately 3,900 gpm. The typical life expectancy of a groundwater well is around 50 to 80 years, depending on factors like water quality, construction, maintenance, and the condition of the surrounding aquifer. Regular inspections, proper sealing, and ensuring the well is not over-pumped can help extend its lifespan.

The locations of the District's active wells are shown in the figure below. All active wells are operated automatically by pressure switches located on adjacent hydropneumatic tanks at the wells. The pressure settings for "on" and "off" are varied on a seasonal basis to allow different wells to be lead or lag.

### DISTRIBUTION SYSTEM

The District's water distribution system consists of a network of water lines located throughout the community. Currently, there are approximately 349 connections in the District's water system, which includes single family and multi-family residential, commercial, industrial, and landscape irrigation connections. Water lines within the system range in diameter from 6 to 10-inches. The water mains are usually placed in a grid pattern with 10-inch mains every half-mile and 8-inch mains at the quarter mile locations. Depending on the number of units served, the intervening mains are either 6 or 8-inches in

DEL REY COMMUNITY  
SERVICES DISTRICT

MUNICIPAL SERVICE REVIEW FOR  
FRESNO COUNTY LAFCO



LEGEND

- DISTRICT SOI
- DISTRICT AREA
- WELL LOCATION

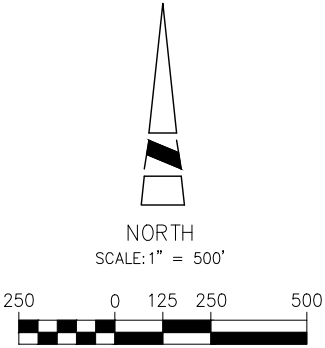
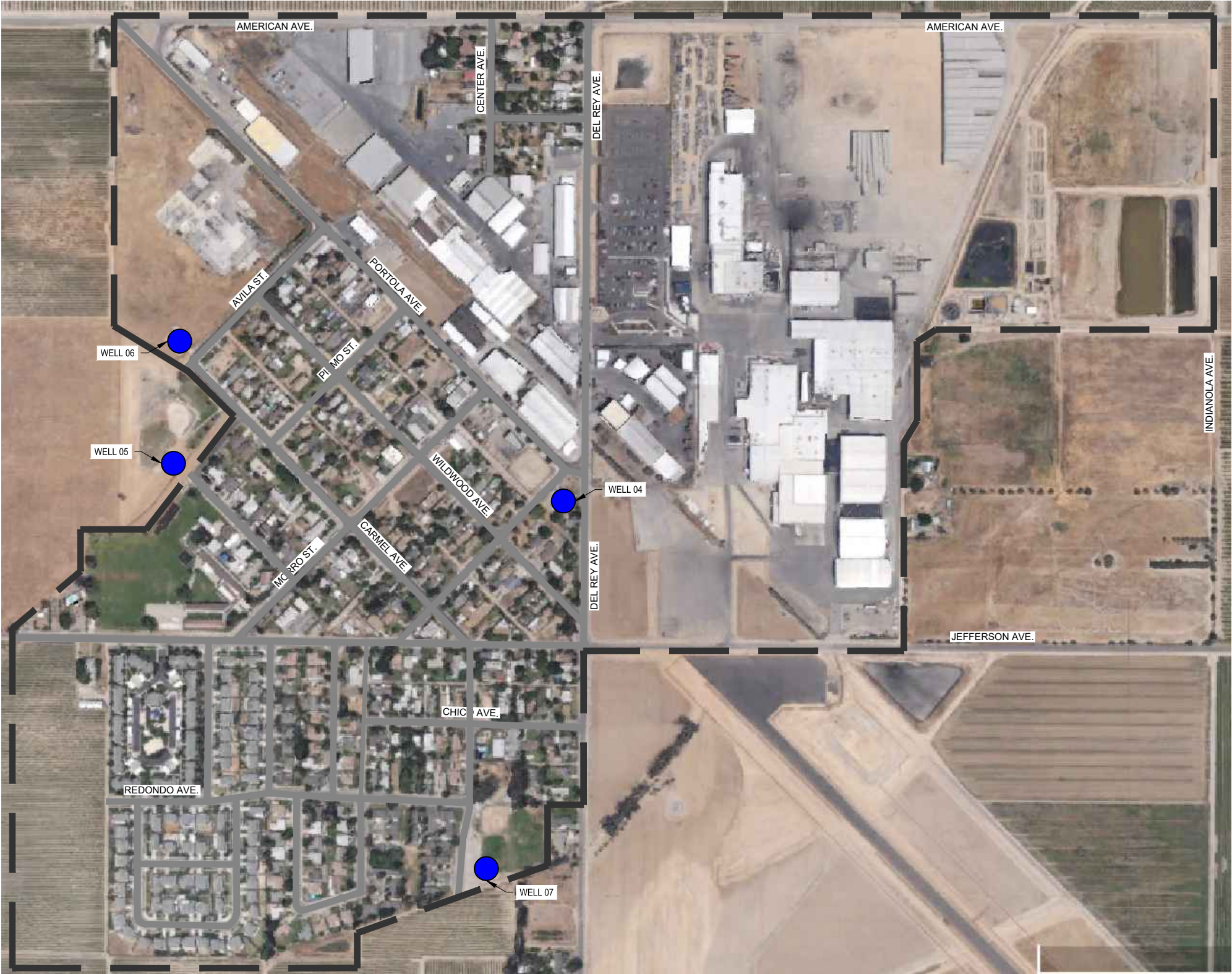


FIGURE 3-1:  
EXISTING GROUND  
WELL LOCATIONS



diameter. There is one pressure zone throughout the District's system, which is maintained between 45 and 65 psi. Water is distributed through a grid system of buried pipelines that supply services and provide fire protection through fire hydrants and fire sprinklers at buildings so equipped. The pipeline sizes within the grid system vary between 6 and 10 inches in diameter.

Pipe Diameter (inches)	Length of Pipe (ft.)
6	9,016
8	13,238
10	3,532
<b>Total</b>	<b>25,786</b>

## WASTEWATER INFRASTRUCTURE

The District's sewer collection system consists of approximately 3.7 miles of 6- through 15-inch-diameter sewers. The backbone of the system consists of trunk and interceptor sewers, generally 10 inches in diameter and larger. The trunk and interceptor sewers convey the wastewater generated by the District's customers to the WWTP. The District currently serves a total of 320 sewer connections. Influent wastewater is comprised mainly of domestic wastewater from residential and commercial properties. The WWTP receives wastewater flows from industrial users. The breakdown of these connections by service type is provided in Table 3-3.

Category	Number of connections
Residential	303
Commercial/Institutional	11
Industrial	6
<b>Total</b>	<b>320</b>

The District's existing sewer collection system consists of a network of 6 and 8-inch diameter "collection" lines that connect to larger "mains" that range from 10 to 15-inches in diameter. Wastewater from most of Del Rey flows into a 12-inch line that runs along S Del Rey to POM Wonderful and then to a 15-inch trunk line that runs along POM Wonderful to the WWTP. Most of the sewer pipes of the 4.58-mile-long collection system are made of Vitrified Clay, Polyvinyl Chloride, or Asbestos Cement. It is unknown when the pipes were installed but the sewer system is believed to be 50 years old. The District's sewer collection system operates with two lift stations one is located at the intersection of Jefferson Ave and Autumn. This facility currently receives flows from the areas to the south and east of the lift station and discharges into the S Del Rey line. The other lift station is located at the WWTP. Table 4-1 provides a summary of the existing sewer pipelines within the District's collection system.

## WASTEWATER TREATMENT PLANT

The District owns and operates a WWTP under the current Waste Discharge Requirements (WDRs) Order No. 96-284, which sets the plant's maximum allowable discharge at 0.30 million gallons per day (MGD). The District's existing sewer collection system consists of sewer pipelines ranging in size from 6 to 15 inches. The wastewater is conveyed by the sewer collection system to the District's wastewater treatment plant (WWTP), which is located east of the community, south of American Avenue, and east of the Garfield Ditch.

Pipe size	Length (ft)
6-Inch	5,234
8-inch	13,057
10-inch	1,110
12-inch	2,149
15-inch	1,837
<b>Total Length</b>	<b>23,387</b>

## **4. DISTRICT FINANCES**

This section of the MSR analyzes financial information provided by the District to determine the District's revenue and financial systems in place to provide services to its constituents. The analysis is based on available financial data, adopted budget for Fiscal Year ("FY") 2022-2023, the audited financial statement for year ending June 30, 2023.

The District acquires revenue from non-enterprise services, receiving a substantial amount of its support as property tax revenue. During the year ending June 30, 2023, property tax and assessments represent 94% of total revenue. However, property tax-based revenue is not sufficient to fund the District's operation and capital improvement costs. The District therefore relies on revenue from user fees, facility rental fees and services, grants, contributions, impact fees, to minimize the difference between revenue and expenditure. The District's revenues come primarily from user charges for water and sewer services provided. The District recently increased water and sewer rates to ensure the long-term feasibility of the District's infrastructure.

The District regularly monitors grant opportunities and engages potential stakeholders and organizations to develop a strategic collaborative approach to pursue available grant funds. For the 2022-23 fiscal year, the District secured allocations from Fresno County ARPA, Fresno County CDBG, Small Community Drought Relief, and Clean Water Small Community Grant Program.

### **1996 SEWER REVENUE BONDS**

In 1996 the District issued Sewer Bonds for \$932,000 and these bonds combined with a government grant of \$1,222,600 were used to finance construction of a domestic wastewater treatment plant. The balance remaining is approximately \$494,900 as of June 30, 2023.

### **STATE WATER LOAN**

In 2005 the District obtained a loan from the State of California under the safe drinking water program. The balance remaining is approximately \$71,825 as of June 30, 2023.

### **ADOPTED BUDGET**

Consistent with policy, the District adopts a preliminary budget on or before July 1st which includes anticipated revenue and expenditures for the forthcoming fiscal year (FY) from July 1st to June 30th of each year. The final budget is adopted during a duly noticed public hearing on or before August 30th each fiscal year after making any changes to the preliminary budget. The District accounts for various revenues and expenditures in spreadsheet format.

This fiscal year, District staff intends to provide its board members with a mid-year report to monitor the District's financial trend throughout the year. The budget may be revised by District board members during the year to consider unanticipated income deficits and/or expenditures. For the preparation of this MSR, the District provided LAFCo with adopted budgets from FY 2019-20, FY 2020-21, FY 2021-22, FY 2022-23.



Financial Year	Adopted Budget		
	Revenue	Expenses	Variance
FY 2019-2020	\$1,117,021.00	\$1,285,815.00	(\$168,794.00)
FY 2020-2021	\$1,277,569.00	\$1,177,431.00	\$100,138.00
FY 2021-2022	\$1,180,260.00	\$1,102,274.00	\$77,986.00
FY 2022-2023	\$1,242,142.00	\$1,789,428.00	(\$547,286.00)
FY 2023-2024	\$1,207,950.00	\$1,375,662.00	(\$167,712.00)

According to the District's adopted budget for FY 2024-25, total District revenue amounted to \$1,774,385, while total expenditures amounted to \$1,694,409 and a surplus of approximately \$79,976. In FY 2024-25, the District experienced improved financial performance following the completion of a rate study, which resulted in rate increases that strengthened its financial position. Additional information is provided later in this section referencing the District's audited financial statements for the year ending June 30, 2023.

**Proposed Budget Fiscal Year 2024-2025**

Category	Revenue	Expense	Variance
Solid Waste	\$147,715.00		
Sewer	\$731,240.00		
Water	\$654,480.00		
Property Taxes	\$108,000.00		
Meters Fees	\$2,100.00		
Recreation	\$1,250.00		
Hall Rentals	\$3,500.00		
Street Lighting Transfer	\$11,000.00		
Reimbursement from Del Rey Packing	\$15,000.00		
CDBG Grant Reimbursement for Engineer	\$100,000.00		
Late Fees	\$100.00		
<b>Total Costs</b>	<b>\$1,207,950.00</b>		
Category	Revenue	Expense	Variance
Salaries and Wages		\$250,146.00	
Health Insurance – Employees		\$59,233.00	
Health Insurance – Retirees		\$14,808.00	
Employment Taxes – Employer		\$19,136.00	
Retirement- Cal Pers		\$10,477.00	
Workers Compensation		\$23,883.00	
Directors Fees		\$27,000.00	
Telephone Expense		\$8,000.00	
General Administrative Expense		\$5,000.00	
Office Supplies		\$2,000.00	

Postage and Shipping		\$2,000.00	
Alarm Service		\$1,200.00	
Bank Service Charges		\$1,000.00	
Legal Services		\$30,000.00	
Accounting Services		\$20,000.00	
Annual Audit Fees		\$15,000.00	
Computer and Software		\$2,000.00	
Membership		\$3,000.00	
South Kings GSA		\$168,000.00	
Fuel and Oil		\$8,000.00	
Utilities – Power Expense		\$339,000.00	
Street Lighting		\$11,000.00	
Engineer Fees		\$100,000.00	
Water Testing Expense		\$150,000.00	
Maintenance – Water		\$25,000.00	
Maintenance – Sewer		\$12,000.00	
Maintenance – Buildings		\$6,000.00	
Maintenance – Vehicles		\$10,000.00	
Maintenance – Equipment		\$35,000.00	
Pest Control		\$2,000.00	
Supplies and Consumables		\$22,000.00	
Small Tools		\$1,000.00	
Equipment Rental		\$2,000.00	
Uniform Expense		\$5,000.00	
Solid Waste Contract		\$100,000.00	
Liability Insurance Expense		\$40,000.00	
License and Permits		\$100,000.00	
Interest – Sewer Bonds		\$22,275.00	
State Water Loan		\$5,750.00	
Sewer Rev, Bond Principle Payment		\$29,000.00	
Compliance Expense		\$500.00	
Property Tax Expense		\$4,000.00	
Payroll Service Expense		\$3,000.00	
<b>Total Costs</b>		<b>\$1,694,408.00</b>	
			<b>\$79,977.00</b>

## AUDITOR'S REPORT

The District provided LAFCo a copy of its independent auditor's report for the FY ending June 30, 2022. The District's financial audit was reviewed to determine the District's fiscal status, assess financial practices, and review pertinent management findings. The District General Manager plans to follow up with the auditor and Board of Directors to maintain transparency.

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District utilizes fund accounting to maintain compliance with financial regulations. This analysis focuses on General Funds, Capital Projects Funds, and Debt Service Funds.

1. **General Funds:** The General Funds provide essential insights into the District's operational financing. As of June 30, 2022, the proprietary funds reported a combined ending fund balance of \$13,028,894, marking an increase of \$432,388 from the previous year. Of this amount, \$1,015,529 remains unrestricted and available for discretionary spending, which is vital for assessing the District's short-term financial health and operational flexibility.
2. **Capital Projects Funds:** The District's investment in capital assets for its business-type activities, as of June 30, 2022, stands at \$4,162,041, net of depreciation. This includes investments in land, buildings, machinery, and vehicles, which are crucial for ongoing capital projects.
3. **Debt Service Funds:** Regarding debt administration, the District's long-term obligations totaled \$600,471 as of June 30, 2022. Out of this total, \$33,476 is due within the current fiscal year, while the remaining amount, classified as deferred liabilities, will be payable over the next 14 years.
4. **Economic Factors and Next Year's Budgets and Rates:** For the year ending June 30, 2022, the budget anticipates a surplus of \$59,038, despite a projected revenue decline of \$78,274 compared to the previous year. While expenses are expected to decrease by \$25,830, charges for services are projected to drop by \$285,484. Conversely, non-operating revenue is expected to increase by \$25,000. Transfers from the water remediation fund are anticipated to decline by \$140,000. Salary and benefits are projected to decrease by \$5,284, while services and supplies may rise by \$64,783.

User rates are not expected to increase during the year ending June 30, 2022.



## **OPPORTUNITIES FOR SHARED FACILITIES**

The District does not share any facilities.

## **GOVERNMENT ACCOUNTABILITY**

This section of the MSR considers various topics, such as compliance with state disclosure laws, the Ralph M. Brown Act, public participation, i.e. open meetings, accessible staff, election processes, and the agency's governing structure. Additionally, this considers the agency's level of participation with the Commission's MSR program.

Accountability for community service needs, including governmental structure and operational efficiencies is evaluated as part of the MSR Program to encourage the orderly formation of local government agencies, create logical boundaries, and promote the efficient delivery of services. This MSR is an informational document that will be used by LAFCo, other local agencies, and the public at large to examine the government structure of the District.

The District is an independent special district with a separate board of directors, and functions independently from the County of Fresno. The District is not governed by other legislative bodies, neither a city council nor a county board of supervisors.

The District operates under the authority granted by the California Government Code Section 61000 et seq. The existing structure of the District as a community service district is sufficient to allow the District to continue service provision in the foreseeable future. There are no legal or administrative limitations on the District that would affect the provision of service in the future. Therefore, a reorganization of the current government structure is not likely to significantly improve services. The current government structure can provide adequate service within district boundaries. The District is run by a five-member Board of Directors. Each member has a four-year term. The County and the District have a good working relationship.

## APPENDIX A

## DISTRICT BY-LAWS

# Del Rey Community Services District

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ARTICLES OF CORPORATION

BEFORE THE BOARD OF SUPERVISORS  
OF THE  
COUNTY OF FRESNO, STATE OF CALIFORNIA  
In the Matter of the Formation  
of  
DEL REY COMMUNITY SERVICES  
DISTRICT

RESOLUTION DETERMINING SUFFICIENCY  
OF PETITION, CONFIRMING AND FIXING  
BOUNDARIES AND CALLING ELECTION ON  
THE PROPOSAL OF FORMATION.

WHEREAS, a petition has heretofore been filed with this Board proposing the formation of a community services district to be known as "DEL REY COMMUNITY SERVICES DISTRICT OF FRESNO COUNTY" and

WHEREAS, said petition was signed by more than twenty-five (25%) percent of qualified signers representing twenty-five (25%) percent of the value of the land included within the proposed district boundaries, as such value is shown on the last equalized assessment roll of the County of Fresno, and

WHEREAS, said petition further complies in all respects with all the laws relating thereto, and

WHEREAS, notice of hearing on said petition has been duly given by the Clerk of this Board as required by law, and

WHEREAS, said hearing was duly and regularly set for hearing on the 11th day of June, 1963, at the hour of 1:00

o'clock p.m. before the Board of Supervisors of the County of Fresno, State of California, and

WHEREAS, at said time and place all persons interested therein were heard, both orally and in writing and were considered, and

WHEREAS this Board did determine that it had acquired

jurisdiction to proceed to the calling of an election on the issue of its formation;

NOW, THEREFORE, the Board of Supervisors of the County of Fresno, State of California, does hereby find and determine as follows:

1) That the petition heretofore filed in all respects complies with the laws and statutes relating to the formation of community services districts.

2) That notice of hearing on said petition was duly and regularly given as required by law.

3) That all properties presently within the boundaries of said proposed community services district will be benefited by the formation of said district.

4) That the Board of Supervisors of the County of Fresno, State of California does hereby fix and determine that the boundaries of said proposed district shall be, and they are hereby established as those certain boundaries set forth in Exhibit "A" attached hereto and made a part hereof.

5) That all of the said properties within the boundaries of said district set forth in Exhibit "A" is unincorporated territory lying wholly within the County of Fresno, State of California.

6) That an election shall be held on Tuesday, the 27th day of August, 1963, in accordance with the community services district law of the State of California.

7) That all of said district shall constitute one special election precinct to be known as "The Del Rey Community Services District Special Election Precinct" for the purpose of said election.

