

AGENDA

**MERCY SPRINGS WATER DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING
June 30, 2021 – 9:00 a.m.**

**JOIN THE OPEN SESSION MEETING FROM YOUR COMPUTER, TABLET OR SMARTPHONE
THROUGH THE FOLLOWING MEANS:**

<https://global.gotomeeting.com/join/741125757>

AND PLEASE DIAL

Conference call in number: (844) 783-6236 Passcode: 209 364 6136

- 1. CALL TO ORDER**
- 2. REVIEW OF AGENDA:** The Board will consider corrections to the Agenda.
- 3. ROLL CALL:** A quorum will be confirmed and the Board will consider appointment of an acting Officer(s) in the event the President, Vice-President, and/or Secretary is absent from the meeting.
- 4. POTENTIAL CONFLICTS OF INTEREST:** Any Board member who has a potential conflict of interest may now identify the Agenda Item and recuse themselves from discussing and voting on the matter. [Government Code Section 87105]
- 5. PUBLIC COMMENT:** The Board of Directors welcomes participation in Board meetings. The public may address matters under the jurisdiction of the Board that have not been posted in the Agenda. The public will be given the opportunity to address the Board on any item in the Agenda at this time or before the Board's consideration of that item. If members of the public desire to address the Board relative to a particular Agenda item at the time it is to be considered, they should so notify the President of the Board at this time. Please note, California Law prohibits the Board from taking action on any matter during a regular meeting that is not on the posted Agenda unless the Board determines that it is an emergency or one of the other situations specified in Government Code Section 54954.2. During a special meeting, the Board may not take action on any matter that is not on the posted Agenda. The President may limit the total amount of time allocated for public comment on particular issues to 3 minutes for each individual speaker.

ACTION ITEMS

- 6. The Board to review and consider approving the DRAFT minutes from the November 17, 2020, special meeting of the Board of Directors (Azhderian – Tab 2);**

7. The Board to review and consider appointment of District Officers to serve during the March 1, 2021, through February 28, 2022, fiscal year (Azhderian – handout Tab 3);
8. The Board to review and consider accepting the Treasurer’s annual review recommendation of the District’s Investment Policy (Azhderian/Otollo – handout Tab 4);
9. The Board to review and consider accepting the Treasurer’s Quarterly Reports for the periods ending September 30, 2020, December 31, 2020, and March 31, 2021 (Otollo – handout Tab 5);
10. The Board to review and consider accepting the monthly financial statement for the period ending May 31, 2021 (Otollo – Tab 6);
11. The Board to review and consider adopting a budget and service fees for the District’s fiscal-year ending February 28, 2022 (Azhderian/Otollo – handout Tab 7);
12. The Board to review and consider authorizing execution of a proposed Bryant L. Jolley engagement letter to conduct an audit of the District’s 2020-2021 fiscal-year ending February 28, 2021 (Azhderian/Otollo – handout Tab 8);
13. The Board to review and consider adopting a Resolution requesting the Fresno County Board of Supervisors approve replacing the District’s annual financial audit with a biennial financial audit (Azhderian/Delgado – Tab 9);
14. The Board to review and consider adopting a Resolution authorizing updates to the District’s WestAmerica Bank signature card and initiation of StarConnect Plus for Business service to provide online account access (Azhderian/Otollo – handout Tab 10);
15. The Board to review and consider approving payment of bills (Otollo – Tab 11);
16. The Board to review and consider adopting a Resolution calling for a general election on November 2, 2021, of representatives to serve on the District’s Board of Directors (Azhderian/Delgado – handout Tab 12);
17. The Board to review and consider adopting a Resolution to implement a District Election Plan to hold all subsequent District elections on even years after November 2021 (Azhderian/Delgado – handout Tab 13);
18. The Board to review and consider adopting a Resolution to authorize execution of the Third Amendment to the Central Delta-Mendota Region Sustainable Groundwater Management Act Services Activity Agreement (Azhderian/Delgado – Tab 14);

19. Gubernatorial Executive Order and Brown Act Update (Delgado);

20. WIIN Act Contract Capital Pre-Payment Funding Sources Analysis (Azhderian);

21. CLOSED SESSION CONFERENCE WITH LEGAL COUNSEL

A. EXISTING LITIGATION

Closed Session pursuant to Government Code section 54956.9(d)(1):

Center for Biological Diversity v. U.S. Bureau of Reclamation (Case No. 1:20-cv-00706-DAD-EPG)

B. ANTICIPATED LITIGATION

Closed Session pursuant to Government Code section 54956.9(d), paragraph (2) or (3):

Number of Cases: Two

22. REPORT FROM CLOSED SESSION

23. FUTURE MEETING DATES

A. Board to Consider Action to Set Special Meeting Date(s): *No staff request.*

B. Next Regular Meeting Date: August 31, 2021

24. ADJOURNMENT

- ❖ Items on the Agenda may be taken in any order.
- ❖ Action may be taken on any item listed on the Agenda.
- ❖ Writings relating to open session: Agenda items that are distributed to members of the Board of Directors will be available for inspection at the District office, excluding writings that are not public records or are exempt from disclosure under the California Public Records Acts.

Americans with Disabilities Act of 1990: Under this Act, a qualifying person may request that the District provide a disability-related modification or accommodation in order to participate in any public meeting of the District. Such assistance includes alternative formats for the agendas and agenda packets used for any public meetings of the District. Requests for assistance shall be made in person, in written form, or via telephone at (209) 364-6136. Requests must be received at least 18 hours prior to a scheduled public meeting.