8) That the polling place for said election shall be at residence - 5513 Carmel Street, Del Rey, Fresno County,

California.

LELAND THURCH  
A THOMPSON  
ATTORNEYS AT LAW  
FRESNO, CALIFORNIA

9) That the polls shall be open from the hours of 7:00 o'clock a. m. Pacific Standard Time to the hour of 7:00 o'clock p.m. Pacific Standard Time at the day and place heretofore fixed for said election.

10) That the election officers for the said election shall be;

Irene Hart

Election Inspector

Nadine Green

Judge

Florence Tyler

Clerk

11) That there shall be submitted to the voters at said election the following measure:

"SHALL THE PROPOSITION TO FORM THE  
DEL REY COMMUNITY SERVICES DISTRICT  
OF FRESNO COUNTY BE ADOPTED?"

12) That the duly nominated candidates for the Directors of the District shall be placed on the ballot in the manner provided by law.

13) That the results of said election shall be canvassed by the Board of Supervisors of the County of Fresno thereafter as provided by law.

14) That notice of said election shall be given substantially in the following form, which notice shall be published once a week for two (2) successive weeks in accordance with Section 6066 of the Government Code of the State of California, in THE FRESNO BEE, The Republican, a newspaper of general circulation circulated within the territory of the proposed district and published in the County of Fresno, State of California, to wit:

"NOTICE OF ELECTION

DEL REY COMMUNITY SERVICES DISTRICT  
OF  
FRESNO COUNTY

NOTICE IS HEREBY GIVEN that on the 27th day of August,

1963, between the hours of 7:00 o'clock A.M. (P.S.T.) and 7:00 o'clock P.M. (P.S.T.) of said day, an election shall be held to submit to the duly qualified voters of THE DEL REY COMMUNITY SERVICES DISTRICT SPECIAL ELECTION PRECINCT, which said precinct shall comprise all of the territory described in Exhibit "A", which said Exhibit "A" is attached hereto and made a part hereof, the following measure:

SHALL THE PROPOSITION TO FORM THE  
DEL REY COMMUNITY SERVICES DISTRICT  
OF FRESNO COUNTY BE ADOPTED?

and to elect the first Directors, five (5) in number, for said proposed DEL REY COMMUNITY SERVICES DISTRICT OF FRESNO COUNTY, who have been duly and regularly nominated, and who will take office if the district is formed, and whose names are as follows:

The polling place for said Del Rey Community Services District Special Election Precinct shall be at: Residence, 5513 Carmel Street, Del Rey, Fresno County, California

The Election Officers shall be as follows:

Irene Hart	Election Inspector
Nadine Green	Judge
Florence Tyler	Clerk

SLOAN McCORMICK, Chairman  
Board of Supervisors

ATTEST: J. L. BROWN, County Clerk

By CARL E. MELOM  
Deputy Clerk.

LERRISO, THUESSEN  
& THOMPSON  
ATTORNEYS AT LAW  
FRESNO, CALIFORNIA



15) The County Clerk of the County of Fresno is hereby directed to provide any and all necessary election supplies for the conduct of said election.

16) Except as herein otherwise authorized, said election shall be held in accordance with the laws of the State of California relating to the holding of general elections so far as applicable, except as otherwise provided in Title 6, Division 2 of the Government Code of the State of California.

17) THE DEL REY COMMUNITY SERVICES DISTRICT OF FRESNO COUNTY shall be designated as the name of the proposed District.

18) This Resolution shall take effect from and after its passage and approval.

PASSED AND ADOPTED this 11th day of June, 1963, by the following vote:

AYES: Supervisors Olson, Foley, Andreas and McCormick

NOES: None

ABSENT: George Malm

S/Sgt. McCormick  
Chairman, Board of Supervisors  
of Fresno County, California

ATTEST:

J. L. BROWN, COUNTY CLERK and ex-officio  
Clerk of the Board of Supervisors of  
Fresno County, California

By S. J. A. S. Motom  
Deputy Clerk



BEFORE THE BOARD OF DIRECTORS  
OF THE  
DEL REY COMMUNITY SERVICES DISTRICT

RESOLUTION NO. 1

WHEREAS, in accordance with Section 61221 of the Government Code of the State of California, this Board of Directors shall provide for the time and place of hearing its regular meetings,

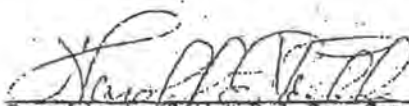
NOW THEREFORE upon the motion of Director Filgas, seconded by Director Beierschmitt be it resolved that the time and place for holding the regular meetings of the Del Rey Community Services District is hereby fixed as the 3rd Thursday of each month at 5513 South Carmel Avenue, Del Rey, Kern County, California.

PASSED AND ADOPTED this 5th day of September, 1963,

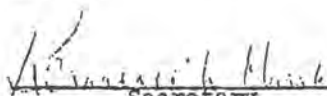
AYES: DIRECTORS Filgas, Beierschmitt, Tyler, Hart and Redden

NOES: None

ABSENT: None

  
\_\_\_\_\_  
President of the Del Rey Community Services District

ATTEST:

  
\_\_\_\_\_  
Secretary

# Del Rey Community Services District

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BY-LAWS

RESOLUTION NO. 84-2

A RESOLUTION FIXING TIME AND PLACE FOR THE  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
OF THE DEL REY COMMUNITY SERVICES DISTRICT

DEL REY COMMUNITY SERVICES DISTRICT

BE IT RESOLVED by the Board of Directors of the Del Rey Community Services District, Fresno County, as follows:

1. Regular Meetings. The regular meetings of the Board of Directors of the Del Rey Community Services District shall hereafter be held on the first Thursday of each and every calendar month at the hour of 5:30 o'clock p.m., and on the third Thursday of each and every calendar month at the hour of 7:00 o'clock p.m..

2. Special Meetings. Special meetings of the Board of Directors shall be held upon call of the President of said Board, or by three (3) members thereof, by delivering personally or by mail written notice to each Director and to each local newspaper of general circulation, radio or television station requesting notice in writing. Such notice shall be delivered personally or by mail and shall be received at least 24 hours before the time of such 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. No other business shall be considered at such meetings by the Board. Such written notice may be dispensed with as to any Director who at or prior to the time the meeting convenes files with the Clerk or Secretary of the District a written waiver of notice. Such waiver may be given by telegram. Such written notice may also be dispensed with as to any Director who is actually present at the meeting at the time it convenes. Notice shall be required pursuant to this Section regardless of whether any action is taken at the special meeting.

3. Meeting Place. All meetings of the Board of Directors shall be held at the office of the District, unless they shall

adjourn to or fix another place of meeting in a notice to be given thereof, or unless prevented by flood, fire or other disaster. Said office is hereby fixed and established at the Del Rey Community Services District Hall, Morro Street and Jefferson Avenue, Del Rey, California, in said District.

4. Holidays. In the event that any day fixed for a regular meeting of the Board shall fall on a holiday, then the meeting appointed for such day shall be held on the next day which may not be a holiday, at the same hour specified for the meeting to be held.

5. Order of Business. The order of business at the regular meetings of said Board shall be as follows:

- (a) Roll Call
- (b) Minutes
- (c) Reports
- (d) Communications
- (e) Unfinished Business
- (f) New Business
- (g) Allowance of Claims
- (h) Adjournment

6. Rules of Proceedings.

(a) Public Meetings. All legislative sessions of the Board, whether regular or special, shall be open to the public.

(b) Quorum. A majority of the members of the Board (3) shall constitute a quorum for the transaction of business.

(c) Adjournment. When a duly-convened meeting of the Board of Directors is adjourned by order thereof, a copy of the Order of Adjournment shall be posted on or near the door of the place where the meeting was held within twenty-four hours after the time of adjournment. When a meeting may not be opened, or further action may not be had at a regular open meeting, for want of a quorum, said meeting may be adjourned to a day and hour certain by the Secretary or any member of the Board, and notice of such adjournment shall be posted on or near the door of the place where the meeting was held within twenty-four hours after the time of the

adjournment, and further notice shall be given for the time and in the manner provided for calling special meetings, excepting the purpose of the adjourned meeting need not be stated.

(d) Method of Action. The Board shall act only by Ordinance, Resolution or Motion, which, to become effective, shall be adopted by at least a majority (3) of its members in a public meeting.

(e) Recording Vote. Except where action shall be taken by unanimous vote of all members present and voting, the Ayes and Noes shall be taken on all actions had.

(f) Ordinances. The enacting clause of all ordinances passed by the Board shall be in these words: "Be it ordained by the Board of Directors of the Del Rey Community Services District, Fresno County, California, as follows:". All ordinances of the Board shall be signed by the President of the Board of Directors and attested by the Secretary.

(g) Contracts. All contracts on behalf of the District shall be signed by the President and countersigned by the Secretary, unless otherwise specifically provided by the Board, after having been authorized to do so by the action of the Board.

(h) Robert's Rules. In all regards, such meetings shall be conducted in conformity with Robert's Rules of Order.

7. Mailing Address. The official mailing address of said District is hereby established as P. O. Box 186, Del Rey, California.

\* \* \* \* \*

I hereby certify that the foregoing Resolution is a full, true and correct copy of a resolution duly passed by the Board of Directors of the Del Rey Community Services District at a meeting

thereof duly held on the 19th day of January, 1984, by the following vote:

AYES: AMBRIZ, PONSECA, NELSON, MIRELES, FALCON.

NOES: NONE

ABSENT: NONE

*Linda Remirez*  
Secretary of the Board of  
Directors



DEC 16 1999

ARTICLES OF INCORPORATION  
OF  
DEL REY COMMUNITY ENHANCEMENT CORPORATION

Bill Jones  
BILL JONES, Secretary of State

I.

The name of this corporation is DEL REY COMMUNITY ENHANCEMENT CORPORATION (the "Corporation").

II.

A. This Corporation is a nonprofit public benefit corporation and is not organized for the private gain of any person. It is organized under the Nonprofit Public Benefit Corporation Law for public and charitable purposes.

B. The specific and primary purpose of this Corporation is to render assistance to the Del Rey Community Services District (the "District") in the creation, development, financing, construction, acquisition, management and equipping of the following public services: water, sewage, waste and storm water collection, fire protection, solid waste collection, recreation, power generation and any and all other public services which the District may be authorized by law to provide (collectively, the "Services"). Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

III.

The name and address in the State of California of this Corporation's initial agent for service of process is:

Liza Ruiz, Office Manager/ District Secretary  
10649 E. Morro  
Del Rey, CA 93616


IV.

A. This Corporation is organized and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code.

B. No substantial part of the activities of this Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign (including publishing or distribution of statements) on behalf of any candidate for public office.

V.

This Corporation is one that does not contemplate pecuniary gain or profit to the members thereof and is organized solely for charitable purposes. The property of the corporation is irrevocably dedicated to charitable purposes. No part of the net income or assets of this corporation shall ever inure to the benefit of any director, officer or member thereof or to the benefit of any private person. Upon the dissolution or winding up of the Corporation, any assets remaining after payment, or provision for payment, of all debts and liabilities of this Corporation shall be distributed for one or more exempt purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose.

  
Enid Perez, Incorporator



**CERTIFICATE OF AMENDMENT OF  
ARTICLES OF INCORPORATION**

ID#1939203

Office of the Secretary of State  
of the State of California

MAR 29 2005

The undersigned certify that:

1. They are the treasurer and secretary, respectively, of **DEL REY  
COMMUNITY ENHANCEMENT CORPORATION**, a California corporation.
2. Article **II Part B** of the Articles of Incorporation of this corporation is amended to read as follows:

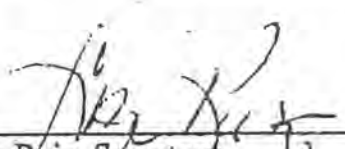
"The specific and primary purpose of this Corporation is to improve the social and economic conditions of the disadvantaged families in the Del Rey community which is one of the poorest communities in the state. These improvements will be accomplished by implementing educational, legal, and social service programs. The organization will encourage community involvement and participation in planning and implementing the strategic plans.

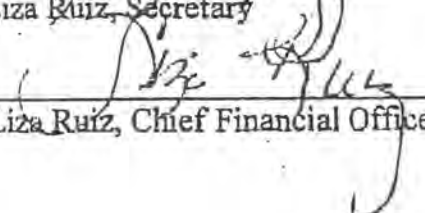
The goals are to improve and expand after school programs for children. In order to help keep families intact, projects will include parenting classes and child abuse prevention programs. The organization will seek to implement educational programs for cultural purposes and promote self esteem for the youth in the community. The organization will foster pride in the community and promote projects that will help wipe out hunger and disease."

3. The foregoing amendment of Articles of Incorporation has been duly approved by the board of directors.
4. The corporation has no members.

We further declare under penalty of perjury under the laws of the State of California that the matters set forth in this certificate are true and correct of our own knowledge.

DATE: 3-28-05

  
Liza Ruiz, Secretary

  
Liza Ruiz, Chief Financial Officer/Treasurer

87-550117



State of California  
Secretary of State

88

STATEMENT OF INFORMATION  
(Domestic Nonprofit Corporation)

Filing Fee \$20.00. If amendment, see instructions.

IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM.

1. CORPORATE NAME (Please do not alter if name is preprinted.)

C1938203 PB NCD  
DEL REY COMMUNITY ENHANCEMENT  
CORPORATION  
10649 E MORRO  
DEL REY CA 93616

FILED  
In the office of the Secretary of State  
of the State of California

DEC 14 2007

This Space For Filing Use Only

DATE DATE: 12-31-07

COMPLETE PRINCIPAL OFFICE ADDRESS (Do not abbreviate the name of the city. Item 2 cannot be a P.O. Box.)

2. STREET ADDRESS OF PRINCIPAL OFFICE IN CALIFORNIA, IF ANY:

CITY

STATE ZIP CODE

5706 Van Horn.

Del Rey

CA 93616

NAMES AND COMPLETE ADDRESSES OF THE FOLLOWING OFFICERS (The corporation must have these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

3. CHIEF EXECUTIVE OFFICER

ADDRESS

CITY AND STATE

ZIP CODE

Kimberly Ozuna PO BOX 617, Del Rey CA 93616

4. SECRETARY

ADDRESS

CITY AND STATE

ZIP CODE

Liza Ruiz 5655 W. Swift Avenue, Fresno CA 93721

5. CHIEF FINANCIAL OFFICER

ADDRESS

CITY AND STATE

ZIP CODE

Liza Ruiz 5655 W. Swift Avenue, Fresno CA 93721

AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and Item 7 must be completed with a California address. If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 7 must be left blank.)

6. NAME OF AGENT FOR SERVICE OF PROCESS

Gloria T. Medina, C

7. ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF INDIVIDUAL

CITY

STATE ZIP CODE

123 S. Lake ST., Madera

CA 93638

DAVIS-STIRLING COMMON INTEREST DEVELOPMENT ACT (California Civil Code section 1350, et seq.)

8. ☐ Check here if the corporation is an association formed to manage a common interest development under the Davis-Stirling Common Interest Development Act and proceed to Items 9, 10 and 11.

NOTE: Corporations formed to manage a common interest development must also file a Statement by Common Interest Development Association (Form SI-CID) as required by California Civil Code section 1363.6. Please see instructions on the reverse side of this form.

9. ADDRESS OF BUSINESS OR CORPORATE OFFICE OF THE ASSOCIATION, IF ANY

CITY

STATE ZIP CODE

10. FRONT STREET AND NEAREST CROSS STREET FOR THE PHYSICAL LOCATION OF THE COMMON INTEREST DEVELOPMENT (Complete if the business or corporate office is not on the site of the common interest development.)

9-DIGIT ZIP CODE

11. NAME AND ADDRESS OF ASSOCIATION'S MANAGING AGENT, IF ANY

CITY

STATE ZIP CODE

12. THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT.

Kimberly Ozuna

Kimberly Ozuna President

12-5-07

TYPE OR PRINT NAME OF PERSON COMPLETING THE FORM

SIGNATURE

TITLE

DATE

State of California  
Secretary of State



03-410304

STATEMENT OF INFORMATION  
(Domestic Nonprofit, Credit Union and Consumer  
Cooperative Corporations)

40

**FILED**  
In the office of the Secretary of State  
of the State of California

Filing Fee: \$20.00. If amendment, see instructions.

DEC 23 2009

This Space For Filing Use Only

IMPORTANT — READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

1 CORPORATE NAME (Please do not alter if name is preprinted.)

Del Rey Community Enhancement Corporation  
10649 E Morro  
Del Rey CA 93616

1939 203

DUE DATE: 12-31-2009

COMPLETE PRINCIPAL OFFICE ADDRESS (Do not abbreviate the name of the city. Item 2 cannot be a P.O. Box.)

2 STREET ADDRESS OF PRINCIPAL OFFICE IN CALIFORNIA, IF ANY CITY STATE ZIP CODE  
5706 Van Horn Del Rey CA 93616

3 MAILING ADDRESS OF THE CORPORATION, IF REQUIRED CITY STATE ZIP CODE  
5706 Van Horn Del Rey 93616

NAMES AND COMPLETE ADDRESSES OF THE FOLLOWING OFFICERS (The corporation must have these three officers. A comparable title for the specific officer may be added; however, the preprinted titles on this form must not be altered.)

4 CHIEF EXECUTIVE OFFICER/ ADDRESS CITY STATE ZIP CODE  
Kimberly Ozuna P O Box 617 Del Rey CA 93616

5 SECRETARY/ ADDRESS CITY STATE ZIP CODE  
Liza Ruiz 5655 W Swift Avenue Fresno CA 93721

6 CHIEF FINANCIAL OFFICER/ ADDRESS CITY STATE ZIP CODE  
Liza Ruiz 5655 W Swift Avenue Fresno CA 93721

AGENT FOR SERVICE OF PROCESS (If the agent is an individual, the agent must reside in California and Item 8 must be completed with a California street address (a P.O. Box address is not acceptable). If the agent is another corporation, the agent must have on file with the California Secretary of State a certificate pursuant to Corporations Code section 1505 and Item 8 must be left blank.)

7 NAME OF AGENT FOR SERVICE OF PROCESS  
Gloria T Medina, CPA

8 STREET ADDRESS OF AGENT FOR SERVICE OF PROCESS IN CALIFORNIA, IF AN INDIVIDUAL CITY STATE ZIP CODE  
123 S. Lake St., Madera CA 93638

DAVIS-STIRLING COMMON INTEREST DEVELOPMENT ACT (California Civil Code section 1350, et seq.)

9 ☐ Check here if the corporation is an association formed to manage a common interest development under the Davis-Stirling Common Interest Development Act and proceed to Items 10, 11 and 12.

NOTE: Corporations formed to manage a common interest development must also file a Statement by Common Interest Development Association (Form SI-CID) as required by California Civil Code section 1363.6. Please see instructions on the reverse side of this form.

10 ADDRESS OF BUSINESS OR CORPORATE OFFICE OF THE ASSOCIATION, IF ANY CITY STATE ZIP CODE

11 FRONT STREET AND NEAREST CROSS STREET FOR THE PHYSICAL LOCATION OF THE COMMON INTEREST DEVELOPMENT 9-DIGIT ZIP CODE  
(Complete if the business or corporate office is not on the site of the common interest development.)