**MERCY SPRINGS WATER DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING
November 17, 2020**

A special meeting of the Board of Directors was held on November 17, 2020, at 2:00 p.m. in accordance with Governor Newsom’s Executive Orders N-25-20 and N-29-20 issued in response to the COVID-19 pandemic, which allows local and state legislative bodies to hold meetings by web and teleconference, and to make meetings accessible to the public electronically. Those present at the meeting were:

- Directors Present: Michael Linneman, President
Brad Gleason, Vice-President
Juan Cadena, Director
Richard Wathen, Director
- Directors Absent: None
- District Staff Present: Ara Azhderian, General Manager & Secretary
- Others Present: Gabriel Delgado, General Counsel
Lindsay Cederquist, Maricopa Orchards
Anthony Whitehurst, Whitehurst Family
Palmer McCoy, Grassland Basin Authority

CALL TO ORDER

President Linneman called the meeting to order at 2:04 p.m.

REVIEW OF AGENDA

There were no corrections to the Agenda.

ROLL CALL

A quorum of the Board of Directors and the presence of the District’s Officers were confirmed.

POTENTIAL CONFLICTS OF INTEREST

There were no conflicts of interest disclosed.

PUBLIC COMMENT

There was no public comment.

THE BOARD TO REVIEW AND CONSIDER APPROVING DRAFT MINUTES FROM THE JUNE 26, 2020, SPECIAL MEETING OF THE BOARD, THE OCTOBER 1, 2020, SPECIAL MEETING OF THE BOARD, AND THE OCTOBER 15, 2020, SPECIAL MEETING OF THE BOARD

General Manager Azhderian presented the Board with the draft minutes for review. After discussion, on motion of Director Wathen, seconded by Director Gleason, the Board unanimously approved the draft minutes as presented.

The vote on the matter was as follows:

| | |
|----------|-----------------------------------|
| Ayes: | Linneman, Gleason, Cadena, Wathen |
| Nays: | None |
| Absent: | None |
| Abstain: | None |

THE BOARD TO REVIEW AND CONSIDER ADOPTING A RESOLUTION AUTHORIZING THE PERMANENT TRANSFER OF UP TO 75 ACRE-FEET OF THE DISTRICT'S CENTRAL VALLEY PROJECT CONTRACT SUPPLY FROM ALFRED, ANTHONY, AND JOEL WHITEHURST TO MARICOPA ORCHARDS, LLC, PURSUANT TO THE TERMS AND CONDITIONS OF CONTRACT NO. 14-06-200-3365 A-LTR1-P

General Manager Azhderian presented the Board a Letter of Intent sent by Maricopa Orchards requesting the Board approve a permanent assignment of a portion of the District's Central Valley Project contract water supply from the Whitehurst family. Azhderian explained the Whitehurst family had acquired the assignment from Mr. Stephen Sloan in 2004 and had consistently accepted and fulfilled their obligations to the District without controversy. He and General Counsel Delgado explained the District had adopted a Resolution 4-96 in 1996 to guide how such assignments were to occur and, while the original resolution had not been located, notes from then General Counsel Diane Rathmann, as well as similar assignments, provided a sufficient roadmap to draft the Resolution up for consideration today. They then reviewed the details of the Resolution. After discussion, on motion of Director Gleason, seconded by Director Wathen, the Board unanimously adopted the Resolution as presented.

The vote on the matter was as follows:

| | |
|----------|-----------------------------------|
| Ayes: | Linneman, Gleason, Cadena, Wathen |
| Nays: | None |
| Absent: | None |
| Abstain: | None |

THE BOARD TO REVIEW AND CONSIDER AUTHORIZING EXECUTION OF A WAIVER OF CONFLICT OF INTEREST AND CONSENT TO REPRESENTATION OF PANOCHÉ WATER DISTRICT, MERCY SPRINGS WATER DISTRICT, AND FRESNO LOCAL AGENCY FORMATION COMMISSION

General Counsel Delgado presented the Board with the waiver and explained that because his firm, Baker, Manock, & Jensen, represented the District, Panoche, and the Fresno LAFCo, it would be necessary for the firm to secure the waiver in the unlikely event of a conflict stemming from the proposed consolidation of the District with Panoche. The alternative, he explained, would be to engage alternative legal counsel to avoid the conflict. After discussion, on motion of Director Gleason, seconded by Director Wathen, the Board unanimously authorized executing of the waiver as presented.

The vote on the matter was as follows:

| | |
|----------|-----------------------------------|
| Ayes: | Linneman, Gleason, Cadena, Wathen |
| Nays: | None |
| Absent: | None |
| Abstain: | None |

GENERAL MANAGER'S REPORT

General Manager Azhderian presented the Board a memorandum outlining the recommended steps necessary to facilitate the consolidation of the District with Panoche Water District. He, and General

Counsel Delgado, reviewed the memo with the Board. Azhderian explained that there would be a number of steps to complete the process and that it would behoove the District to approach the Fresno LAFCo, Reclamation, and effected landowners and CVP contract assignees early, if the Board wanted to proceed with the process. The Board asked about the potential benefits of consolidation to which Azhderian responded would be a likely reduction in administrative costs, improved governance, and continued engagement in implementation of the Sustainable Groundwater Management Act. He proposed the next step be the development of a written proposal and projected project timeline and budget for consideration at special Board meeting in mid-December. By consensus, the Board was agreeable to the proposal.

CLOSED SESSION

There was no closed session.

FUTURE MEETING DATES

The next Regular meeting was scheduled for February November 23, 2021, at 9:00 a.m.

ADJOURNMENT

With no further business, President Linneman adjourned the meeting at 2:33 p.m.

Michael Linneman, President

Ara Azhderian, Secretary

BACK

MERCY SPRINGS WATER DISTRICT

52027 WEST ALTHEA AVE, FIREBAUGH, CA 93622
TELEPHONE (209) 364-6136 • FAX (209) 364-6122



JUNE 30, 2021, SPECIAL BOARD MEETING MEMORANDUM

TO: BOARD OF DIRECTORS

FROM: ARA AZHDERIAN, GENERAL MANAGER

SUBJECT: AGENDA ITEM 7
SELECTION OF OFFICERS

DATE: JUNE 29, 2021

CC:

Recommendation: At the beginning of each new fiscal-year, the Board review and consider selection of District Officers to serve through the fiscal-year ending February 28, 2022.

Current District Officers:

| | |
|-----------------|------------------|
| President: | Michael Linneman |
| Vice-President: | Brad Gleason |
| Secretary: | Ara Azhderian |
| Treasurer: | John Paul Otollo |

2021-22 Regular Board meeting dates:

May 25, 2021

August 31, 2021

November 30, 2021

February 22, 2022

BACK

MERCY SPRINGS WATER DISTRICT

52027 WEST ALTHEA AVE, FIREBAUGH, CA 93622
TELEPHONE (209) 364-6136 • FAX (209) 364-6122



JUNE 30, 2021, SPECIAL BOARD MEETING MEMORANDUM

TO: BOARD OF DIRECTORS

FROM: ARA AZHDERIAN, GENERAL MANAGER

SUBJECT: AGENDA ITEM 8
ANNUAL REVIEW OF INVESTMENT POLICY

DATE: JUNE 29, 2021

CC: J.P. OTOLLO, TREASURER

Recommendation: Accept the Treasurer's recommendation to maintain, as is, the District's Statement of Investment Policy.

Background: On June 20, 2018, the Board adopted the following Statement of Investment Policy to align the District's financial management with that of Panoche Water District, which administers the Mercy Springs Water District, to improve administrative efficiency and reduce cost. The Policy that was adopted is essentially the same as for the other districts administered by Panoche. The Policy requires review annually insofar as such a review is required by law. The Policy prioritizes safety, liquidity, and yield.

MERCY SPRINGS WATER DISTRICT

STATEMENT OF INVESTMENT POLICY

Purpose: This statement is to provide a guideline for the prudent investment of temporarily idle cash, trust funds and restricted monies in the District's possession and to outline a policy for maximizing the efficiency of its cash management system.

Objective: The cash management system of the Mercy Springs Water District will be maintained to accurately monitor and forecast expenditures and revenues, thus assuring the investment of monies to the fullest extent consistent with safety and liquidity. Funds will be invested in such a manner that will provide the highest interest yield within the confines of this policy and legal statutes consistent with safety and liquidity.

Policy: This policy applies only to idle funds in the District's possession or immediate control. "Idle funds" mean funds that are not required to meet the demands of cash flow for the succeeding month and all trust funds held by the District, including bond security funds, that are unnecessary to make debt service payments within the next six months. Investments will be made under the terms and conditions of Sections 53600 through 53683 and Sections 16429.1 through 16429.3 of the Government Code. The criteria for selecting investments and the absolute order of priority in making investments are:

1. Safety
2. Liquidity
3. Yield

Except for deferred compensation invested pursuant to Government Code Section 53609, the following instruments are authorized for investment of District funds:

1. To the extent permitted by law and as conditions dictate, in the State of California Local Agency Investment Fund (LAIF) in accordance with Section 16429.1 of the Government Code;
2. United States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest;
3. Bonds, notes, warrants, or other evidences of indebtedness of a state or local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the local agency, or by a department, board, agency or authority of the local agency; or
4. To the extent otherwise permitted by law and as conditions dictate, in a bank or savings and loan association but only to the extent that the funds are insured by the Federal Deposit Insurance Corporation, (FDIC) or collateralized by the financial institution.

The Treasurer shall annually review the investment policy and provide the Board of Directors with any recommendations for any changes or updates, if warranted. The Treasurer shall render the report to the Board of Directors showing all investments as set forth in Section 53646(b) of the Government Code, on at least a quarterly basis. Such report, insofar as it is required by law, shall include:

1. For all securities, investments and moneys held by the District for each of the following: (a) the type of investment, (b) issuer, (c) date of maturity par and (d) dollar amount invested.
2. A description of any of the District's funds, investments or programs that are under the management of contracted parties, including lending programs.
3. A statement of the extent to which the District's investments are or may be out of compliance with this policy.
4. The report shall include a statement denoting the ability of the District to meet its cash demands for the next six months or shall provide an explanation as to why sufficient cash shall, or may, not be available.

To the extent all of the District's surplus or idle funds are invested in LAIF, or a bank or savings and loan association account insured by FDIC, or some combination thereof, the report may consist of the last statement from the institutions holding the funds plus each of the items set forth in paragraphs 2, 3 and 4 above.

This investment policy shall remain in effect until rescinded or modified by the Board of Directors, but shall be reviewed annually insofar as such a review is required by law.

BACK

2020 Quarterly Investment Report
For Quarter Ending September 30, 2020

DATE: 6/30/2021

TO: Board of Directors

FROM: JP Otollo

In accordance with Government Code Section 53646 and the Mercy Springs Water District Investment Policy, the following shall constitute the quarterly report of investment on behalf of the Mercy Springs Water District:

| WESTAMERICA BANK ACCOUNTS (2) | TOTAL |
|---|---------------|
| INVESTMENT BALANCES September 30, 2020 | \$ 250,356.49 |

1. As of the date of the report, the majority of District funds are deposited in Federal Deposit Insurance Corporation (FDIC) insured accounts at Westamerica Bank. Therefore, as provided by Government Code Section 53646 (e), attached are the most recent statements received by the District.
2. The portfolio of the District is in compliance with the District's Statement of Investment Policy.
3. It is expected the District will be able to meet its expenditure requirements for the next six months based on projected revenue from water sales and land based costs reimbursements.