12 NAME AND ADDRESS OF ASSOCIATION'S MANAGING AGENT, IF ANY CITY STATE ZIP CODE

THE INFORMATION CONTAINED HEREIN IS TRUE AND CORRECT

12-10-09  
DATE

Liza Ruiz  
TYPE/PRINT NAME OF PERSON COMPLETING FORM

Secretary  
TITLE

SIGNATURE

## APPENDIX B

# AUDITED DISTRICT FINANCIALS FY 2022-2023

**DEL REY COMMUNITY SERVICES DISTRICT**

**INDEPENDENT AUDITOR'S REPORT**

**AND**

**FINANCIAL STATEMENTS**

**JUNE 30, 2023**

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**DEL REY COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS AND ADMINISTRATION  
JUNE 30, 2023**

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**Board of Directors**

Stephanie Garza	President
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Joaquin Nunez	Vice-President
---------------	----------------

Daniel Ramirez	Director
----------------	----------

Rumaldo Reyna	Director
---------------	----------

Rolando Sanchez	Director
-----------------	----------

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**Administration**

Carlos Arias	District Manager
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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Del Rey Community Services District

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the business-type activities and each major fund of the Del Rey Community Services District (District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the District as of June 30, 2023, and the respective changes in financial position, and, where applicable, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Del Rey Community Services District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 Del Rey Community Services District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### *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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not



detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional 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 Del Rey Community Services 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Del Rey Community Services 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 5-8, and the budgetary comparison schedule on pages 22-23, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial that collectively comprise the District's basic financial statements. The Assessed Valuation of District, Insurance Coverage, Water and Sewer Capacity (Connection) Fees, and Annual Water & Sewer Capacity Fee Deposit Report, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Assessed Valuation of District Insurance Coverage, Water and Sewer Capacity (Connection) Fees, and Annual Water & Sewer Capacity Fee Deposit Report were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the

auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Assessed Valuation of District, Insurance Coverage, Water and Sewer Capacity (Connection) Fees, and Annual Water & Sewer Capacity Fee Deposit Report are fairly stated in all material respects in relation to the financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2024, on our consideration of Del Rey Community Services District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Del Rey Community Services District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Del Rey Community Services District's internal control over financial reporting and compliance.

*Jaribu W. Nelson, CPA*

Clovis, California  
February 12, 2024

## DEL REY COMMUNITY SERVICES DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2023

---

As management of Del Rey Community Services District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with information that is included within the financial statements.

### Financial Highlights

- Total assets and deferred outflows of resources of the District exceeded its total liabilities and deferred inflows of resources as of June 30, 2023, by \$12,560,674. Of this amount, \$11,818,277 is restricted and reserved by external laws and regulations or debt covenants.
- Total assets and deferred outflows of resources decreased by \$86,152.
- During the current year, the District's capital assets increased by a net of \$68,146. This increase was mostly attributable to ongoing TCP treatment construction.
- Long-term liabilities decreased by \$273,969 for the year ended June 30, 2023. This overall decrease is due to a decrease in OPEB liability related adjustments.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Del Rey Community Services District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expense are reported in this statement for some items that will only result in cash flow in future fiscal periods.

**DEL REY COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
YEAR ENDED JUNE 30, 2023**

---

**Financial Highlights (continued)**

Both of the government-wide financial statements distinguish functions of the District that are principally proprietary in nature (business-type activities) which are functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District has no governmental activities.

The government-wide financial statements include only the District itself. The District has no component units.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds. The District has no governmental funds and four proprietary funds, the Water Fund, the Sewer Fund, the Solid Waste Fund, and Nonmajor Enterprise Funds.

**Proprietary funds.** Proprietary funds are used to account for essentially the same functions reported as business-type activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2023, the District's assets exceeded liabilities by \$12,560,674. Of that amount, \$8,154,815, representing 65% of the District's net position, is restricted for debt service or specific expenditures relating to sewer repair, maintenance, service-life extension, park improvements, and the TCP project. Capital assets are used to provide services to customers, and they are not available for future spending.

The following tables represent summaries of the District's net position and changes in net position for the current and prior years:

**DEL REY COMMUNITY SERVICES DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)  
YEAR ENDED JUNE 30, 2023**

**Del Rey Community Services District's Net Position**

	Business-Type Activities	Total	Prior Year Total
Current assets	\$ 9,373,312	\$ 9,373,312	\$ 9,764,825
Capital assets, net of accumulated depreciation	4,230,187	4,230,187	4,120,058
Noncurrent assets	274,888	274,888	319,829
Deferred outflows of resources	356,261	356,261	116,088
Total assets and deferred outflows of resources	<u>14,234,648</u>	<u>14,234,648</u>	<u>14,320,800</u>
Current liabilities	386,381	386,381	373,296
Noncurrent liabilities	994,858	994,858	1,268,827
Deferred inflows of resources	292,735	292,735	82,171
Net position	<u>12,560,674</u>	<u>12,560,674</u>	<u>12,596,506</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 14,234,648</u>	<u>\$ 14,234,648</u>	<u>\$ 14,320,800</u>

**Del Rey Community Services District's Changes in Net Position**

	Business-Type Activities	Current Year Total	Prior Year Total (as restated)
<b>REVENUE</b>			
Program revenue			
Charges for services	\$ 1,174,201	\$ 1,174,201	\$ 1,143,434
Other	67,941	67,941	36,826
Total Revenues	<u>1,242,142</u>	<u>1,242,142</u>	<u>1,180,260</u>
<b>EXPENSE</b>			
Water	493,416	493,416	365,462
Sewer	947,630	947,630	615,612
Solid waste	178,432	178,432	132,073
Nonmajor enterprise funds	169,950	169,950	64,285
Total Expenses	<u>1,789,428</u>	<u>1,789,428</u>	<u>1,177,431</u>
Net operating income/(loss)	(547,286)	(547,286)	2,829
Net nonoperating revenue/(expense)	<u>377,430</u>	<u>377,430</u>	<u>131,048</u>
Change in net position	(169,856)	(169,856)	133,877
Net position, beginning of year	<u>12,736,984</u>	<u>12,736,984</u>	<u>12,603,107</u>
Net position, end of year	<u>\$ 12,567,128</u>	<u>\$ 12,567,128</u>	<u>\$ 12,736,984</u>

## DEL REY COMMUNITY SERVICES DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS (continued) YEAR ENDED JUNE 30, 2023

---

**Business-type activities.** Business-type activities decreased the District's net position by \$169,856, accounting for 100 percent of the total decrease in net position.

### Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Proprietary Funds.** The purpose of the District's proprietary fund financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2023, the District's proprietary funds reported a combined ending fund balance of \$12,560,674 a decrease of \$169,856, in comparison to the prior year. Of the entire ending fund balance, \$742,397 is unrestricted and is available for spending at the District's discretion.

### Capital Asset and Debt Administration

**Capital assets.** The District's investment in capital assets for its business-type activities as of June 30, 2023, amounted to \$4,230,187 (net of allowance for depreciation). This investment in capital assets includes land, building, improvements, machinery & equipment, furniture & fixtures, vehicles, and construction in progress.

Additional information on the District's capital assets can be found in note four.

**Debt administration.** The District's long-term debt totaled \$566,725 as of June 30, 2023. Of this total amount, \$34,746 is due and payable during the year ending June 30, 2024. The remainder, referred to as deferred liabilities, is due and payable over the next 13 years.

Additional information on the District's long-term debt can be found in note five.

### Economic Factors and Next Year's Budgets and Rates

The budget for the year ending June 30, 2024 projects a deficit of \$167,712. Revenue is anticipated to decrease by \$446,225 compared to June 30, 2023, while expenses are expected to decrease by \$448,369. Charges for services are anticipated to decrease by \$34,192, while non-operating revenue is expected to decrease by \$412,033. Salaries, wages and employee benefits are expected to decrease by \$17,141 and services and supplies are anticipated to decrease by \$4,191 compared to June 30, 2023.

User rates are not expected to increase during the year ending June 30, 2024.

### Requests for Information

This financial report is designed to provide a general overview of Del Rey Community Services District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the General Manager, Del Rey Community Services District, 10649 Morro Ave, Del Rey, CA 93616.

**DEL REY COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	\$ 8,136	\$ 208,827	\$ -	\$ 54,241	\$ 271,204
Investments	4,764	-	-	-	4,764
Accounts receivable, net	33,819	37,943	10,724	-	82,486
Interest receivable	58,802	-	-	563	59,365
Prepaid expenses	3,908	7,816	1,042	261	13,027
Due from other funds	59,006	33,392	-	-	92,398
<b>Other assets</b>					
Restricted cash and investments	<u>8,761,770</u>	<u>-</u>	<u>-</u>	<u>88,298</u>	<u>8,850,068</u>
Total current assets	<u>8,930,205</u>	<u>287,978</u>	<u>11,766</u>	<u>143,363</u>	<u>9,373,312</u>
<b>Capital assets, net of accumulated depreciation</b>	1,738,136	1,806,726	-	685,325	4,230,187
<b>Noncurrent assets</b>					
Bond issuance costs	-	6,891	-	-	6,891
Cash and investments	-	199,395	-	-	199,395
Net pension asset	<u>20,580</u>	<u>41,161</u>	<u>5,488</u>	<u>1,373</u>	<u>68,602</u>
Total non-current assets	<u>20,580</u>	<u>247,447</u>	<u>5,488</u>	<u>1,373</u>	<u>274,888</u>
Total assets	10,688,921	2,342,151	17,254	830,061	13,878,387
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Items related to pension plan	51,793	103,586	13,812	3,453	172,644
Items related to OPEB	<u>55,085</u>	<u>110,170</u>	<u>14,689</u>	<u>3,673</u>	<u>183,617</u>
TOTAL ASSETS AND DEFERRED					
OUTFLOW OF RESOURCES	<u>10,795,799</u>	<u>2,555,907</u>	<u>45,755</u>	<u>837,187</u>	<u>14,234,648</u>

**DEL REY COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Accounts payable and accrued expenses	70,151	140,302	18,707	4,677	233,837
Accrued interest payable	-	12,181	-	-	12,181
Deposits	-	-	-	12,171	12,171
Due to other funds	-	-	93,446	-	93,446
Current portion of long-term debt	<u>5,746</u>	<u>29,000</u>	<u>-</u>	<u>-</u>	<u>34,746</u>
Total current liabilities	<u>75,897</u>	<u>181,483</u>	<u>112,153</u>	<u>16,848</u>	<u>386,381</u>
<b>Non-current liabilities</b>					
Notes payable, less current portion	66,079	465,900	-	-	531,979
OPEB liability	<u>138,864</u>	<u>277,727</u>	<u>37,030</u>	<u>9,258</u>	<u>462,879</u>
Total liabilities	280,840	925,110	149,183	26,106	1,381,239
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Items related to pension plan	19,732	39,464	5,262	268	64,726
Items related to OPEB	<u>68,403</u>	<u>136,805</u>	<u>18,241</u>	<u>4,560</u>	<u>228,009</u>
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	<u>368,975</u>	<u>1,101,379</u>	<u>172,686</u>	<u>30,934</u>	<u>1,673,974</u>
<b>NET POSITION</b>					
Net investment in capital assets	1,666,311	1,311,826	-	685,325	3,663,462
Restricted for sewer and lighting improvements	-	147,860	-	16,345	164,205
Restricted for debt service	-	51,535	-	-	51,535
Restricted for TCP project	7,939,075	-	-	-	7,939,075
Unrestricted	<u>821,438</u>	<u>(56,693)</u>	<u>(126,931)</u>	<u>104,583</u>	<u>742,397</u>
Total net position	<u>10,426,824</u>	<u>1,454,528</u>	<u>(126,931)</u>	<u>806,253</u>	<u>12,560,674</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u>\$ 10,795,799</u>	<u>\$ 2,555,907</u>	<u>\$ 45,755</u>	<u>\$ 837,187</u>	<u>\$ 14,234,648</u>



**DEL REY COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**YEAR ENDED JUNE 30, 2023**

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
<b>Operating Revenue</b>					
Residential	\$ 64,587	\$ 194,495	\$ 79,348	\$ -	\$ 338,430
Commercial	36,406	99,194	3,072	-	138,672
Industrial	111,577	360,055	26,276	-	497,908
Taxes	52,646	52,646	-	22,873	128,165
Reimbursements	-	-	-	11,956	11,956
Recreation fees	-	-	-	59,070	59,070
Other	<u>52,515</u>	<u>-</u>	<u>-</u>	<u>15,426</u>	<u>67,941</u>
Total operating revenue	<u>317,731</u>	<u>706,390</u>	<u>108,696</u>	<u>109,325</u>	<u>1,242,142</u>
<b>Operating Expense</b>					
Salaries and wages	59,006	131,433	20,131	20,827	231,397
Employee benefits and payroll taxes	23,019	51,274	7,854	8,125	90,272
Pension expense / (recovery)	65,205	145,241	22,246	23,014	255,706
OPEB expense	(679)	(1,513)	(232)	(240)	(2,664)
Directors' fees	1,715	3,820	585	605	6,725
Professional fees	38,805	86,436	13,239	13,696	152,176
Utilities	110,353	129,397	-	21,131	260,881
Repair, maintenance, and testing	61,045	113,370	-	-	174,415
License and permits	3,623	48,136	-	-	51,759
Insurance	10,460	33,125	-	-	43,585
General and administrative	58,197	116,392	15,519	3,879	193,987
Solid waste contract services	-	-	99,090	-	99,090
Depreciation	<u>62,667</u>	<u>90,519</u>	<u>-</u>	<u>78,913</u>	<u>232,099</u>
Total operating expense	<u>493,416</u>	<u>947,630</u>	<u>178,432</u>	<u>169,950</u>	<u>1,789,428</u>
<b>Operating income (loss)</b>	<b>(175,685)</b>	<b>(241,240)</b>	<b>(69,736)</b>	<b>(60,625)</b>	<b>(547,286)</b>
<b>Nonoperating Revenues/(Expenses)</b>					
TCP Revenue	297,810	-	-	-	297,810
Interest income	114,223	-	-	-	114,223
Interest expense	<u>-</u>	<u>(34,603)</u>	<u>-</u>	<u>-</u>	<u>(34,603)</u>
Net nonoperating revenues/(expenses)	<u>412,033</u>	<u>(34,603)</u>	<u>-</u>	<u>-</u>	<u>377,430</u>
Change in net position	236,348	(275,843)	(69,736)	(60,625)	(169,856)
Net Position - beginning of year	10,488,840	1,730,371	(57,195)	866,878	13,028,894
Prior Period Adjustment	<u>(298,364)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(298,364)</u>
Net Position - beginning of year (restated)	<u>10,190,476</u>	<u>1,730,371</u>	<u>(57,195)</u>	<u>866,878</u>	<u>12,730,530</u>
Net Position, End of Year	<u>\$ 10,426,824</u>	<u>\$ 1,454,528</u>	<u>\$ (126,931)</u>	<u>\$ 806,253</u>	<u>\$ 12,560,674</u>

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

**DEL REY COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
<b>Operating Activities</b>					
Received from customers	\$ 47,338	\$ 737,774	\$ 117,564	\$ 109,325	\$ 1,012,001
Payments to suppliers	(274,210)	(510,701)	(125,770)	(37,780)	(948,461)
Payments to employees	(103,928)	(255,279)	(67,921)	(50,821)	(477,949)
Net cash provided by (used in) operating activities	(330,800)	(28,206)	(76,127)	20,724	(414,409)
<b>Non-capital Financing Activities</b>					
Due to other funds	-	-	76,127	(75,079)	1,048
Net cash provided by (used in) noncapital financing activities	-	-	76,127	(75,079)	1,048
<b>Capital and Related Financing Activities</b>					
Grant revenue	297,810	-	-	-	297,810
Increase in bond issuance costs	-	(432)	-	-	(432)
Principal paid on notes payable	(5,746)	(28,000)	-	-	(33,746)
Interest paid on notes payable	-	(34,775)	-	-	(34,775)
Purchase of capital assets	(616,566)	155,432	-	160,889	(300,245)
Net cash provided (used) in capital and related financing activities	(324,502)	92,225	-	160,889	(71,388)
<b>Investing Activities</b>					
Interest received	85,650	-	-	(258)	85,392
<b>Change in cash and cash equivalents</b>	(569,652)	64,019	-	106,276	(399,357)
<b>Cash and Investments</b>					
Beginning of year	9,344,322	344,203	-	36,263	9,724,788
End of year	<u>\$ 8,774,670</u>	<u>\$ 408,222</u>	<u>\$ -</u>	<u>\$ 142,539</u>	<u>\$ 9,325,431</u>

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

**DEL REY COMMUNITY SERVICES DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Water</u>	<u>Sewer</u>	<u>Solid Waste</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>
<b>Reconciliation of Operating Income (Loss)</b>					
<b>to Net Cash Provided By/(Used) for Operating Activities</b>					
Operating income (loss)	\$ (175,685)	\$ (241,240)	\$ (69,736)	\$ (60,625)	\$ (547,286)
Adjustments to reconcile operating income (loss)					
to net cash provided (used) by operating activities:					
Depreciation	62,667	90,519	-	78,913	232,099
Changes in assets and liabilities:					
(Increase) Decrease in accounts receivable	(270,393)	31,384	8,868	-	(230,141)
(Increase) Decrease in prepaid expense	(866)	(1,732)	(231)	(57)	(2,886)
(Increase) Decrease in net pension asset	47,886	95,771	12,770	3,191	159,618
(Increase) Decrease in deferred outflows	5,984	(27,865)	(1,945)	(488)	(24,314)
Increase (Decrease) in accounts payable	10,854	21,707	2,894	724	36,179
Increase (Decrease) in accrued liabilities	-	-	-	-	-
Increase (Decrease) in deposits	-	-	-	864	864
Increase (Decrease) in OPEB liability	(37,507)	(75,016)	(10,002)	(2,501)	(125,026)
Increase (Decrease) in deferred inflows	<u>26,260</u>	<u>78,266</u>	<u>(18,745)</u>	<u>703</u>	<u>86,484</u>
<b>Net Cash Provided/(Used) by Operating Activities</b>	<u>\$ (330,800)</u>	<u>\$ (28,206)</u>	<u>\$ (76,127)</u>	<u>\$ 20,724</u>	<u>\$ (414,409)</u>
<b>Summary of cash balances, end of year</b>					
Cash and cash equivalents	12,900	208,827	-	54,241	275,968
Restricted cash	<u>8,761,770</u>	<u>199,395</u>	<u>-</u>	<u>88,298</u>	<u>9,049,463</u>
	<u>\$ 8,774,670</u>	<u>\$ 408,222</u>	<u>\$ -</u>	<u>\$ 142,539</u>	<u>\$ 9,325,431</u>

# DEL REY COMMUNITY SERVICES DISTRICT

## NOTES TO FINANCIAL STATEMENTS

### YEAR ENDED JUNE 30, 2023

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#### Note 1: Summary of Significant Accounting Policies

Del Rey Community Services District (the District) was organized in 1963 under the Municipal Water District Act of 1911 (California Water Code 7100). A five-member board of directors, who are elected at large, provide governance. The District was formed to secure a high quality, reliable source of water, sewer, solid waste, street lighting, and recreation services to the public. Those services are provided on a continuing basis and are financed through user charges. The Board of Directors has the authority to fix rates and charges for the District's services. The District also may incur indebtedness, including issuing bonds, and is exempt from federal and state income taxes.

The accounting and reporting policies of the District conform to generally accepted accounting principles applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Government Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units*, and by the Financial Accounting Standards Board (when applicable).

#### Financial Reporting Entity

As required by generally accepted accounting principles, these general purpose financial statements present the District in conformance with GASB Statement No. 14, "The Financial Reporting Entity." Under Statement No. 14, component units are organizations that are included in the District's reporting entity because of the significance of their operational or financial relationships with the District. The District has no component units.

#### Government-Wide and Fund Financial Statements

The government-wide financial statements, which are the statement of net position and the statement of activities, report information on all of the nonfiduciary activities of the primary government. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no governmental activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenue include charges to customers, grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements.

#### Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flow. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been met.

**DEL REY COMMUNITY SERVICES DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**Note 1: Summary of Significant Accounting Policies (continued)**

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

The financial statements of the District are prepared in accordance with generally accepted accounting principles. The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with the GASB pronouncements. The District's reporting entity does not apply FASB pronouncements of APB opinions issued after November 30, 1989.

Proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flow. Amounts reported as program revenue include charges to customers for goods and services, operating grants and contributions and capital grants and contributions.

**Assets, Liabilities and Net Position or Equity**

**1. Cash and Investments**

GAAP allows a financial statement issuer to choose the focus of the statement of cash flows as either cash or "cash and cash equivalents." The District reports restricted and unrestricted cash, including bank deposits and the District's investment in the State of California Local Agency Investment Fund (LAIF), as well as cash equivalents in the statement of cash flows. The District defines cash equivalents as certain highly liquid investments with an original maturity of three months or less.

**2. Property, Plant and Equipment**

Capital assets, which include property, plant and equipment are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three years. All material fixed assets are valued at historical cost. Donated fixed assets are valued at their estimated fair value on the date donated. When an asset is disposed of, cost and related accumulated depreciation is removed and any gain or loss arising from its disposal is credited or charged to operations.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is recorded by using the straight-line method. The book value of each asset is reduced by equal amounts over its estimated useful life as follows:

	Estimated useful life in years
Buildings	30-40
Water System	20-40
Sewer System	5-40
Park Development	10-40
General Equipment	5-10

**Statement Reclassifications**

Certain reclassifications may have been made in the prior year's amounts to conform with current year financial statement presentation.

**DEL REY COMMUNITY SERVICES DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**Note 1: Summary of Significant Accounting Policies (continued)**

**Assets, Liabilities and Net Position or Equity (continued)**

3. Net Position

Net position comprise the various net earnings from operating income, nonoperating revenue and expense and capital contributions. Net position is classified in the following three components:

*Nonspendable* – Amounts that are not in spendable form (such as inventory) or are required either legally or contractually to be maintained intact. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of invested capital assets, net of related debt.

*Invested in capital assets, net of related debt* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvements of those assets.

*Restricted* – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Restrictions for the year ended June 30, 2023 were as follows:

Lighting	16,345	Restricted for lighting repairs, improvements associated lighting expenses
Sewer	147,860	Restricted for repairs to the connections or further connection improvements and area extensions
Debt service	51,535	Restriction for current liability for the water bonds, principal and interest included
TCP water well	7,939,075	Restricted towards construction of the TCP water well project

*Unrestricted net position* – This component of net position consists of net position that do not meet the definition of restricted or invested in capital assets, net of related debt.

**Budgets and Budgetary Accounting**

The District established a budget for its enterprise fund for the year ended June 30, 2023. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**DEL REY COMMUNITY SERVICES DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**Note 2: Cash and Investments**

The District pools all of its cash and investments except those funds held by outside fiscal agents under the provisions of bond indentures and certain restricted funds which are held in separate deposit or investment accounts as required by bond indentures, loan covenants, and statutory or regulatory requirements. Interest earned on non-pooled funds is credited directly to the related funds.

Cash and investments are reported in the financial statements as follows:

Cash and cash equivalents	\$ 271,204
Investments	4,764
Restricted cash and investments	9,049,463
Total cash and investments	<u>\$ 9,325,431</u>

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

Cash on hand	\$ 22
Deposits with financial institutions	244,505
Local Agency Investment Fund (LAIF)	4,764
County of Fresno	9,049,463
Money market funds	26,677
Total cash and investments	<u>\$ 9,325,431</u>

Investment Policy

California statutes authorize districts to invest idle, surplus, or reserve funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, et seq., Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the District by the California Government Code (or the District’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by a bond trustee that are governed by the provisions of debt agreements of the District rather than the general provisions of the California Government Code or the District’s investment policy.



**DEL REY COMMUNITY SERVICES DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**Note 2: Cash and Investments (continued)**

The District's Investment Policy authorizes the following:

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
Local Agency Bonds	5 Years	None	None
U.S. Treasury Obligations	5 Years	None	None
U.S. Agency Securities	5 Years	None	None
Bankers Acceptances	180 Days	40%	30%
Commercial Paper	270 Days	25%	10%
Negotiable Certificates of Deposit	5 Years	30%	None
Repurchase Agreements	1 Year	None	None
Reverse Repurchase Agreements	92 Days	20% of base value	None
Medium Term Notes	5 Years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 Years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
JPA Pools (other investment pools)	N/A	None	None

Disclosures Relating to Interest Rate Risk: Interest rate risk that changes in the 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. As of June 30, 2023, the District has the following investments:

<u>Investment Type</u>	<u>12 months or less</u>	<u>Total</u>
Money market funds	\$ 26,677	\$ 26,677
Local Agency Investment Fund	4,764	4,764
County of Fresno	9,049,463	9,049,463
Total investments	<u>\$ 9,080,904</u>	<u>\$ 9,080,904</u>
Cash on hand and deposits at banks		244,527
Total cash and investments		<u>\$ 9,325,431</u>

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 organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

**DEL REY COMMUNITY SERVICES DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**Note 2: Cash and Investments (continued)**

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 and the District's investment policy do 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.

As of June 30, 2023, the balances in financial institutions were \$244,527. The balance in financial institutions covered by the Federal Depository Insurance Corporation (FDIC) is \$244,527. The excess amount of \$0 was collateralized as required under the California Government Code, by pledging financial institution with assets held in common pool for the District and other governmental agencies, but not in the name of the District.

**Note 3: Accounts Receivable and Uncollectable Accounts**

Changes in accounts receivable for the year ended June 30, 2023, are as follows:

	As of June 30, 2023	As of June 30, 2022	Increase/ (Decrease)
Industrial Users	\$ 36,774	\$ 56,485	\$ (19,711)
Commercial / Other Users	45,712	94,225	(48,513)
Total	<u>\$ 82,486</u>	<u>\$ 150,710</u>	<u>\$ (68,224)</u>

**Note 4: Property, Plant and Equipment**

The following is an analysis of the District's capital assets as of June 30, 2023:

	Beginning Balance	Additions/ Completions	Disposals/ Adjustments	Ending Balance
Land	\$ 427,734	\$ -	\$ -	\$ 427,734
Auto/transport equipment	74,153	-	-	74,153
Buildings	669,034	-	-	669,034
Furniture and fixtures	59,828	-	-	59,828
Improvements	920,161	-	-	920,161
Machinery and equipment	724,500	1,984	-	726,484
Miscellaneous	1,114,176	-	-	1,114,176
Park improvements	294,571	-	-	294,571
Sewer system	3,082,038	-	-	3,082,038
Water system	2,115,949	-	-	2,115,949
Construction in progress-water system	153,251	-	-	153,251
Construction in progress-TCP project	594,914	298,261	-	893,175
Total	10,230,309	300,245	-	10,530,554
Allowance for depreciation	<u>(6,068,268)</u>	<u>(232,099)</u>	<u>-</u>	<u>(6,300,367)</u>
	<u>4,162,041</u>	<u>68,146</u>	<u>-</u>	<u>4,230,187</u>

Depreciation expense for the year ended June 30, 2023, totals \$232,099.

**DEL REY COMMUNITY SERVICES DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**Note 5: Long-Term Debt**

The District generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. The District's debt issues and transactions are summarized below:

**1996 Sewer Revenue Bonds**

4.5% - \$932,000 1996 Sewer Bonds issued on March 8, 1996. Proceeds of these bonds combined with a government grant of \$1,222,600 were used to finance construction of a domestic wastewater treatment plant. First payment of interest only was due March 2, 1997, and thereafter semi-annually on the 2nd of September and March in each year with principal due in March of each year; balance of \$494,900 at June 30, 2023, and \$522,900 at June 30, 2022.

Future payments of the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total	Principal Balance	Reserve Requirements
2024	\$ 29,000	\$ 22,275	\$ 51,275	\$ 465,900	\$ 51,275
2025	30,000	20,970	50,970	435,900	50,970
2026	31,000	19,620	50,620	404,900	50,620
2027	33,000	18,225	51,225	371,900	51,225
2028	34,000	16,740	50,740	337,900	50,740
2029	36,000	15,210	51,210	301,900	51,210
2030	38,000	13,590	51,590	263,900	51,590
2031	39,000	11,880	50,880	224,900	50,880
2032	41,000	10,125	51,125	183,900	51,125
2033	43,000	8,280	51,280	140,900	51,280
2034	45,000	6,345	51,345	95,900	51,345
2035	47,000	4,320	51,320	48,900	51,320
2036	48,900	2,205	51,105	-	
Total	<u>\$ 494,900</u>	<u>\$ 169,785</u>	<u>\$ 664,685</u>		

**1996 Sewer Revenue Bond Requirements**

The bonds are authorized by ordinance 1996-1, in strict accordance with the Sewer Revenue Bond Act of 1933. All revenues derived from the sewer service are pledged to pay the principal and interest on the bonds. The agreement which governs the bond issuance requires 120% of net revenue to be maintained and a reserve requirement equal to all payments during the next 12 months.

**DEL REY COMMUNITY SERVICES DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2023**

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**Note 5: Long-Term Debt (continued)**

**State Water Loan**

In circa 2005 the District obtained a loan from the State of California under the safe drinking water program. The loan terms are zero interest for 30 years and require semi-annual payments of \$2,873 (\$5,746 annually) beginning July 1, 2006, and continuing each January 1, and July 1, with the last payment scheduled for January 1, 2036. The balance is \$71,825 at June 30, 2023, and \$77,571 at June 30, 2022.

Required payments on the loan at June 30, 2023, including current maturities are as follows:

2024	\$	5,746	\$ 66,079
2025		5,746	60,333
2026		5,746	54,587
2027		5,746	48,841
2028		5,746	43,095
Thereafter		43,095	-
	\$	71,825	

**Note 6: Subsequent Events**

In compliance with accounting standards, subsequent events were evaluated through February 12, 2024, which is the date the financial statements were available to be issued. Management has determined that no events require disclosure in accordance with the accounting standards subsequent to June 30, 2023.

**DEL REY COMMUNITY SERVICES DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON  
FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>OPERATING REVENUES</b>			
Water	\$ 261,891	\$ 212,570	\$ (49,321)
Sewer	635,165	653,744	18,579
Solid Waste	102,988	108,696	5,708
Hall Rentals	10,250	59,070	48,820
Taxes	135,000	128,165	(6,835)
Late Charges	100	-	(100)
Other Income	49,000	79,897	30,897
Total Operating Income	1,194,394	1,242,142	47,748
<b>OPERATING EXPENSES</b>			
Salaries	241,037	231,397	9,640
Health & Life Insurance	77,271	77,801	(530)
Employment taxes employer	18,439	19,126	(687)
Retirement	13,051	(6,655)	19,706
Pension expense	-	255,706	(255,706)
OPEB expense	-	(2,664)	2,664
Worker's Compensation Insurance	13,252	7,153	6,099
Director's Fees	10,875	6,725	4,150
Telephone (communication)	6,000	7,791	(1,791)
General administrative	3,000	34,798	(31,798)
Postage and Shipping	2,000	1,837	163
Computer Software	2,000	2,077	(77)
Office Supplies	3,000	1,971	1,029
Alarm Service	1,241	-	1,241
Bank Service Charges	1,000	850	150
Legal	30,000	45,606	(15,606)
Accounting	16,600	16,800	(200)
Audit Contract	15,000	12,200	2,800
Engineering Fees	24,000	77,570	(53,570)
Dues Subscription Fees	3,000	3,584	(584)
SIGMA Recharge Fees	22,374	22,000	374
South Kings GSA	85,000	85,000	-
Fuel and Oil	8,000	5,435	2,565
Utilities	310,730	260,881	49,849
General Maintenance & Repairs	27,500	28,341	(841)
Equipment Rental	2,500	786	1,714
Small Tools	2,500	-	2,500
Pest Control	2,000	1,263	737
Supplies and Consumables	20,000	26,191	(6,191)
Uniform Expense	3,000	3,968	(968)
Compliance Expense	500	-	500
Payroll Service expense	2,500	(315)	2,815
Auto Repair and Maintenance	2,000	8,882	(6,882)
Testing	128,000	130,494	(2,494)

**DEL REY COMMUNITY SERVICES DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON (continued)  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Solid Waste Contract	88,452	99,090	(10,638)
General Liability Insurance	22,366	36,432	(14,066)
Licenses and Permits	46,000	51,759	(5,759)
Property Taxes	7,000	3,449	3,551
Depreciation	<u>-</u>	<u>232,099</u>	<u>(232,099)</u>
 TOTAL OPERATING EXPENSES	 <u>1,261,188</u>	 <u>1,789,428</u>	 <u>(528,240)</u>
 <b>NON-OPERATING REVENUES (EXPENSES)</b>			
TCP Revenue	-	297,810	297,810
Interest Income	-	114,223	114,223
Interest Expense	<u>(23,535)</u>	<u>(34,603)</u>	<u>(11,068)</u>
 TOTAL NON-OPERATING REVENUE (EXPENSES)	 <u>(23,535)</u>	 <u>377,430</u>	 <u>400,965</u>
 <b>CHANGE IN NET ASSETS</b>	 <u><u>\$ (90,329)</u></u>	 <u><u>\$ (169,856)</u></u>	 <u><u>\$ (79,527)</u></u>
 BUDGETED PRINCIPAL PAYMENTS			
State Water Loan	(5,750)	(5,746)	4
Sewer Bond Principal	<u>\$ (28,000)</u>	<u>\$ (28,000)</u>	<u>\$ -</u>
 CHANGE IN NET ASSETS AFTER PRINCIPAL PAYMENTS	 <u><u>\$ (124,079)</u></u>	 <u><u>\$ (203,602)</u></u>	 <u><u>\$ (79,523)</u></u>

**DEL REY COMMUNITY SERVICES DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
YEAR ENDED JUNE 30, 2023**

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**Note 1: Pension Plan**

General Information About the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS).

CalPERS acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and District resolution. Cal PERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one full time employment. All members are eligible for non-duty disability benefits after 5 years of service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The 1328 Classic Plan provisions and benefits in effect at June 30, 2023, are summarized as follows:

<u>Benefit Provision</u>	<u>Misc. Plan</u>
Benefit Formula	2.0%@60
Social Security Coverage	Yes
Full/Modified	Full
Employee Contribution Rate	7%
Final Average Compensation Period	Three Years
Sick Leave Credit	Yes
Non-Industrial Disability	Standard
Industrial Disability	No
Pre-Retirement Death Benefit	Optional Settlement W2
Post- Retirement Death Benefit	\$2,000
COLA	2%
Covered Employees	12
Inactive Employees Receiving Benefits	3
Inactive Employees Entitled Yet Not Receiving	7
Active Employees	2



**DEL REY COMMUNITY SERVICES DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
YEAR ENDED JUNE 30, 2023**

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**Note 1: Pension Plan (Continued)**

The 26898 PEPR Plan provisions and benefits in effect at June 30, 2023, are summarized as follows:

<u>Benefit Provision</u>	<u>Misc. Plan</u>
Benefit Formula	2.0%@62
Social Security Coverage	Yes
Full/Modified	Full
Employee Contribution Rate	7.75%
Final Average Compensation Period	Three Years
Sick Leave Credit	Yes
Non-Industrial Disability	Standard
Industrial Disability	No
Pre-Retirement Death Benefit	Optional Settlement W2
Post- Retirement Death Benefit	\$2,000
COLA	2%
Covered Employees	2
Inactive Employees Receiving Benefits	0
Inactive Employees Entitled Yet Not Receiving	0
Active Employees	2

Contributions

Section 20814© of the California Public Employee' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Employer's Contribution Schedule 10-Year Data Begins in 2014 and Includes Both Plans

<u>Year</u>	<u>Employer Contribution Amount</u>
2014	\$ -
2015	6,312
2016	4,896
2017	8,730
2018	8,749
2019	9,368
2020	13,507
2021	10,406
2022	11,881
2023	11,977

**DEL REY COMMUNITY SERVICES DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**YEAR ENDED JUNE 30, 2023**

**Note 1: Pension Plan (Continued)**

Net Pension Liability, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension Miscellaneous Plan, 1328 Classic Plan

Ten-Year Schedule of Changes in The Net Pension Liability

Valuation Date	Accrued Liability	Share of Pool's Market value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
6/30/2013	\$ 527,513	\$ 633,982	\$ (106,469)	120.18%	112,017
6/30/2014	579,333	730,119	(150,786)	126.03%	116,095
6/30/2015	610,935	734,420	(123,485)	120.21%	119,857
6/30/2016	624,366	701,543	(77,177)	112.36%	77,583
6/30/2017	650,777	749,033	(98,256)	115.10%	85,799
6/30/2018	734,604	819,920	(85,316)	111.61%	93,600
6/30/2019	720,929	804,083	(83,154)	111.53%	99,840
6/30/2020	770,467	836,544	(66,077)	108.58%	110,760
6/30/2021	783,818	960,106	(176,288)	122.49%	76,960
6/30/2022	815,682	857,319	(41,637)	105.10%	79,116

At June 30, 2023, the District reported a pension asset of \$68,602 for its proportionate share of the net pension liability.

The District is responsible for its proportionate share of the net pension liability of the Plans. The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

Net Pension Liability, Pension Expense, and Deferred Outflows of Resource and Deferred Inflows of Resources Related to Pension PEPR Plan

Ten-Year Schedule of Changes in The Net Pension Liability

Valuation Date	Accrued Liability	Share of Pool's Market value of Assets (MVA)	Plan's Share of Pool's Unfunded Liability	Funded Ratio	Annual Covered Payroll
6/30/2017	\$ 1,791	\$ 1,826	\$ (35)	101.95%	\$ 14,186
6/30/2018	6,446	6,198	248	96.15%	24,960
6/30/2019	11,788	11,116	672	94.30%	27,040
6/30/2020	19,124	17,925	1,199	93.73%	30,680
6/30/2021	28,396	31,130	(2,734)	109.63%	32,240
6/30/2022	41,605	37,655	3,950	90.51%	66,889

**DEL REY COMMUNITY SERVICES DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
YEAR ENDED JUNE 30, 2023**

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**Note 2: Other Post-Employment Benefits (OPEB)**

**Summary of Results**

**Background**

The District maintains a program which pays part or all of monthly medical insurance premiums on behalf of retired former employees, provided that the employee has satisfied certain requirements. As of June 30, 2022, the District continues to fund the benefits on a pay-as-you-go basis. GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", often referred to as **GASB 75**, requires governmental entities to (1) record annual expense for their OPEB and (2) disclose certain information in their year-end financial statements.

The District has requested this actuarial valuation to determine what its OPEB obligations under the program are, and what the impact of GASB 75 will be for the 2022-2023 year. This report also includes GASB 75 results that were accrued and disclosed by the District during the 2021-2022 year.

**Actuarial Present Value of Projected Benefit Payments**

The Actuarial Present Value of Projected Benefit Payments (APVPBP) for all current and former employees, as of June 30, 2021, is **\$1,046,289**. This is the amount the District would theoretically need to set aside at this time to fully fund all those future benefits.