General Ledger Detail Report
Summary Postings for Dates 3/1/2020 Thru 9/30/2020

MERCY SPRINGS WATER DISTRICT (MWD)

Account Number/Description

Beginning Balance Debit Credit Net Change Ending Balance

102-000

Westamerica Bank - Checking Account

271,896.01 84,019.69 138,101.06 54,081.37- 217,814.64

104-000

Westamerica Bank - Savings Account

32,532.98 11.67 2.80 8.87 32,541.85

Report Total:

304,428.99 84,031.36 138,103.86 54,072.50- 250,356.49



Account Statement

If you have any questions
about your account please call
800-848-1088
CUSTOMER SERVICE

MERCY SPRINGS WATER DISTRICT 169
52027 W ALTHEA AVE
FIREBAUGH CA 93622

ACCOUNT NUMBER
XXX-XXX60-2
STATEMENT DATE
09/30/20 31

ITEMS ENCLOSED PAGE
0 1
YEAR-TO-DATE INTEREST

| PREVIOUS BALANCE | CHECKS AND WITHDRAWALS NUMBER | AMOUNT | DEPOSITS AND CREDITS NUMBER | AMOUNT | INTEREST MINUS CHARGES | NEW BALANCE |
|------------------|----------------------------------|-----------|--------------------------------|-----------|------------------------|-------------|
| 224,161.12 | 3 | 12,970.62 | 2 | 16,975.80 | .00 | 228,166.30 |

ACCOUNT ACTIVITY

BALANCE SUMMARY

PUBLIC REGULAR CHECKING

30 DAYS THIS CYCLE

| DEPOSITS | | | CHECKS | | |
|----------|----------------|-----------|--------|-------|----------|
| DATE | DESCRIPTION | AMOUNT | ITEM | DATE | AMOUNT |
| 09/01 | BRANCH DEPOSIT | 14,393.70 | 1400 | 09/02 | 7,643.70 |
| 09/11 | BRANCH DEPOSIT | 2,582.10 | 1403* | 09/16 | 4,092.24 |
| | | | | 09/25 | 1,234.68 |

| DATE | BALANCE |
|------------------|------------|
| PREVIOUS BALANCE | 224,161.12 |
| 08/31 | 224,161.12 |
| 09/01 | 238,554.82 |
| 09/02 | 230,911.12 |
| 09/11 | 233,493.22 |
| 09/16 | 229,400.98 |
| 09/25 | 228,166.30 |
| NEW BALANCE | 228,166.30 |
| 09/30 | 228,166.30 |

* INDICATES GAP IN CHECK SEQUENCE

OUR PRIVACY POLICY IS AVAILABLE FOR YOU TO READ AT
WWW.WESTAMERICA.COM. TO RECEIVE A COPY BY MAIL, YOU MAY
CALL 1-800-848-1088.

EXTRA CASH LINE OF CREDIT CUSTOMERS: YOUR ACCOUNT DETAILS ARE LISTED BELOW. LATE PAYMENT WARNING: IF YOUR
MINIMUM PAYMENT IS NOT RECEIVED BY THE PAYMENT DUE DATE YOU MAY BE CHARGED A LATE FEE OF \$5.

| PREVIOUS BALANCE | ADVANCES AND DEBITS NUMBER | AMOUNT | PAYMENTS AND CREDITS NUMBER | AMOUNT | INTEREST CHARGED | FEES CHARGED | NEW BALANCE | |
|------------------|-------------------------------|------------------------|--------------------------------|--------------------|-----------------------|---------------------|------------------|----------------------------|
| LINE OF CREDIT | CREDIT AVAILABLE | ANNUAL PERCENTAGE RATE | DAILY PERIODIC RATE | PAYMENT PAST DUE + | PAYMENT THIS PERIOD = | MINIMUM PAYMENT DUE | PAYMENT DUE DATE | YEAR-TO-DATE INTEREST PAID |

THANK YOU FOR BANKING WITH US. NOTICE: SEE 'BACK OF STATEMENT' TAB FOR IMPORTANT INFORMATION.



Account Statement

If you have any questions
about your account please call
800-848-1088
CUSTOMER SERVICE

MERCY SPRINGS WATER DISTRICT 169
52027 W ALTHEA AVE
FIREBAUGH CA 93622

ACCOUNT NUMBER
XXX-XXX-35-8
STATEMENT DATE CYCLE
09/30/20 31
ITEMS ENCLOSED PAGE
0 1
YEAR-TO-DATE INTEREST
14.87

| PREVIOUS BALANCE | CHECKS AND WITHDRAWALS NUMBER | AMOUNT | DEPOSITS AND CREDITS NUMBER | AMOUNT | INTEREST MINUS CHARGES | NEW BALANCE |
|------------------|----------------------------------|--------|--------------------------------|--------|------------------------|-------------|
| 32,540.61 | 1 | .39 | 0 | .00 | 1.63 | 32,541.85 |

ACCOUNT ACTIVITY

BALANCE SUMMARY

| DATE | DESCRIPTION | AMOUNT |
|--|--------------|--------|
| PUBLIC MONEY MARKET SAVINGS - - CURRENT RATE .06% | | |
| 30 DAYS THIS CYCLE ANNUAL PERCENTAGE YIELD EARNED .06% | | |
| - - - - - DEPOSITS - - - - - | | |
| 09/30 | INTEREST | 1.63 |
| - - - - - WITHDRAWALS - FEES - CHARGES - - - - - | | |
| 09/30 | TAX WITHHELD | .39 |

| DATE | BALANCE |
|-------|-----------|
| 08/31 | 32,540.61 |
| 09/30 | 32,541.85 |
| 09/30 | 32,541.85 |

OUR PRIVACY POLICY IS AVAILABLE FOR YOU TO READ AT
WWW.WESTAMERICA.COM. TO RECEIVE A COPY BY MAIL, YOU MAY
CALL 1-800-848-1088.