The total value of \$1,046,289 is the sum of these amounts:

Future benefits of current employees	\$ 926,398
Future benefits of current retirees	<u>119,891</u>
APVPBP	\$ 1,046,289

This figure may be compared to the APVPBP of \$1,086,399 that was shown in the 2019 valuation report. We would have expected the APVPBP to be approximately \$1,105,000 by 2021 as employees continue working and benefits are paid to retirees. The difference between the 2019 figure of \$1,086,399 and this year's figure of \$1,046,289 is due to:

• Expected change in the APVPBP since 2019	\$ 18,241
• Changes in assumptions	143,126
• Miscellaneous other experience gains and losses	<u>(201,477)</u>
Total of changes	\$ (40,110)

The assumption changes are explained below under "Actuarial Assumptions". The experience gain of \$201,477 is mostly from a new employee replacing a previous employee, and from 3 persons delaying their retirement.

**DEL REY COMMUNITY SERVICES DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
YEAR ENDED JUNE 30, 2023**

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**Note 2: Other Post-Employment Benefits (OPEB) (continued)**

These figures are computed by (1) estimating the OPEB benefits that will be paid to each current and former employee and their beneficiaries (if applicable), upon the employee's retirement from the District, (2) estimating the likelihood that each payment will be made, taking into consideration the likelihood of remaining employed until retirement age and the likelihood of survival after retirement, and (3) discounting each expected future payment back to the present date at an assumed rate of investment return.

**Net OPEB Liability**

The **Total OPEB Liability** (TOL) is the portion of the APVPBP which has been "earned" by employees based on past years of service (i.e. benefits allocated to past years of service).

The **Plan Fiduciary Net Position** (FNP) is equal to the value of assets that have been accumulated in an irrevocable trust for these benefits.

The **Net OPEB Liability or Asset** (NOL) is the excess of the Total OPEB Liability over the Plan Fiduciary Net Position. At the end of each fiscal year, the District must show a liability equal to the NOL.

At June 30, 2021 and June 30, 2022, these amounts are:	June 30, 2021	June 30, 2022
Total OPEB Liability	\$ 587,905	\$ 462,879
Plan Fiduciary Net Position	-	-
Net OPEB Liability	<u>\$ 587,905</u>	<u>\$ 462,879</u>

**OPEB Expense under GASB 75**

GASB 75 requires that the annual change in the TOL be recognized as OPEB expense, except for certain specific changes which are to be recognized over different periods of time. Changes in actuarial assumptions, and experience gains and losses, are to be recognized over the average of the expected remaining service lives of all employees. This average for District employees is 5.5 years. The unrecognized remaining amounts of assumption changes, experience gains/losses and investment earnings differences are called "deferred outflows and inflows of resources relating to OPEB" (see Exhibit 5).

The OPEB Expense for the fiscal year ending June 30, 2022 was **\$46,186**. For the year ending June 30, 2023, the OPEB Expense is **\$(2,663)**. Derivations of these amounts are shown in Exhibit 4.

**DEL REY COMMUNITY SERVICES DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
YEAR ENDED JUNE 30, 2023**

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**Note 2: Other Post-Employment Benefits (OPEB) (continued)**

**Disclosure Information as of June 30, 2022 and June 30, 2023**

Amounts to be disclosed in the footnotes to the District's audited financial statements as of June 30, 2022 and as of June 30, 2023 are shown in Exhibits 2 through 6 of this report. Numbers labelled as "June 30, 2021" are to be disclosed at June 30, 2022. Numbers labelled as "June 30, 2022" are to be disclosed at June 30, 2023. For GASB 75 reporting, we use a one-year "lookback" which is the reason for the differences in dates.

Exhibit 7 shows estimated retiree benefits and OPEB expense for the 9 years after that.

**Actuarial Assumptions**

All actuarial assumptions are unchanged from the June 30, 2020 valuation, except as described below. The assumptions are described in detail in Exhibit 9.

The discount rate has been changed from 2.18% to 4.09%. The discount rate for an unfunded plan is required to be based on a 20-year index of high-quality bonds. The District has elected to use the S&P Municipal Bond 20 Year High Grade Rate Index, which was 2.66% as of June 30, 2020; 2.18% as of June 30, 2021; and 4.09% as of June 30, 2022. Changing the discount rate had the effect of decreasing the APVPBP by \$(146,584).

**Exhibit 1 - Actuarial Values as of June 30, 2022**

The Actuarial Present Value of Projected Benefit Payments (APVPBP) as of June 30, 2022 of all future employer-paid benefits from the program, for all current and former employees, is:

	Actuarial Present Values	Number of Persons
Current Employees	\$ 926,398	5
Retired Employees	<u>119,891</u>	<u>2</u>
	\$ 1,046,289	7

As of June 30, 2022, the District has not accumulated any assets in an irrevocable trust toward this liability.

The Total OPEB Liability (TOL) as of June 30, 2021 is the portion of the APVPBP which has been "earned" to date by current and former employees, based on the years of service already completed:

Current employees	\$ 468,014
Retired former employees	<u>119,891</u>
Totals	\$ 587,905

**DEL REY COMMUNITY SERVICES DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
YEAR ENDED JUNE 30, 2023**

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**Note 2: Other Post-Employment Benefits (OPEB) (continued)**

**Exhibit 1 - Actuarial Values as of June 30, 2022 (continued)**

Summary of Participating Employees

	<u>As of June 30, 2020</u>	<u>as of June 30, 2022</u>
Active Employees		
Number	5 employees	5 employees
Average Age	54.2 years	54.2 years
Average Service	6.4 years	6.4 years
Retired Former Employees and Surviving Spouses		
Number	2 persons	2 persons
Average Age	78.0 years	78.0 years

**Exhibit 2 - Total OPEB Liability**

As of June 30, 2020, June 30, 2021 and June 30, 2022 the Total OPEB Liability is:

	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>
Discount rate	2.66 %	2.18 %	4.09 %
Value of benefits for employees	\$ 478,437		\$ 468,014
Value of benefits for retirees	<u>133,372</u>		<u>119,891</u>
Total OPEB Liability	\$ 668,356	\$ 587,905	\$ 587,905

The Total OPEB Liability has changed from June 30, 2020 to June 30, 2021 in this way:

Value at June 30, 2020	\$ 668,356
Service cost	46,572
Interest	17,469
Differences between actual and expected experience	(162,091)
Assumption changes	40,843
Benefit changes	0
Benefits paid to retirees	(23,244)
Administrative expense	0
Net changes	\$ (80,451)
Value at June 30, 2021	\$ 587,905

**DEL REY COMMUNITY SERVICES DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**YEAR ENDED JUNE 30, 2023**

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**Note 2: Other Post-Employment Benefits (OPEB) (continued)**

**Exhibit 2 - Total OPEB Liability (continued)**

The Total OPEB Liability has changed from June 30, 2021 to June 30, 2022 in this way:

Value at June 30, 2021	\$ 587,905
Service cost	29,249
Interest	12,595
Differences between actual and expected experience	0
Assumption changes	(146,584)
Benefit changes	0
Benefits paid to retirees	(20,286)
Administrative expense	0
Net changes	\$ (125,026)
Value at June 30, 2022	\$ 462,879

**Exhibit 3 - Sensitivity of the Total OPEB Liability**

The following presents the Total OPEB Liability (TOL) as well as what the TOL would be if it were calculated using a discount rate that is 1-percentage-point higher or lower than the current discount rate, as of June 30, 2021 and June 30, 2022:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	1.18%	2.18%	3.18%
Total OPEB Liability 6-30-2021	\$ 688,190	\$ 587,905	\$ 507,270
	3.09%	4.09%	5.09%
Total OPEB Liability 6-30-2022	\$ 532,304	\$ 462,879	\$ 406,012

The following presents the TOL as well as what the TOL would be if it were calculated using healthcare cost trend rates that are 1-percentage-point higher or lower than the current healthcare cost trend rates, as of June 30, 2021 and June 30, 2022:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
	4.50%	5.50%	6.50%
Total OPEB Liability 6-30-2021	\$ 507,645	\$ 587,905	\$ 686,501
Total OPEB Liability 6-30-2022	\$ 401,283	\$ 462,879	\$ 538,049



**DEL REY COMMUNITY SERVICES DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**YEAR ENDED JUNE 30, 2023**

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**Note 2: Other Post-Employment Benefits (OPEB) (continued)**

**Exhibit 4 – OPEB Expense for the Fiscal Year Ending June 30, 2023**

For the year ending June 30, 2022, the District recognized OPEB expense of \$46,186, computed as follows:

Service cost	\$	46,572
Interest		17,469
Expected investment return		-
Administrative expense		-
Change in TOL due to changes in benefits		-
Recognition of difference between actual and expected experience		(36,245)
Recognition of changes in assumptions		18,390
Recognition of difference between projected and actual earnings on investments		-
		<hr/>
Total	\$	46,186

For the year ending June 30, 2023, the District will recognize OPEB expense of \$(2,663), computed as follows:

Service cost	\$	29,249
Interest		12,595
Expected investment return		-
Administrative expense		-
Change in TOL due to changes in benefits		-
Recognition of difference between actual and expected experience		(36,245)
Recognition of changes in assumptions		(8,262)
Recognition of difference between projected and actual earnings on investments		-
		<hr/>
Total	\$	(2,663)

**DEL REY COMMUNITY SERVICES DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**YEAR ENDED JUNE 30, 2023**

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**Note 2: Other Post-Employment Benefits (OPEB) (continued)**

**Exhibit 5 - Deferred Outflows and Inflows of Resources**

The values of deferred outflows and inflows of resources related to OPEB as of June 30, 2021, to be reported as of June 30, 2022, are:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 150,909
Changes of assumptions	81,289	15,954
Net difference between projected and actual earnings on OPEB plan investments	-	-
District contributions subsequent to the measurement date	<u>20,286</u>	<u>-</u>
Total	\$ 101,575	\$ 166,863

Amounts reported as deferred outflows and inflows of resources related to OPEB as of June 30, 2021, to be reported as of June 30, 2022, will be recognized in OPEB expense as follows:

Year Ended June 30,

2023	\$ (17,855)
2024	(17,855)
2025	(19,183)
2026	(22,289)
2027	(8,665)
Thereafter	273

**DEL REY COMMUNITY SERVICES DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**YEAR ENDED JUNE 30, 2023**

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**Note 2: Other Post-Employment Benefits (OPEB) (continued)**

The values of deferred outflows and inflows of resources related to OPEB as of June 30, 2022, to be reported as of June 30, 2023, are:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 114,664
Changes of assumptions	59,101	132,088
Net difference between projected and actual earnings on OPEB plan investments	-	-
District contributions subsequent to the measurement date	<u>22,941</u>	<u>-</u>
Total	\$ 82,042	\$ 246,752

Amounts reported as deferred outflows and inflows of resources related to OPEB as of June 30, 2022, to be reported as of June 30, 2023, will be recognized in OPEB expense as follows:

Year Ended June 30,

2024	\$ (44,507)
2025	(45,835)
2026	(48,941)
2027	(35,317)
2028	(13,051)
Thereafter	-

**DEL REY COMMUNITY SERVICES DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
YEAR ENDED JUNE 30, 2023**

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**Note 2: Other Post-Employment Benefits (OPEB) (continued)**

**Exhibit 6 – Schedule of Changes in the Total OPEB Liability**

Reporting date	<u>6/30/2022</u>	<u>6/30/2023</u>
<b>Total OPEB Liability</b>		
Service cost	\$ 46,572	\$ 29,249
Interest	17,469	12,595
Changes of benefit terms	-	-
Differences between actual and expected experience	(162,091)	-
Changes of assumptions	40,843	(146,584)
Benefits paid to retirees	<u>(23,244)</u>	<u>(20,286)</u>
Net change in total OPEB liability	(80,451)	(125,026)
 Total OPEB liability - beginning	 <u>668,356</u>	 <u>587,905</u>
Total OPEB liability - ending	\$ 587,905	\$ 462,879
 Covered-employee payroll	 \$ 207,087	 \$ 227,839
 Total OPEB liability as a percentage of covered-employee payroll	 283.89%	 203.16%

**Exhibit 7 – Ten-Year Projection of Costs**

Shown below are estimates of (a) the benefits expected to be paid to retirees, and (b) the amounts the District is expected to accrue as GASB 75 OPEB expense, for the next ten years. For these estimates, it is assumed that all actuarial assumptions and the size of the workforce will remain unchanged, that the promised benefits will remain the same, that the District will continue paying benefits to retirees each year, and that there are no experience gains or losses.

Fiscal Year Ending:	<u>Employer-Paid Retiree Payments</u>	<u>Projected Implicit Rate Subsidy Payments</u>	<u>GASB 75 OPEB Expense</u>
2023	\$ 19,000	\$ 4,232	\$ (2,663)
2024	15,000	-	(7,000)
2025	17,000	-	(7,000)
2026	19,000	-	(9,000)
2027	20,000	-	6,000
2028	22,000	-	30,000
2029	24,000	-	44,000
2030	25,000	-	46,000
2031	26,000	-	48,000
2032	28,000	498	49,000

**DEL REY COMMUNITY SERVICES DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS  
YEAR ENDED JUNE 30, 2023**

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**Note 2: Other Post-Employment Benefits (OPEB) (continued)**

**Exhibit 8 - Summary of Benefit Provisions**

The District contributes toward post-retirement benefits for employees who retire with a pension from CalPERS and select medical coverage with CalPERS.

The District pays 100% of the CalPERS medical premiums for eligible retired employees. Payments are made for as long as the retiree lives. The District makes no other payments to the retiree's dependents or to any other person. The District does not pay for dental or vision coverage, or any other benefits.

**Exhibit 9 - Summary of Actuarial Assumptions**

**Actuarial Assumptions:** The following assumptions as of June 30, 2022 were selected by the District in accordance with the requirements of GASB 75. These assumptions, in my opinion, are reasonable and appropriate for purposes of determining OPEB costs under GASB 75.

**20-Year Bond Rate:** The District has chosen to use the "S&P Municipal Bond 20 Year High Grade Rate Index" as its 20-year bond rate. That Index was 2.66% at June 30, 2020; 2.18% at June 30, 2021; and 4.09% at June 30, 2022.

**Discount rate:** 2.66% at June 30, 2020; 2.18% at June 30, 2021; and 4.09% at June 30, 2022. Since the benefits are not funded, the discount rate is equal to the 20-Year Bond Rate.

**Medical Cost Increases (Trend):** Medical premium amounts are assumed to increase 5.5% per year.

**Payroll Growth:** Total payroll is assumed to increase 3% per year in the future.

**Coverage Elections:** 100% of future eligible retired employees are assumed to participate in this program. Employees are assumed to keep the same medical plan after retirement that they have while employed.

**Mortality:** Mortality rates are taken from the 2017 CalPERS valuation.

**Funding Method:** The Entry Age actuarial cost method has been used, with normal costs calculated as a level percentage of payroll, as required by GASB 75.

**Disability:** Incidence of disability is considered to be included in the termination and retirement rates here, so no explicit recognition of disablement has been included.

**Inflation:** Long-term inflation is assumed to be 2.75% per year.

**DEL REY COMMUNITY SERVICES DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**YEAR ENDED JUNE 30, 2023**

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**Note 2: Other Post-Employment Benefits (OPEB) (continued)**

**Age-Specific Claims:** The per person annual “true cost” of medical coverage for the 2019-2020 fiscal year has been developed from the monthly insurance premiums, the demographics of the employee population and industry norms. The annual “true cost” amounts used in this valuation were (sample rates only are shown):

Age 50	14,501
Age 55	17,883
Age 60	20,844
Age 62	21,822
Age 64	22,362

These age-specific rates were developed so as to reproduce in the aggregate the same total premium that would be paid to the carriers for all current employees and all current retirees.

**Retirement:** Retirement rates are taken from the 2017 CalPERS OPEB Assumptions Model (for classified employees) and from the 2016 valuation of Cal STRS (for certificated employees). Sample rates are:

	<u>10 Years Service</u>	<u>20 Years Service</u>	<u>30 Years Service</u>
Age 55	5.5%	11.3%	23.4%
Age 58	6.6%	12.4%	20.1%
Age 61	9.4%	15.3%	24.1%
Age 64	14.7%	22.1%	30.8%

**Turnover (withdrawal):** Likelihood of termination within the next year is taken from the 2017 CalPERS OPEB Assumptions Model. Sample rates are:

	<u>5 Years Service</u>	<u>10 Years Service</u>	<u>15 Years Service</u>
Age 20	6.54%		
Age 30	6.15%	4.16%	2.62%
Age 40	5.19%	3.75%	2.43%
Age 50	4.41%	2.86%	1.88%

**DEL REY COMMUNITY SERVICES DISTRICT**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2023**

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**ASSESSED VALUATION OF THE DISTRICT**

The assessed valuation of Del Rey Community Services District for the fiscal year ended June 30, 2023, as provided by the County of Fresno Assessor's Office, is as follows:

	<u>For Rate Computation</u>	<u>Homeowners Exemptions</u>	<u>For Tax Levy</u>
Secured:			
a. Maintenance account	\$ 118,475,003	\$ 543,200	\$ 117,931,803
b. Lighting account	29,091,503	445,200	28,646,303
Unsecured:			
a. Maintenance account	7,824,694	-	7,824,694
b. Lighting account	<u>5,402,494</u>	<u>-</u>	<u>5,402,494</u>
	<u>\$ 160,793,694</u>	<u>\$ 988,400</u>	<u>\$ 159,805,294</u>



**DEL REY COMMUNITY SERVICES DISTRICT**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED JUNE 30, 2023**

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**Insurance Coverage**

<b><u>TYPE OF COVERAGE</u></b>	<b><u>Limit</u></b>
<b><u>PROPERTY</u></b>	
Blanket Building & Personal Property	\$ 6,995,789
Coverage Extension Blanket	2,000,000
<b><u>CRIME</u></b>	
Employee Theft	250,000
Forgery or Alteration	250,000
Inside the Premises – Theft	250,000
Inside the Premises – Robbery	250,000
Outside the Premises	250,000
Computer Fraud	250,000
Funds Transfer Fraud	250,000
Money Orders	250,000
<b><u>GENERAL LIABILITY</u></b>	
General Aggregate	10,000,000
Products – Comp/Op AGG	10,000,000
Personal and Advertising Injury	1,000,000
Each Occurrence Limit for the above items	1,000,000
Damage to Rented Premises	1,000,000
Medical Payment	10,000
<b><u>WORKERS' COMP AND EMPLOYER LIABILITY</u></b>	
Each Accident	1,000,000
Disease – Each Employee	1,000,000
Disease – Policy Limit	1,000,000
<b><u>EQUIPMENT</u></b>	
Scheduled Equipment: Computer	79,500
Unscheduled Equipment (Maximum item \$10,000)	150,000
Borrowed, Rental & Land	100,000
<b><u>AUTOMOBILE COVERAGE</u></b>	
Combined Single Limit CSL	1,000,000
Automobile Medical Payments	5,000
Uninsured Motorists Coverage	1,000,000
<b><u>PUBLIC OFFICIALS &amp; MANAGEMENT LIABILITY</u></b>	
Bodily Injury & Property Damage	10,000,000
Aggregate	1,000,000
Each Occurrence	1,000,000
Personal Injury & Advertising Injury-Each Action for Injunctive Relief	1,000,000
Damage to premises rent to you	1,000,000
Wrongful acts	1,000,000
Employment practices	1,000,000
Employee benefit plans	1,000,000



Jaribu W. Nelson, CPA

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

To the Board of Directors  
Del Rey Community Services District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Del Rey Community Services District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 12, 2024.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Del Rey Community Services District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

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

Jaribu W. Nelson, CPA

February 12, 2024

**DEL REY COMMUNITY SERVICES DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2023**

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**SECTION I – SUMMARY OF AUDITOR’S RESULTS**

**Financial Statements**

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

- |   |                          |     |                                     |    |
|---|--------------------------|-----|-------------------------------------|----|
| • Material weaknesses identified?         | <input type="checkbox"/> | Yes | <input checked="" type="checkbox"/> | No |
| • Significant deficiency(ies) identified? | <input type="checkbox"/> | Yes | <input checked="" type="checkbox"/> | No |

Non-compliance material to financial statements  
noted?