EXTRA CASH LINE OF CREDIT CUSTOMERS: YOUR ACCOUNT DETAILS ARE LISTED BELOW. LATE PAYMENT WARNING: IF YOUR
MINIMUM PAYMENT IS NOT RECEIVED BY THE PAYMENT DUE DATE YOU MAY BE CHARGED A LATE FEE OF \$5.

| PREVIOUS BALANCE | ADVANCES AND DEBITS NUMBER | AMOUNT | PAYMENTS AND CREDITS NUMBER | AMOUNT | INTEREST CHARGED | FEES CHARGED | NEW BALANCE | |
|------------------|-------------------------------|------------------------|--------------------------------|---------------------|--------------------------|--------------------------|------------------|-------------------------------|
| LINE OF CREDIT | CREDIT AVAILABLE | ANNUAL PERCENTAGE RATE | DAILY PERIODIC RATE | PAYMENT PAST DUE | + PAYMENT THIS PERIOD | = MINIMUM PAYMENT DUE | PAYMENT DUE DATE | YEAR-TO-DATE INTEREST PAID |

THANK YOU FOR BANKING WITH US. NOTICE: SEE 'BACK OF STATEMENT' TAB FOR IMPORTANT INFORMATION.

MERCY SPRINGS WATER DISTRICT

2021 Quarterly Investment Report
 For Quarter Ending December 31, 2020

DATE: 6/30/2021

TO: Board of Directors

FROM: JP Otollo

In accordance with Government Code Section 53646 and the Mercy Springs Water District Investment Policy, the following shall constitute the quarterly report of investment on behalf of the Mercy Springs Water District:

| | WESTAMERICA BANK (2 Accounts) | LAIF | TOTAL |
|--|----------------------------------|----------------|---------------|
| INVESTMENT BALANCES December 31, 2020 | \$ 22,708.68 | \$ 192,214.55* | \$ 214,923.23 |

1. As of the date of the report, the majority* of District funds are invested in the State of California Local Agency Investment Fund (LAIF) in accordance with Section 16429.1 of the Government Code. Attached is the most recent statement(s) received by the District.
2. As of the date of the report, the remaining District funds are deposited in Federal Deposit Insurance Corporation (FDIC) insured accounts at Westamerica Bank. Therefore, as provided by Government Code Section 53646 (e), attached are the most recent statements received by the District.
3. The portfolio of the District is in compliance with the District’s Statement of Investment Policy.
4. It is expected the District will be able to meet its expenditure requirements for the next six months based on projected revenue from water sales and land based costs reimbursements.

General Ledger Detail Report
Summary Postings for Dates 3/1/2020 Thru 12/31/2020

MERCY SPRINGS WATER DISTRICT (MWD)

Account Number/Description

| | Beginning Balance | Debit | Credit | Net Change | Ending Balance |
|-------------------------------------|------------------------------|-------------------|-------------------|-------------------|---------------------------|
| 102-000 | | | | | |
| Westamerica Bank - Checking Account | 271,896.01 | 122,318.83 | 372,019.15 | 249,700.32- | 22,195.69 |
| 104-000 | | | | | |
| Westamerica Bank - Savings Account | 32,532.98 | 13.16 | 32,033.15 | 32,019.99- | 512.99 |
| 106-000 | | | | | |
| LAIF # XXXX-027 | 0.00 | 192,214.55 | 0.00 | 192,214.55 | 192,214.55 |
| Report Total: | <u>304,428.99</u> | <u>314,546.54</u> | <u>404,052.30</u> | <u>89,505.76-</u> | <u>214,923.23</u> |



BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

| | |
|----------------|------------------------------|
| Agency Name | MERCY SPRINGS WATER DISTRICT |
| Account Number | 90-10-027 |

As of 01/15/2021, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 12/31/2020.

| | | |
|-------------------------------|----|--------------------|
| Earnings Ratio | | .00001719170547343 |
| Interest Rate | | 0.63% |
| Dollar Day Total | \$ | 12,480,000.00 |
| Quarter End Principal Balance | \$ | 192,000.00 |
| Quarterly Interest Earned | \$ | 214.55 |



Account Statement

If you have any questions
about your account please call
800-848-1088
CUSTOMER SERVICE
ACCOUNT NUMBER
XXX-XXX60-2
STATEMENT DATE CYCLE
12/31/20 31
ITEMS ENCLOSED PAGE
0 1
YEAR-TO-DATE INTEREST

MERCY SPRINGS WATER DISTRICT 169
52027 W ALTHEA AVE
FIREBAUGH CA 93622

| PREVIOUS BALANCE | CHECKS AND WITHDRAWALS NUMBER | AMOUNT | DEPOSITS AND CREDITS NUMBER | AMOUNT | INTEREST MINUS CHARGES | NEW BALANCE |
|------------------|----------------------------------|-----------|--------------------------------|--------|------------------------|-------------|
| 69,683.32 | 4 | 41,587.63 | 0 | .00 | .00 | 28,095.69 |

ACCOUNT ACTIVITY

BALANCE SUMMARY

PUBLIC REGULAR CHECKING

DATE BALANCE

31 DAYS THIS CYCLE

PREVIOUS BALANCE

| CHECKS | | | | | |
|--------|-------|-----------|-------|-------|----------|
| ITEM | DATE | AMOUNT | ITEM | DATE | AMOUNT |
| 1421 | 12/17 | 2,035.00 | 1423 | 12/23 | 3,181.13 |
| 1422 | 12/22 | 34,690.50 | 1425* | 12/18 | 1,681.00 |

| | |
|-------|-----------|
| 11/30 | 69,683.32 |
| 12/17 | 67,648.32 |
| 12/18 | 65,967.32 |
| 12/22 | 31,276.82 |
| 12/23 | 28,095.69 |

* INDICATES GAP IN CHECK SEQUENCE

NEW BALANCE
12/31 28,095.69 ✓

USE YOUR WESTAMERICA ATM DEBIT CARD FOR ALL YOUR
HOLIDAY PURCHASES. IT'S THE CONVENIENT WAY TO PAY!
BEST WISHES FOR A JOYFUL HOLIDAY FROM WESTAMERICA BANK.

EXTRA CASH LINE OF CREDIT CUSTOMERS: YOUR ACCOUNT DETAILS ARE LISTED BELOW. LATE PAYMENT WARNING: IF YOUR
MINIMUM PAYMENT IS NOT RECEIVED BY THE PAYMENT DUE DATE YOU MAY BE CHARGED A LATE FEE OF \$5.

| PREVIOUS BALANCE | ADVANCES AND DEBITS NUMBER | AMOUNT | PAYMENTS AND CREDITS NUMBER | AMOUNT | INTEREST CHARGED | FEES CHARGED | NEW BALANCE |
|------------------|-------------------------------|--------|--------------------------------|--------|------------------|--------------|-------------|
| | | | | | | | |

LINE OF CREDIT CREDIT AVAILABLE ANNUAL PERCENTAGE RATE DAILY PERIODIC RATE
 PAYMENT PAST DUE + PAYMENT THIS PERIOD = MINIMUM PAYMENT DUE DATE YEAR-TO-DATE INTEREST PAID

THANK YOU FOR BANKING WITH US. NOTICE: SEE 'BACK OF STATEMENT' TAB FOR IMPORTANT INFORMATION.



Account Statement

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800-848-1088
CUSTOMER SERVICE

MERCY SPRINGS WATER DISTRICT 169
52027 W ALTHEA AVE
FIREBAUGH CA 93622

ACCOUNT NUMBER
XXX-XXX35-8
STATEMENT DATE CYCLE
12/31/20 31

ITEMS ENCLOSED PAGE
0 1
YEAR-TO-DATE INTEREST
16.36

| | | | | |
|------------------|------------------------|----------------------|------------------------|-------------|
| PREVIOUS BALANCE | CHECKS AND WITHDRAWALS | DEPOSITS AND CREDITS | INTEREST MINUS CHARGES | NEW BALANCE |
| 522.98 | NUMBER 0 AMOUNT .00 | NUMBER 0 AMOUNT .00 | 9.99- | 512.99 |

ACCOUNT ACTIVITY

BALANCE SUMMARY

| | | |
|--|--------------------------------|--------|
| PUBLIC MONEY MARKET SAVINGS | - - CURRENT RATE | .03% |
| 31 DAYS THIS CYCLE | ANNUAL PERCENTAGE YIELD EARNED | .02% |
| - - - - - DEPOSITS - - - - - | | |
| DATE | DESCRIPTION | AMOUNT |
| 12/31 | INTEREST | .01 |
| - - - - - WITHDRAWALS - FEES - CHARGES - - - - - | | |
| DATE | DESCRIPTION | AMOUNT |
| 12/31 | SERVICE CHARGE | 10.00 |

| | |
|-------------|---------|
| DATE | BALANCE |
| 11/30 | 522.98 |
| 12/31 | 512.99 |
| NEW BALANCE | |
| 12/31 | 512.99 |

USE YOUR WESTAMERICA ATM DEBIT CARD FOR ALL YOUR
HOLIDAY PURCHASES. IT'S THE CONVENIENT WAY TO PAY!
BEST WISHES FOR A JOYFUL HOLIDAY FROM WESTAMERICA BANK.

EXTRA CASH LINE OF CREDIT CUSTOMERS: YOUR ACCOUNT DETAILS ARE LISTED BELOW. LATE PAYMENT WARNING: IF YOUR
MINIMUM PAYMENT IS NOT RECEIVED BY THE PAYMENT DUE DATE YOU MAY BE CHARGED A LATE FEE OF \$5.

| | | | | | |
|------------------|---------------------|------------------------|---------------------|------------------------------------|-------------------------------|
| PREVIOUS BALANCE | ADVANCES AND DEBITS | PAYMENTS AND CREDITS | INTEREST CHARGED | FEES CHARGED | NEW BALANCE |
| | NUMBER AMOUNT | NUMBER AMOUNT | | | |
| LINE OF CREDIT | CREDIT AVAILABLE | ANNUAL PERCENTAGE RATE | DAILY PERIODIC RATE | PAYMENT + PAYMENT = MINIMUM | PAYMENT DUE DATE YEAR-TO-DATE |
| | | | | PAST DUE THIS PERIOD = PAYMENT DUE | INTEREST PAID |

THANK YOU FOR BANKING WITH US. NOTICE: SEE 'BACK OF STATEMENT' TAB FOR IMPORTANT INFORMATION.