<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No
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**SECTION II – FINANCIAL STATEMENT FINDINGS**

There were no financial statement finding to be reported in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*.

**SECTION III – FEDERAL AWARDS FINDINGS**

There are no federal award findings in accordance with *GAGAS* and the Compliance Supplement.

**DEL REY COMMUNITY SERVICES DISTRICT  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2022**

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The District did not have any prior year findings.

APPENDIX C  
PROPOSED DISTRICT FINANCIAL BUDGET FOR  
FY 2023-2024 & FY 2024-2025

**DEL REY COMMUNITY SERVICES DISTRICT**

	<b>PROPOSED BUDGET 2023-24</b>	<b>ANNUAL</b>
Solid Waste	\$	115,000
Sewer		650,000
Water		270,000
Reimbursement from Del Rey Packing		15,000
Meters Fees		2,100
Property Taxes		100,000
Late Charge fees		100
Street Lighting Transfer		11,000
CDBG Grant reimbursement for Engineer		40,000
Recreation		1,250
Hall Rentals		3,500
<b>TOTAL RECEIPTS</b>	<b>\$</b>	<b>1,207,950</b>

**DISBURSEMENTS**

5100-00	Salaries and Wages	\$	245,343
5120-00	Health Insurance- Employees		60,840
5121-00	Health Insurance- Retirees		5,000
5123-00	Employment Taxes- Employer		16,561
5124-00	Retirement -Cal Pers		13,694
5130-00	Workers Compensation		10,000
5205-00	Directors' Fees		12,000
5215-00	Telephone Expense		8,000
5220-00	Gen Admin Expense		5,000
5225-00	Office Supplies		2,000
5225-02	Postage and Shipping		2,000
5225-03	Alarm Service		1,200
5226-00	Bank Service Charges		1,000
5230-00	Legal Services		48,000
5240-00	Accounting Services		18,000
5241-00	Annual Audit Fees		15,000
5245-00	Computer and Software		2,000
5252-01	Membership		3,000
5252-00	SOUTH KINGS GSA		110,000
5300-00	Fuel and Oil		8,000
5315-00	Utilities -Power Expense		280,000
5315-01	Street Lighting		11,000
5320-00	Engineer Fees		45,000
5321-00	Water Testing Expense		128,000
5325-01	Maintenance- Water		5,000
5325-02	Maintenance-Sewer		12,000
5325-03	Maintenance- Buildings		6,000
5325-04	Maintenance- Vehicles		3,000
5325-05	Maintenance- Equipment		12,000
5325-06	Pest Control		2,000
5340-00	Supplies and Consumables		22,000

5341-00	Small Tools	1,000
5342-00	Equipment Rental	2,000
5345-00	Uniform Expense	4,500
5350-04	Solid Waste Contract-	100,000
5360-04	Liability Insurance expense	36,000
5380-00	Licenses and Permits- Waste Water Syste	55,000
5395-00	Interest- Sewer Bond	22,275
2300-00	State Water Loan	5,750
2325-00	Sewer Rev, Bond Principle Payment	29,000
5400-00	Compliance Expense	500
6560-00	Property tax expense	4,000
6665-01	Payroll Service expense	3,000
	<b>SUBTOTAL- DISBURSEMENTS</b>	<b><u>1,375,662</u></b>
	<b>TRANSFER IN FROM RESERVES-R/E</b>	<b><u>(167,712)</u></b>
	<b>TOTAL DISBURSEMENTS AND RESERVES</b>	<b><u>\$ 1,207,950</u></b>



**DEL REY COMMUNITY SERVICES DISTRICT**

	<b>PROPOSED BUDGET 2024-25</b>	<b>ANNUAL</b>		
Solid Waste	\$	147,715		
Sewer		731,240		
Water		654,480		
Reimbursement from Del Rey Packing		15,000		
Meters Fees		2,100		
Property Taxes-Fund 4300-Sub 10000		88,000		
Property Taxes-Fund 4300-Sub 20275		20,000		
Late Charge fees		100		
Street Lighting Transfer		11,000		
CDBG Grant reimbursement for Engineer		100,000		
Recreation		1,250		
Hall Rentals		3,500		
Insurance proceeds-Pumps				
<b>TOTAL RECEIPTS</b>	<b>\$</b>	<b>1,774,385</b>		

**DISBURSEMENTS**

5100-00	Salaries and Wages	\$	250,146		
5120-00	Health Insurance- Employees		59,233		
5121-00	Health Insurance- Retirees		14,808		
5123-00	Employment Taxes- Employer		19,136		
5124-00	Retirement -Cal Pers		10,477		
5130-00	Workers Compensation		23,883		
5205-00	Directors' Fees		27,000		
5215-00	Telephone Expense		8,000		
5220-00	Gen Admin Expense		5,000		
5225-00	Office Supplies		2,000		
5225-02	Postage and Shipping		2,000		
5225-03	Alarm Service		1,200		
5226-00	Bank Service Charges		1,000		
5230-00	Legal Services		30,000		
5240-00	Accounting Services		20,000		
5241-00	Annual Audit Fees		15,000		
5245-00	Computer and Software		2,000		
5252-01	Membership		3,000		
5252-00	SOUTH KINGS GSA		168,000		
5300-00	Fuel and Oil		8,000		
5315-00	Utilities -Power Expense		339,000		
5315-01	Street Lighting		11,000		
5320-00	Engineer Fees		100,000		
5321-00	Water Testing Expense		150,000		
5325-01	Maintenance- Water		25,000		
5325-02	Maintenance-Sewer		12,000		
5325-03	Maintenance- Buildings		6,000		
5325-04	Maintenance- Vehicles		10,000		
5325-05	Maintenance- Equipment		35,000		
5325-06	Pest Control		2,000		
5340-00	Supplies and Consumables		22,000		
5341-00	Small Tools		1,000		
5342-00	Equipment Rental		2,000		
5345-00	Uniform Expense		5,000		
5350-04	Solid Waste Contract-		100,000		
5360-04	Liability Insurance expense		40,000		
5380-00	Licenses and Permits- Waste Water System		100,000		
5395-00	Interest- Sewer Bond		22,275		
2300-00	State Water Loan		5,750		
2325-00	Sewer Rev, Bond Principle Payment		29,000		
5400-00	Compliance Expense		500		
6560-00	Property tax expense		4,000		
6665-01	Payroll Service expense		3,000		
<b>SUBTOTAL- DISBURSEMENTS</b>			<b>1,694,409</b>		
<b>RESERVES</b>			<b>79,976</b>		
<b>TOTAL DISBURSEMENTS AND RESERVES</b>	<b>\$</b>		<b>1,774,385</b>		

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

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**AGENDA ITEM NO. 9**

**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 Mid-Valley Water District (LAFCo File No. MSR-24-01/RSOI-212)

**Attachment A** – Proposed Mid-Valley Water District Sphere of Influence Update Map

**Attachment B** – Draft Mid-Valley Water District Municipal Service Review

**Attachment C** – Mid-Valley Water District Board of Director's Letter

**Attachment D** – McMullin Area Groundwater Sustainability Agency Map

**Recommendations:**

Conditional Approval of the Municipal Service Review and Sphere of Influence Update prepared for Mid-Valley 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 Mid-Valley Water District ("MVWD" or the "District") is Categorically Exempt from the provisions of CEQA under section 15306, "Information Collection."

**Action 2: Mid-Valley 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 MVWD, Lead Agency, for its review and update of the MVWD SOI.
- B. Find that LAFCo, as a Responsible Agency, has determined that the MVWD 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 MVWD 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 MVWD SOI update as recommended in the MSR pursuant to Government Code section 56425(e).
- E. Approve and adopt the proposed amendment to MVWD’s SOI, reducing it by 28,874 acres, subject to the condition of approval outlined in Action 4 below. **(Attachment A)**
- F. Make the following MVWD MSR and SOI update recommendations:
  - a. Advise MVWD to publish a website pursuant to SB 929.
  - b. Advise MVWD to hold board meetings in compliance with the Brown Act.

#### **Action 4: Conditions of Approval**

- A. Further reduce the MVWD SOI boundary along the James Bypass.
  - a. The James Bypass is owned and maintained by Reclamation District No. 1606. Shifting the MVWD SOI boundary from the south/west bank of the James Bypass to the north/east bank of the James Bypass removes the territory bounded by the north/east bank of the James Bypass, Lake Avenue to the east, the south/west bank of the James Bypass, and Amador Avenue to the west.
- B. RCWD’s execution of an Indemnification Agreement as described in in the staff report for Agenda Item No. 10 (LAFCo File No. MSR-24-01/RSOI-211).

#### **Executive Summary**

The proposal is a request by Raisin City Water District (“RCWD”), via District Resolution, to reduce the MVWD SOI by 28,874 acres of territory.<sup>1</sup> The MVWD Board of Directors voted unanimously to acknowledge an increase in the RCWD SOI, resulting in a corresponding decrease in the MVWD SOI. **(Attachment C)** The proposed territory is generally bounded by the California Avenue alignment to the north, Lake Avenue to the east, south/west bank of the James Bypass, and Tuolumne Avenue alignment to the west.

#### **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

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

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. MVWD is a participant in the McMullin Area GSP and is a member agency of the McMullin Area GSA (“MAGSA”). **(Attachment D)**

## **Background**

In August 2007, Fresno LAFCo adopted an MSR for MVWD. The 2007 MSR made the following critical determinations about the District:

- No growth or population increases are anticipated by the MVWD. Future land uses are anticipated to remain the same. The District is unable to consistently serve the existing population.
- The MVWD currently has no facilities and is unable to provide consistent service.
- The MVWD receives funding from landowner assessments for service. Assessments have been waived annually since 2001 due to the current level of service provided. The District is currently operating on a minimal budget of interest income and operating reserves.
- There are no rates charged for services.
- No significant cost avoidance opportunities have been identified, as the MVWD is currently operating on a minimal budget.
- There are no opportunities for shared facilities, as the MVWD has no facilities and is not consistently providing water service.
- The MVWD is barely operational. It does not employ personnel.
- Board of Directors meetings are held only once a year, in violation of the Brown Act, and appear to be noticed consistent with the Brown Act.

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. The application also included a proposed SOI reduction for MVWD, accompanied by a letter of support from the President of the MVWD Board of Directors.

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 December 23, 2024, RCWD submitted revisions to the RCWD and MVWD draft MSRs to incorporate the location of JID well field easements and to update the language recognizing JID well field easements within the MSRs.

On February 21, 2025, Fresno LAFCo received comments from JID and RD 1606, expressing concerns regarding the MVWD SOI extending beyond the MAGSA boundaries into James Groundwater Sustainability Agency (“James GSA”) and portions of RD 1606, which is the sole landowner within the James Bypass.

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 MSR-SOI Update/ MVWD MSR-SOI Update. 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, RD 1606, 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 – Mid-Valley Water District**

Mid-Valley Water District is located in northwestern Fresno County, north of the community of Tranquillity and the City of San Joaquin. The District encompasses approximately 13,678 acres (21.37 square miles). The District’s SOI encompasses approximately 42,552 acres (66.49 square miles).

MVWD 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 Project Improvement Act, the District has been unable to maintain a long-term water supply.

MVWD 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.

MVWD currently does not provide any services to landowners within its service area. The District is a participating member of MAGSA pursuant to SGMA.

MVWD currently 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 licensed 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.

MVWD 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 and 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.

MVWD adopted budget for fiscal year FY 2023-24 shows a total of \$38,750. The District's operating revenue was \$36,830 for the fiscal year ended June 30, 2023. Operating expenses for the fiscal year ended June 30, 2023 were \$36,640. The District's operating revenue is solely generated from landowner assessments.

MVWD 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.

The MVWD 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.

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

### **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 SOI.

### **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 the preparation of environmental documentation 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 Regulation 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 Regulation 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 Regulation section 15062.



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

Big Sandridge  
No. 65

Big Sandridge  
Spillway No. 142

Houghton Waste  
No. 195

Biola

Fresno

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

Mid-Valley Water District

PROVOST &  
PRITCHARD

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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

Prepared by:

**PROVOST&PRITCHARD**  
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Appendix C. RCWD By-Laws
Appendix D. MVWD Adopted Budget (FY 23-24)
Appendix E. MVWD Bylaws
Appendix F. JID Wells

# 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.<sup>1</sup> 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.

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<sup>1</sup> (Justia U.S. Law, 1913)