| MERCY SPRINGS WATER DISTRICT QUARTERLY FINANCIAL STATUS | |
|--|-----------|
| CASH BOOK ACCOUNTS AS OF 12/31/2020 | |
| WESTAMERICA BANK CHECKING ACCOUNT | |
| Balance as per bank statement | \$28,096 |
| <u>Reconciling Items</u> | |
| Add: Outstanding deposits | - |
| Deduct: Outstanding checks | \$5,900 |
| Balance as reported in the general ledger account | \$22,196 |
| WESTAMERICA BANK SAVINGS ACCOUNT | |
| Balance as per bank statement | \$513 |
| <u>Reconciling Items</u> | |
| Add: Outstanding deposits | - |
| Deduct: Outstanding checks | - |
| Balance as reported in the general ledger account | \$513 |
| LOCAL AGENCY INVESTMENT FUND (LAIF) ACCOUNT | |
| LAIF Account balance as of 12/31/2020 | \$192,215 |
| TOTAL BANK AND LAIF ACCOUNT BALANCES | |
| | \$214,923 |

MERCY SPRINGS WATER DISTRICT

2021 Quarterly Investment Report
 For Quarter Ending March 31, 2021

DATE: 6/30/2021

TO: Board of Directors

FROM: JP Otollo

In accordance with Government Code Section 53646 and the Mercy Springs Water District Investment Policy, the following shall constitute the quarterly report of investment on behalf of the Mercy Springs Water District:

| | WESTAMERICA BANK | LAIF | TOTAL |
|---------------------------------------|---------------------|---------------|--------------|
| INVESTMENT BALANCES March 31, 2021 | \$ 21,655.14 | \$ 62,290.63* | \$ 83,945.77 |

1. As of the date of the report, the majority* of District funds are invested in the State of California Local Agency Investment Fund (LAIF) in accordance with Section 16429.1 of the Government Code. Attached is the most recent statement(s) received by the District.
2. As of the date of the report, the remaining District funds are deposited in Federal Deposit Insurance Corporation (FDIC) insured accounts at Westamerica Bank. Therefore, as provided by Government Code Section 53646 (e), attached are the most recent statements received by the District.
3. The portfolio of the District is in compliance with the District’s Statement of Investment Policy.
4. It is expected the District will be able to meet its expenditure requirements for the next six months based on projected revenue from water sales and land based costs reimbursements.

General Ledger Detail Report
Summary Postings for Dates 3/1/2021 Thru 3/31/2021

MERCY SPRINGS WATER DISTRICT (MWD)

Account Number/Description

| | Beginning Balance | Debit | Credit | Net Change | Ending Balance |
|-------------------------------------|------------------------------|------------------|------------------|-------------------|---------------------------|
| 102-000 | | | | | |
| Westamerica Bank - Checking Account | 357.56- | 54,958.00 | 32,945.30 | 22,012.70 | 21,655.14 |
| 106-000 | | | | | |
| LAIF #XXXX-027 | 92,214.55 | 76.08 | 30,000.00 | 29,923.92- | 62,290.63 |
| Report Total: | <u>91,856.99</u> | <u>55,034.08</u> | <u>62,945.30</u> | <u>7,911.22-</u> | <u>83,945.77</u> |



BETTY T. YEE

California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

| | |
|----------------|------------------------------|
| Agency Name | MERCY SPRINGS WATER DISTRICT |
| Account Number | 90-10-027 |

As of 04/15/2021, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 03/31/2021.

| | | |
|-------------------------------|----|--------------------|
| Earnings Ratio | | .00001214175683392 |
| Interest Rate | | 0.44% |
| Dollar Day Total | \$ | 6,266,305.80 |
| Quarter End Principal Balance | \$ | 62,214.55 |
| Quarterly Interest Earned | \$ | 76.08 |



Account Statement

800-848-1088
CUSTOMER SERVICE

MERCY SPRINGS WATER DISTRICT 169
52027 W ALTHEA AVE
FIREBAUGH CA 93622

ACCOUNT NUMBER
xxx-xxx60-2

STATEMENT DATE CYCLE
03/31/21 31

ITEMS ENCLOSED PAGE
0 1
YEAR-TO-DATE INTEREST

| PREVIOUS BALANCE | CHECKS AND WITHDRAWALS | DEPOSITS AND CREDITS | INTEREST MINUS CHARGES | NEW BALANCE |
|------------------|------------------------|----------------------|------------------------|-------------|
| | NUMBER | AMOUNT | NUMBER | AMOUNT |
| 26,932.70 | 4 | 27,290.26 | 2 | 54,958.00 |
| | | | | .00 |
| | | | | 54,600.44 |

ACCOUNT ACTIVITY

BALANCE SUMMARY

PUBLIC REGULAR CHECKING

DATE BALANCE

33 DAYS THIS CYCLE

| DEPOSITS | | |
|----------|--|-----------|
| DATE | DESCRIPTION | AMOUNT |
| 03/03 | STATE OF CALIFOR - LAIF BY ORDER OF STATE OF CALIFORNIA - LAI | 30,000.00 |
| 03/30 | DOI TREAS 310 - MISC PAY RMR*IV*0*PI*24958.00/ | 24,958.00 |

| | | |
|------------------|-------|-----------|
| PREVIOUS BALANCE | 02/26 | 26,932.70 |
| | 03/03 | 56,932.70 |
| | 03/04 | 41,474.96 |
| | 03/05 | 30,460.96 |
| | 03/10 | 29,642.44 |
| | 03/30 | 54,600.44 |

| CHECKS | | |
|--------|-------|-----------|
| ITEM | DATE | AMOUNT |
| 1429 | 03/05 | 11,014.00 |
| 1430 | 03/10 | 818.52 |

NEW BALANCE
03/31 54,600.44

DID YOU KNOW MOBILE CHECK DEPOSIT IS AVAILABLE WITH THE STARCONNECT PLUS MOBILE BANKING APP? DOWNLOAD THE APP TO YOUR MOBILE DEVICE TODAY!