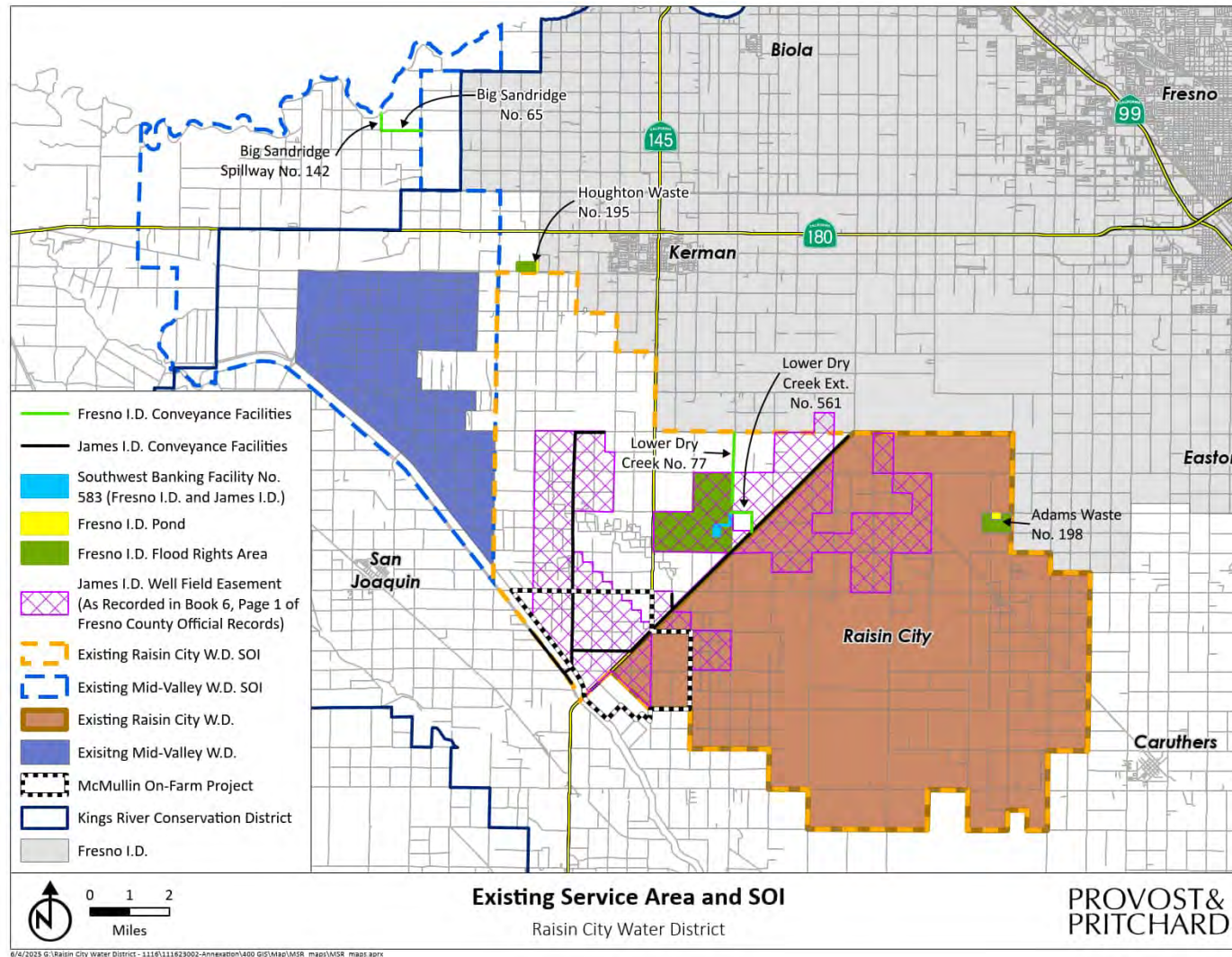


Figure II-1. Existing Sphere of Influence and District Boundaries

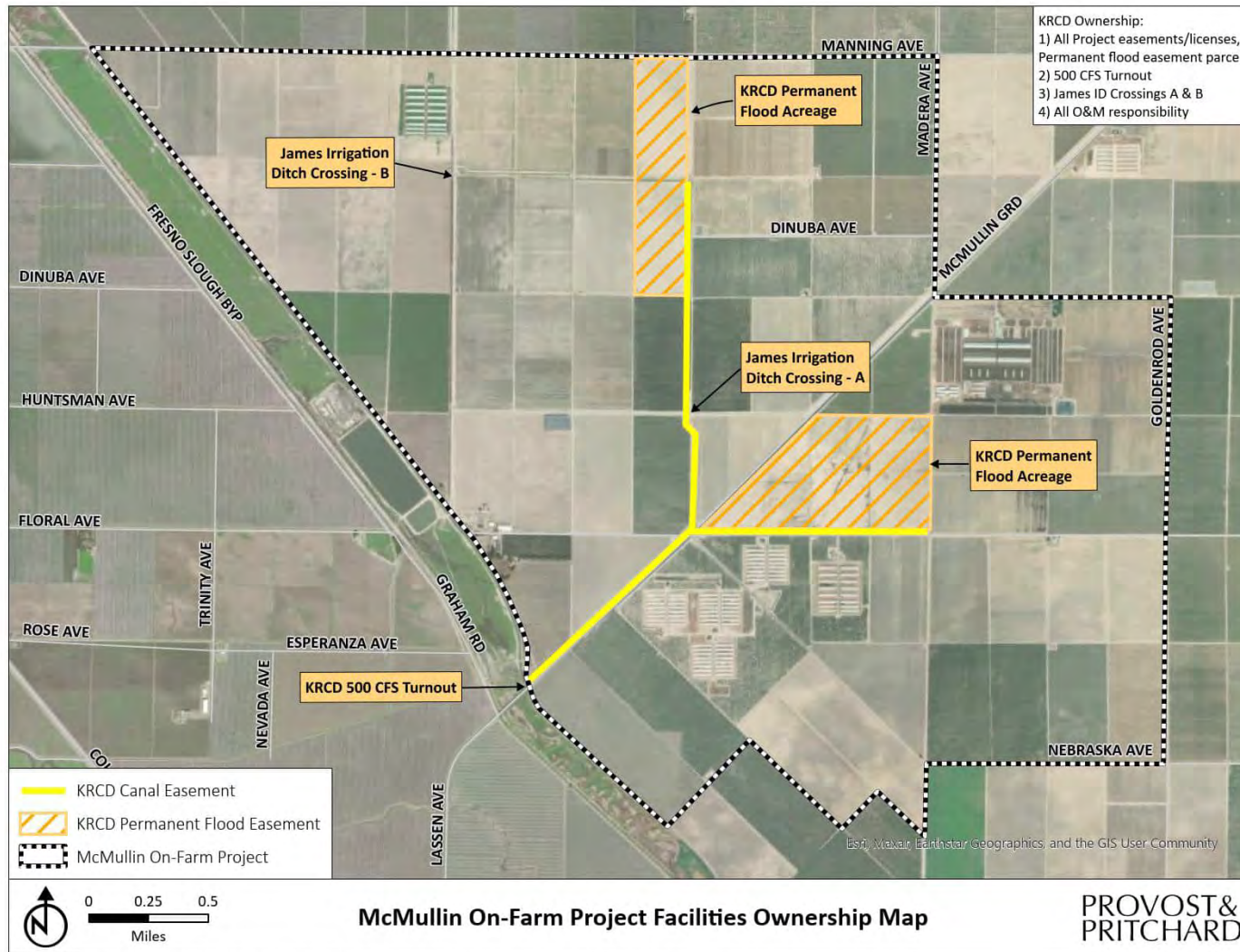


Figure II-2. McMullin On-Farm Project Ownership



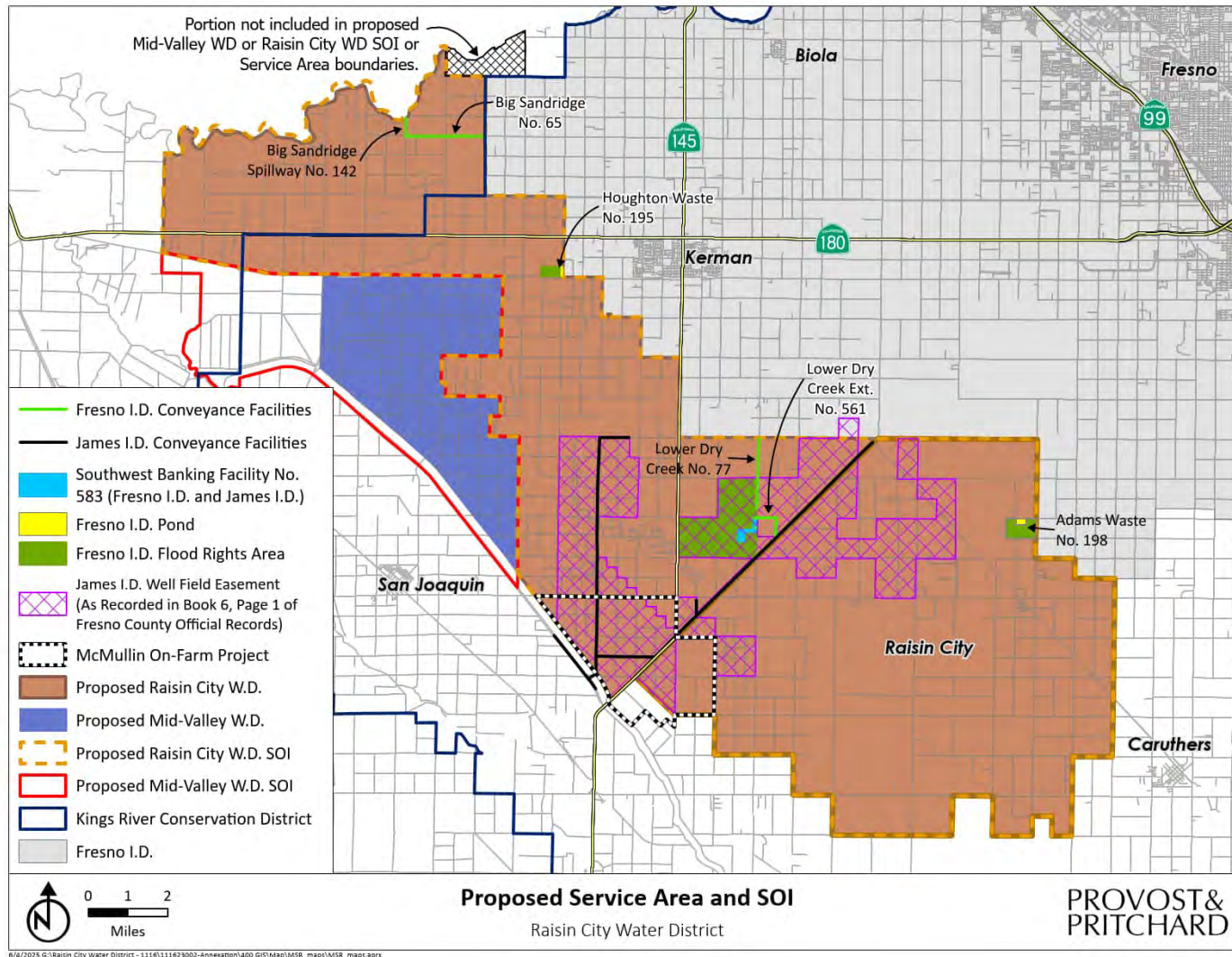


Figure II-3. Proposed Sphere of Influence and District Boundaries

## Summary of Determinations

Table II-1. Summary of Municipal Service Review Determinations

Summary of Municipal Service Review Determinations	
SUBJECT	DETERMINATION
<b>Growth and Population</b>	No future deficiencies related to growth and population are expected.
<b>Disadvantaged Unincorporated Communities</b>	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.
<b>Present and Planned Capacity of Public Facilities</b>	The District does not own any public facilities or physical infrastructure.
<b>Adequacy of Public Services</b>	Public Services provided by the District are adequate in terms of operation and maintenance.
<b>Infrastructure Needs or Deficiencies</b>	No direct water services to landowners are currently provided by the District.
<b>Financial Ability of the Agency to provide Services</b>	The District has the financial capacity to continue to operate and serve its customers, including future customers.
<b>Status of and Opportunities for Shared Facilities</b>	<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"> <li>• Fresno Irrigation District to the north;</li> <li>• Consolidated Irrigation District to the east;</li> <li>• Liberty Water District to the southeast;</li> <li>• Stinson Water District to the southwest;</li> <li>• James Irrigation District to the west,</li> <li>• Mid-Valley Water District to the northwest.</li> </ul>
<b>Accountability, Government Structure, and Operational Efficiencies</b>	The District has a stable government structure that provides for accountability and operational efficiency.
<b>Other Fresno LAFCo Policies</b>	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
<b>Present and Planned Land Uses</b>	The District has adequate capacity, financial ability, accountability, and government structure to serve the present and planned land uses.
<b>Present and Probable Need for Public Facilities and Services</b>	The District does not own any public facilities or physical infrastructure.
<b>Present Capacity of Public Facilities and Agency's Ability to Provide</b>	The District does not own any public facilities or physical infrastructure.
<b>Existence of Social or Economic Communities of Interest</b>	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.
<b>Need for Services by Disadvantaged Unincorporated Communities within the SOI</b>	Not applicable.
<b>Effect on Orderly Development Including Agricultural Land Preservation</b>	The District has planned for orderly development including that which affects agricultural land preservation.
<b>Conformance with Applicable General or Specific Plans</b>	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.<sup>2</sup> 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.

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<sup>2</sup> (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	<a href="http://rcwd.ca.gov/">http://rcwd.ca.gov/</a>
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.<sup>3</sup> 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.<sup>4</sup> 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.<sup>5</sup> 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.

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<sup>3</sup> (Fresno Council of Governments, 2023)

<sup>4</sup> (Fresno County, 2024)

<sup>5</sup> (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:<sup>6</sup>

- 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.

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<sup>6</sup> (Raisin City Water District, 2015)

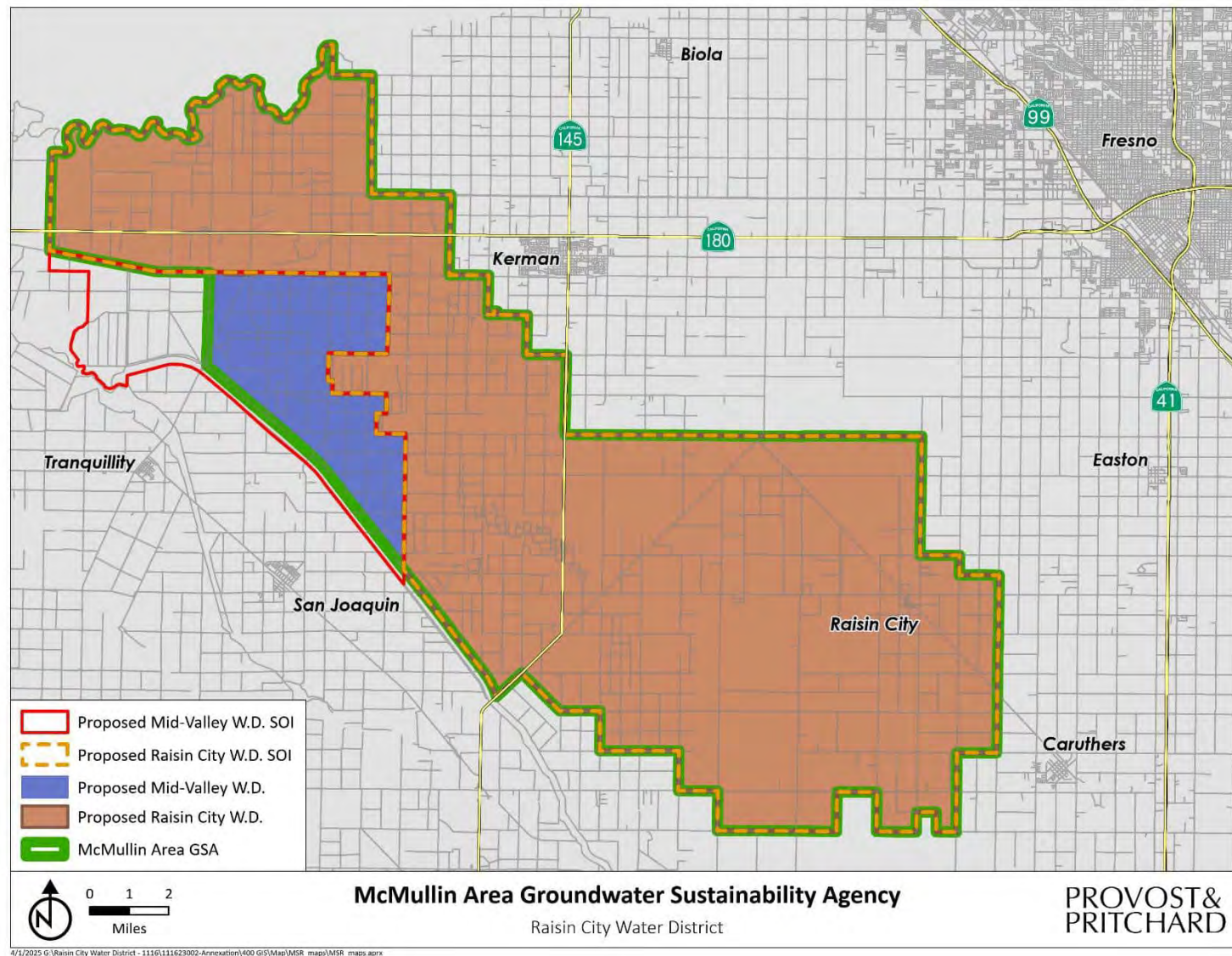


Figure II-4. McMullin Groundwater Sustainability Agency Map

### *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.<sup>7</sup> 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.

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<sup>7</sup> (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
<b>Project Fees &amp; Costs</b>			
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	<b>\$242,400</b>	<b>80,448</b>	<b>\$243,300</b>
<b>Projected Income</b>			
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	<b>\$62,460</b>	<b>\$60,545</b>	<b>\$68,060</b>

### 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.<sup>8</sup> 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.<sup>9</sup> 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.<sup>10</sup> 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.<sup>11</sup> 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.

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<sup>8</sup> (Fresno Council of Governments, 2023)

<sup>9</sup> (Fresno County, 2024)

<sup>10</sup> (California Department of Conservation, 2023)

<sup>11</sup> (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.



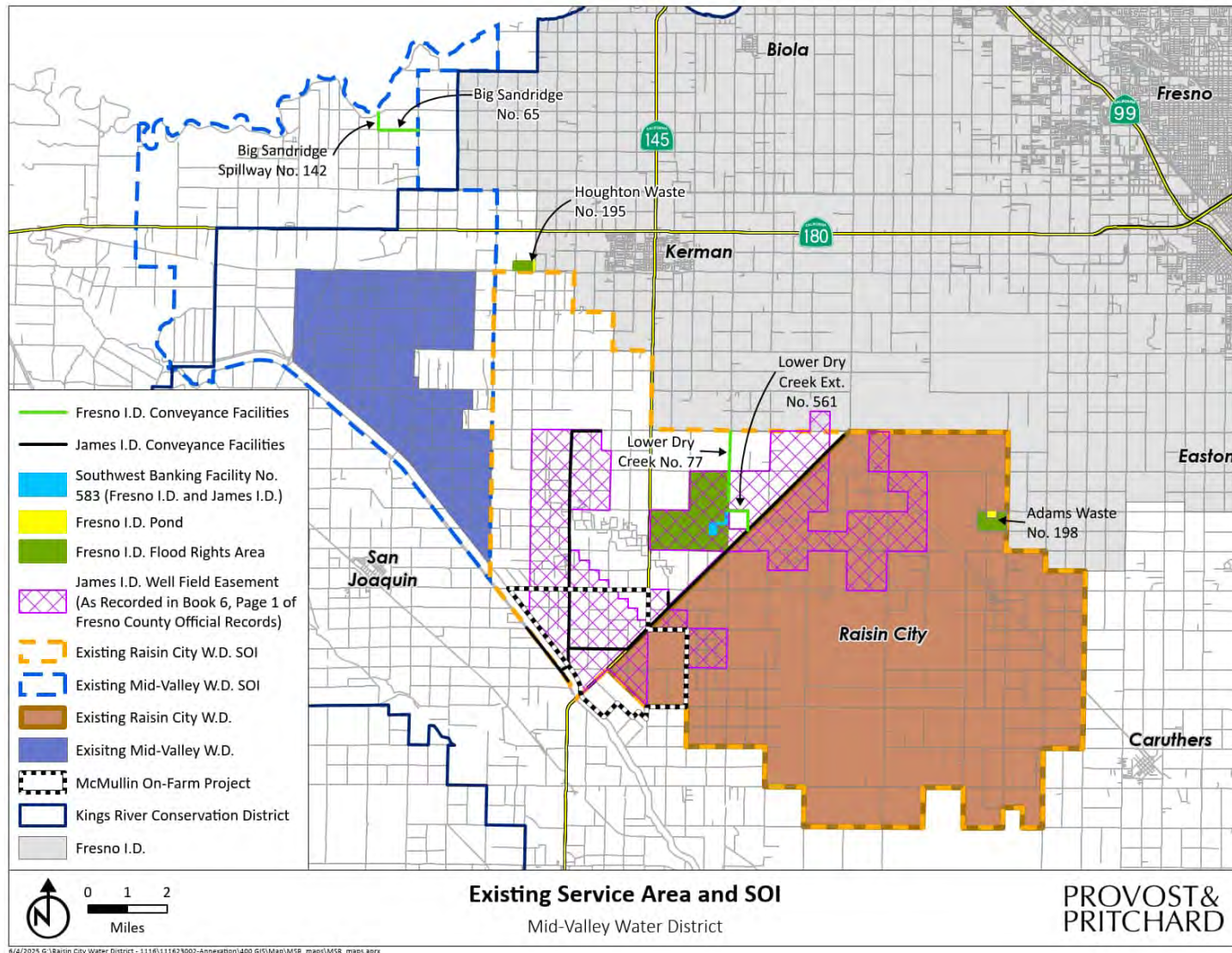


Figure III-1. Existing Sphere of Influence and District Boundaries

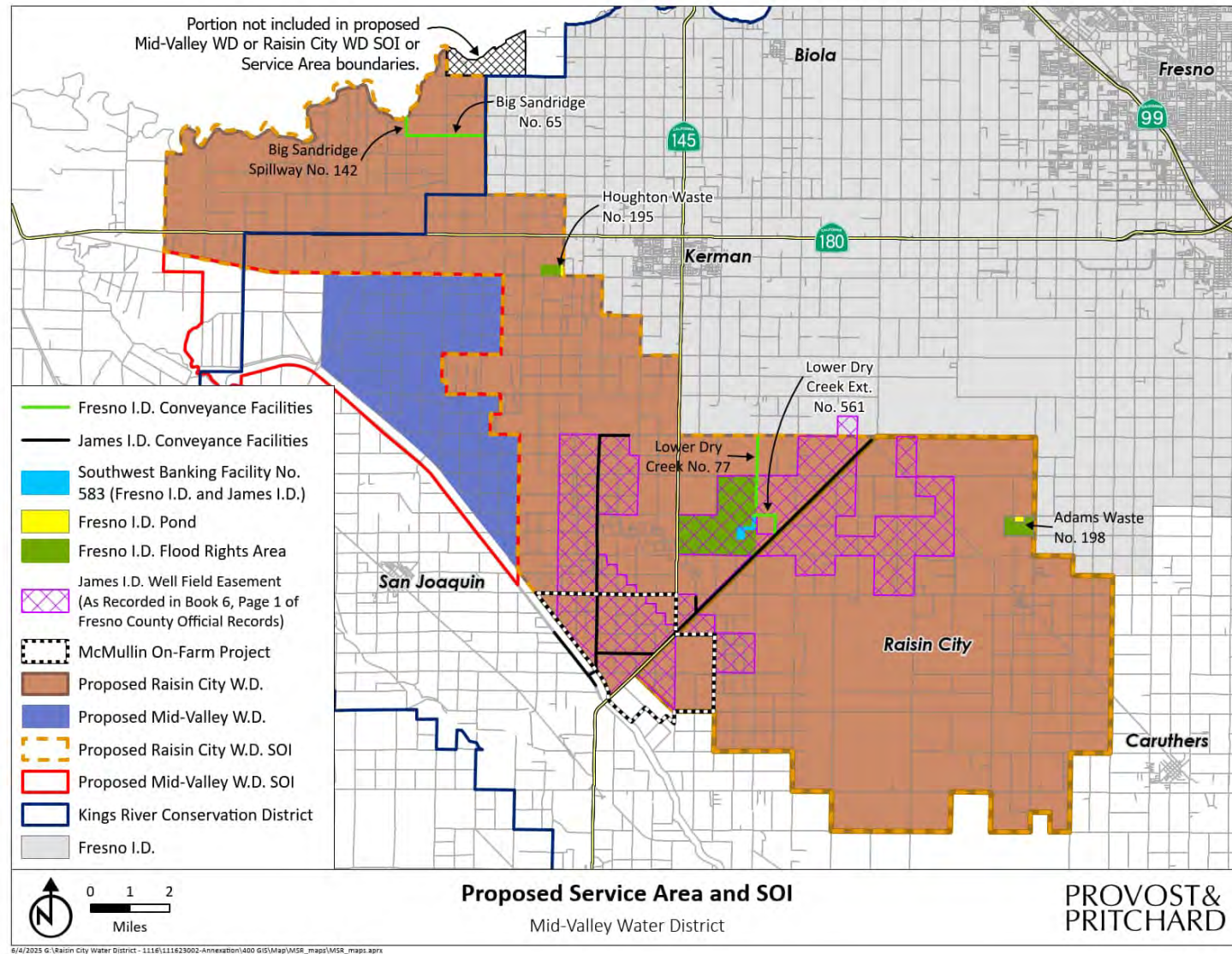


Figure III-2. Proposed Sphere of Influence and District Boundaries



## Summary of Determinations

Table III-1. Summary of Municipal Service Review Determinations

Summary of Municipal Service Review Determinations	
SUBJECT	DETERMINATION
<b>Growth and Population</b>	No future deficiencies related to growth and population are expected.
<b>Disadvantaged Unincorporated Communities</b>	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.
<b>Present and Planned Capacity of Public Facilities</b>	The District does not own any public facilities or physical infrastructure.
<b>Adequacy of Public Services</b>	Public Services provided by the District are adequate in terms of operation and maintenance.
<b>Infrastructure Needs or Deficiencies</b>	No direct water services to landowners are currently provided by the District.
<b>Financial Ability of the Agency to provide Services</b>	The District has the financial capacity to continue to operate and serve its customers, including future customers.
<b>Status of and Opportunities for Shared Facilities</b>	<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"> <li>• Fresno Irrigation District to the north;</li> <li>• Consolidated Irrigation District to the east;</li> <li>• Liberty Water District to the southeast;</li> <li>• Stinson Water District to the southwest;</li> <li>• James Irrigation District to the west,</li> <li>• Raisin City Water District to the east.</li> </ul>
<b>Accountability, Government Structure, and Operational Efficiencies</b>	The District has a stable government structure that provides for accountability and operational efficiency.
<b>Other Fresno LAFCo Policies</b>	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
<b>Present and Planned Land Uses</b>	The District has adequate capacity, financial ability, accountability, and government structure to serve the present and planned land uses.
<b>Present and Probable Need for Public Facilities and Services</b>	The District does not own any public facilities or physical infrastructure.
<b>Present Capacity of Public Facilities and Agency's Ability to Provide</b>	The District does not own any public facilities or physical infrastructure.
<b>Existence of Social or Economic Communities of Interest</b>	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.
<b>Need for Services by Disadvantaged Unincorporated Communities within the SOI</b>	Not applicable.
<b>Effect on Orderly Development Including Agricultural Land Preservation</b>	The District has planned for orderly development including that which affects agricultural land preservation.
<b>Conformance with Applicable General or Specific Plans</b>	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.<sup>12</sup> 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.

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<sup>12</sup> (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**).



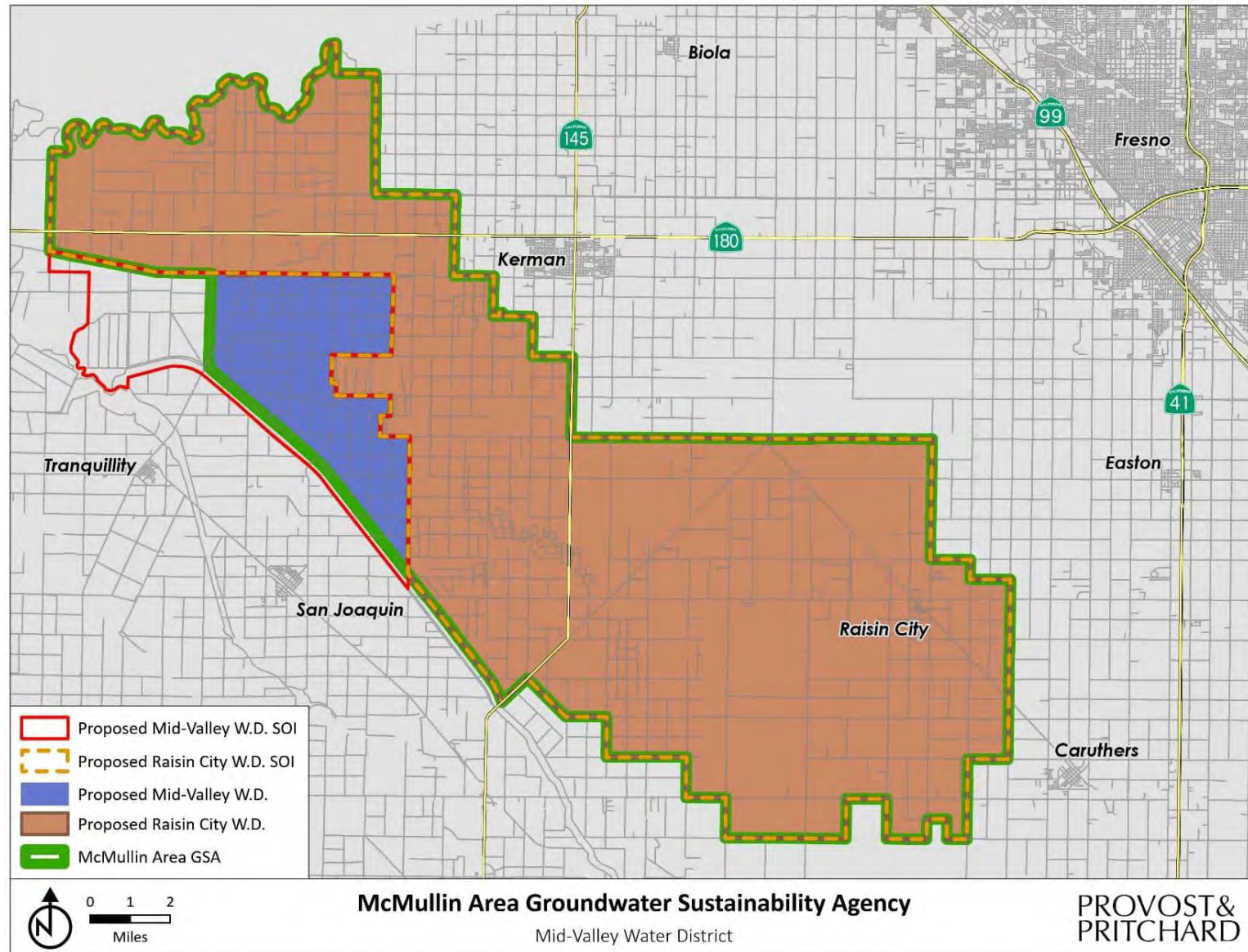


Figure III-3. McMullin Groundwater Sustainability Agency Map



## 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
<b>Administration Budget</b>			
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	<b>\$37,500</b>	<b>\$38,653</b>	<b>\$38,500</b>
<b>Water Management Budget</b>			
Sustainable Groundwater Management Act	-	-	-
Integrated Regional Water Management	\$250	-	\$250
Total Water Procurement Budget	<b>\$250</b>	<b>-</b>	<b>\$250</b>
Grand Total	<b>\$37,750</b>	<b>\$38,653</b>	<b>\$38,750</b>

### 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.<sup>13</sup>

### 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;

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<sup>13</sup> (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.<sup>14</sup> 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.

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<sup>14</sup> (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

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- Raisin City Water District. (2015). *Municipal Service Review and Sphere of Influence Update*. Retrieved from <https://www.fresnolaico.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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Statement of Cash Flows	9
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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



# 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, 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.

7543 North Ingram, Suite 102  
Fresno, California 93711

phone 559-261-4300

fax 559-261-4301



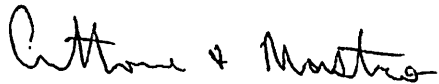
## Opinion

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, 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>
----------------------	------------------

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>
-------------------	---------------

**Net Position**

Unrestricted	<u>1,044,374</u>
--------------	------------------

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	32,845
	<u>161,945</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)
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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Statement of Revenues, Expenditures and Changes in Net Position	8
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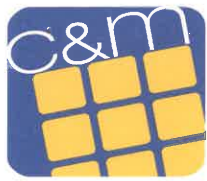
RAISIN CITY WATER DISTRICT  
BOARD OF DIRECTORS AND ADMINISTRATION  
FOR THE YEAR ENDED JUNE 30, 2020

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.

### **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, 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
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Capital Assets - Net	<u>182,718</u>
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Total Assets	<u><u>1,069,215</u></u>
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**Liabilities**

Current Liabilities

Accounts Payable	<u>169,125</u>
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Total Liabilities	<u>169,125</u>
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**Net Position**

Unrestricted	<u>900,090</u>
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Total Net Position	<u><u>\$ 900,090</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, 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.

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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. 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

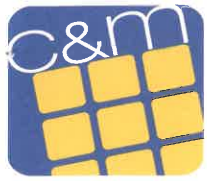
Capital asset activity for the year ended June 30, 2020 consisted of the following:

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

7543 North Ingram, Suite 102  
Fresno, California 93711

phone 559-261-4300

fax 559-261-4301

### *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,

*Cuttone & 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**

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

**Administration**

<b>Randy Hopkins</b>	<b>Manager</b>
<b>Rick Besecker</b>	<b>Treasurer</b>



# CUTTONE & MASTRO

CERTIFIED PUBLIC ACCOUNTANTS

## 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.

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 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 "Cutler & Mastros". 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
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Capital Assets - Net	<u>467,000</u>
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Total Assets	<u>993,002</u>
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**Liabilities**

**Current Liabilities**

Accounts Payable	<u>3,262</u>
------------------	--------------

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>
--------------------	-------------------

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><u>\$ 989,740</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, 2021**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers	\$ 37,198
Cash Paid to Suppliers	<u>(293,349)</u>
Net Cash Flows from Operating Activities	(256,151)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
GSA Reimbursements and Other Income	<u>1,362</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Cash Received From Interest Earned	<u>6,402</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital Assests Acquired	<u>(109,769)</u>
Net Change in Cash	(358,156)
Cash at the Beginning of Year	<u>878,348</u>
Cash at the End of Year	<u><u>\$ 520,192</u></u>
 <b>Reconciliation of Operating Loss to Net Cash Flows from Operating Activities:</b>	
Operating Loss	\$ (89,867)
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>\$ 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**

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

**Administration**

<b>Randy Hopkins</b>	<b>Manager</b>
<b>Rick Besecker</b>	<b>Treasurer</b>



# CUTTONE & MASTRO

CERTIFIED PUBLIC ACCOUNTANTS

## 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.

7543 North Ingram, Suite 102  
Fresno, California 93711

phone 559-261-4300

fax 559-261-4301

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.

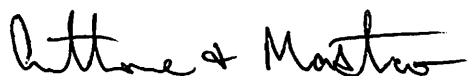
In performing an audit in accordance with generally accepted auditing standards, we:

- 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)	<u>(51,988)</u>	<u>(43,427)</u>	<u>(8,561)</u>	<u>19.71%</u>
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.

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, 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:



President



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.



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



# CUTTONE & MASTRO

CERTIFIED PUBLIC ACCOUNTANTS

## 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.

7543 North Ingram, Suite 102  
Fresno, California 93711

phone 559-261-4300

fax 559-261-4301

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>\$114,816</u>	<u>\$112,875</u>	<u>\$ 1,941</u>	<u>1.72%</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>\$114,816</u>	<u>\$112,875</u>	<u>\$ 1,941</u>	<u>1.72%</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**

<b>Operating Revenues</b>	
Assessments	\$ 36,830
Total Operating Revenues	<u>36,830</u>
<b>Operating Expenses</b>	
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>
<b>Nonoperating Revenues</b>	
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>
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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  
JAS*

NO RECORDING OR FILING FEE REQUIRED  
(GOVERNMENT CODE SECTIONS 6103 AND 27383)

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(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, 1994<sup>5</sup>. 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, 1994<sup>5</sup>



Norman Clark, Director



Silveno Botelho, Director



Larry Sullivan, Director

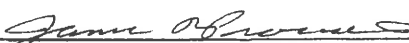


Jim Couto, Director



Silveno Botelho, Secretary

SUBSCRIBING WITNESS FOR SILVENO BOTELO

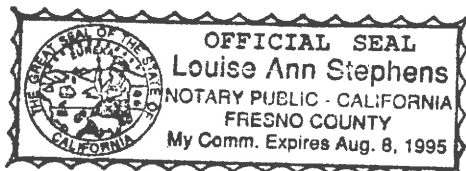


JAMES R. PROVOST

STATE OF CALIFORNIA )  
 )SS.  
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.

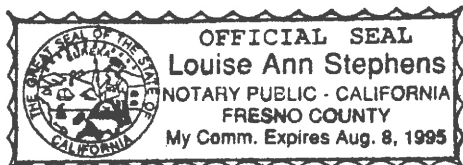


*Louise Ann Stephens*

STATE OF CALIFORNIA )  
 )SS.  
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.



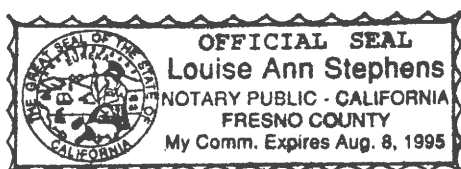
*Louise Ann Stephens*



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 CALIFORNIACounty of FRESNOOn this the 21<sup>ST</sup> day of MARCH 19 95, before me, the undersignedNotary 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 sawSILVENO BOTELHO

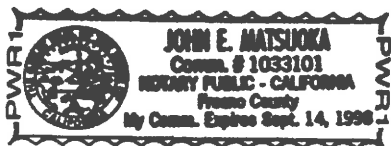
NAME OF ABSENT PRINCIPAL SIGNER

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 ofSILVENO BOTELHO

NAME OF PRINCIPAL SIGNER (AGAIN)



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: \_\_\_\_\_

**ABSENT SIGNER (PRINCIPAL) IS REPRESENTING:**

NAME OF PERSON(S) OR ENTITY(IES)

**DESCRIPTION OF ATTACHED DOCUMENT**

TITLE OR TYPE OF DOCUMENT

NUMBER OF PAGES

DATE OF DOCUMENT

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

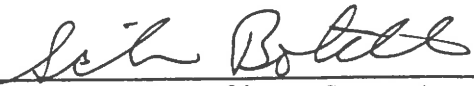
  
\_\_\_\_\_  
Larry Sullivan

  
\_\_\_\_\_  
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

24

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 \_\_\_\_\_



Office of the Clerk  
Seal of the County of Fresno

UNANIMOUS X CONRAD \_\_\_\_\_ KOLIGIAN \_\_\_\_\_ LEVY \_\_\_\_\_ OKEN \_\_\_\_\_ VAGIM \_\_\_\_\_

## Appendix F. JID Wells















# MID-VALLEY WATER DISTRICT

PRESIDENT  
ARIEL NAMVAR  
VICE PRESIDENT/Secretary  
NADAV ICHAKI  
TREASURER  
JAY GILL  
ASSESSOR-COLLECTOR  
FAROKH SAADAT  
FARA RABAN

455 W FIR AVENUE  
CLOVIS, CALIFORNIA 93611-0242  
PHONE (559) 449-2700 / FAX (559) 449-2715

MANAGER-ENGINEER  
RANDY HOPKINS  
LEGAL COUNSEL  
DAVID HOLLAND

April 4, 2024

Brian Spaunhurst, Executive Officer  
Fresno Local Agency Formation Commission  
1401 Fulton Street, Suite 900  
Fresno, CA 93721

SUBJECT: Raisin City Water District sphere of influence expansion

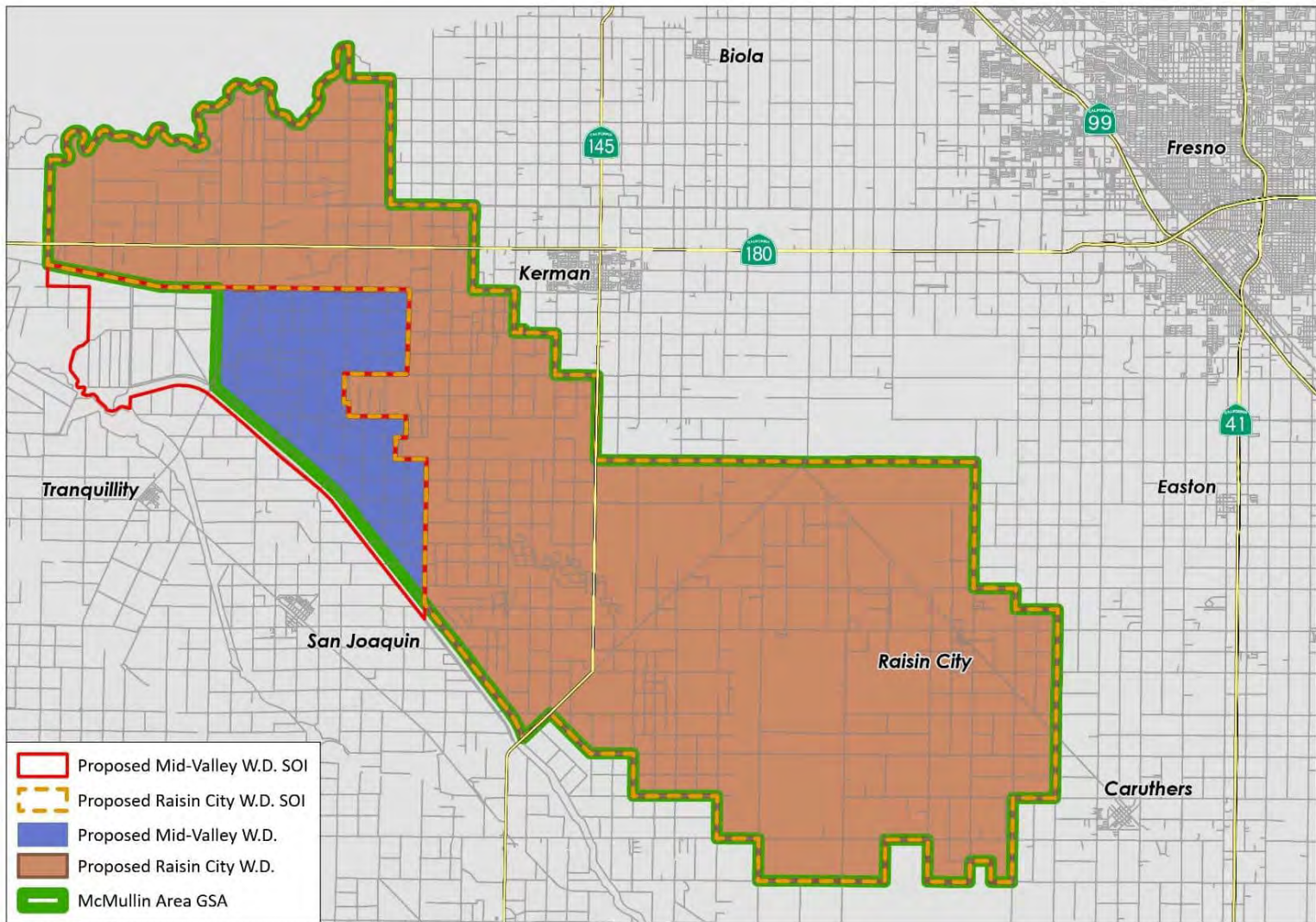
Dear Mr. Spaunhurst:

Mid-Valley Water District (MVWD) is aware of an upcoming proposal from Raisin City Water District (RCWD) to amend its sphere of influence (SOI) to include lands currently within MVWD's SOI. The intent of this letter is to inform you that on March 20, 2024 the MVWD Board of Directors voted unanimously to acknowledge that any such increase to RCWD's SOI would result in a corresponding decrease to MVWD's SOI. In the interest of regional collaboration to solve our water issues, MVWD will not challenge the adjustments to the respective districts' SOIs. Please contact Randy Hopkins, District Manager-Engineer, at 559.449.2700 with any questions. Thank you.

Respectfully,



Ariel Namvar, Director  
Mid-Valley Water District



0 1 2  
Miles

**McMullin Area Groundwater Sustainability Agency**

Mid-Valley Water District

**PROVOST &  
PRITCHARD**