EXTRA CASH LINE OF CREDIT CUSTOMERS: YOUR ACCOUNT DETAILS ARE LISTED BELOW. LATE PAYMENT WARNING: IF YOUR MINIMUM PAYMENT IS NOT RECEIVED BY THE PAYMENT DUE DATE YOU MAY BE CHARGED A LATE FEE OF \$5.

| PREVIOUS BALANCE | ADVANCES AND DEBITS | PAYMENTS AND CREDITS | INTEREST CHARGED | FEES CHARGED | NEW BALANCE | | |
|------------------|---------------------|------------------------|---------------------|--|---------------------|------------------|----------------------------|
| | NUMBER | AMOUNT | NUMBER | AMOUNT | | | |
| LINE OF CREDIT | CREDIT AVAILABLE | ANNUAL PERCENTAGE RATE | DAILY PERIODIC RATE | PAYMENT PAST DUE + PAYMENT THIS PERIOD = | MINIMUM PAYMENT DUE | PAYMENT DUE DATE | YEAR-TO-DATE INTEREST PAID |

| MERCY SPRINGS WATER DISTRICT QUARTERLY FINANCIAL STATUS | |
|--|----------|
| CASH BOOK ACCOUNTS AS OF 3/31/2021 | |
| WESTAMERICA BANK CHECKING ACCOUNT | |
| Balance as per bank statement | \$54,600 |
| <u>Reconciling Items</u> | |
| Add: Outstanding deposits | - |
| Deduct: Outstanding checks | \$32,945 |
| Balance as reported in the general ledger account | \$21,655 |
| LOCAL AGENCY INVESTMENT FUND (LAIF) ACCOUNT | |
| LAIF Account balance as of 3/31/2021 | \$62,291 |
| TOTAL BANK AND LAIF ACCOUNT BALANCES | |
| | \$83,946 |

BACK

| MERCY SPRINGS WATER DISTRICT | | |
|---|----------------------------|------------------------------|
| TREASURER'S MONTHLY FINANCIAL REPORT | | |
| BALANCE SHEET-CURRENT ASSETS & LIABILITIES | | |
| DATE AS OF | <u>May 31, 2021</u> | <u>April 30, 2021</u> |
| <u>CURRENT LIABILITIES</u> | | |
| ACCOUNTS PAYABLE | \$2,260 | \$25,565 |
| TOTAL CURRENT LIABILITIES | \$2,260 | 25,565 |
| <u>CASH AND INVESTMENT ACCOUNTS</u> | | |
| O&M CHECKING | \$20,288 | \$25,668 |
| LAIF | \$42,291 | \$62,291 |
| TOTAL UNRESTRICTED CASH | \$62,579 | \$87,959 |
| <u>ACCOUNTS RECEIVABLES</u> | | |
| WATER AND LAND BASED CHARGES | \$14,560 | \$15,558 |
| TOTAL ACCOUNTS RECEIVABLES | \$14,560 | \$15,558 |
| TOTAL CURRENT ASSETS | \$77,138 | \$103,517 |
| NET CURRENT ASSESTS (NET CASH POSITION) | \$74,878 | \$77,952 |

**General Ledger Detail Report
Summary Report for Period 01 Thru 03 Ending 5/31/2021**

MERCY SPRINGS WATER DISTRICT (MWD)

Account Number/Description

Beginning Balance Debit Credit Net Change Ending Balance

102-000

Westamerica Bank - Checking Account

357.56- 144,433.87 123,788.34 20,645.53 20,287.97

106-000

LAIF # XXXX-027

92,214.55 50,076.08 100,000.00 49,923.92- 42,290.63

Report Total:

91,856.99 194,509.95 223,788.34 29,278.39- 62,578.60



Account Statement

800-848-1088
CUSTOMER SERVICE

MERCY SPRINGS WATER DISTRICT 169
52027 W ALTHEA AVE
FIREBAUGH CA 93622

ACCOUNT NUMBER
xxx-xxx60-2
STATEMENT DATE CYCLE
05/28/21 31

ITEMS ENCLOSED PAGE
0 1
YEAR-TO-DATE INTEREST

| PREVIOUS BALANCE | CHECKS AND WITHDRAWALS | DEPOSITS AND CREDITS | INTEREST MINUS CHARGES | NEW BALANCE |
|------------------|------------------------|----------------------|------------------------|-------------|
| | NUMBER | AMOUNT | NUMBER | AMOUNT |
| 34,103.61 | 5 | 34,813.99 | 2 | 20,998.35 |
| | | | | .00 |
| | | | | 20,287.97 |

ACCOUNT ACTIVITY

BALANCE SUMMARY

PUBLIC REGULAR CHECKING

DATE BALANCE

28 DAYS THIS CYCLE

| DEPOSITS | | | CHECKS | | |
|----------|--|-----------|--------|-------|----------|
| DATE | DESCRIPTION | AMOUNT | ITEM | DATE | AMOUNT |
| 05/04 | BRANCH DEPOSIT | 998.35 | | | |
| 05/24 | STATE OF CALIFOR - LAIF BY ORDER OF STATE OF CALIFORNIA - LAI | 20,000.00 | | | |
| 1436 | 05/07 | 8,435.52 | 1439 | 05/18 | 6,460.32 |
| 1437 | 05/17 | 10,014.17 | 1440 | 05/27 | 3,435.81 |
| 1438 | 05/19 | 6,468.17 | | | |

| DATE | BALANCE |
|------------------|-----------|
| PREVIOUS BALANCE | |
| 04/30 | 34,103.61 |
| 05/04 | 35,101.96 |
| 05/07 | 26,666.44 |
| 05/17 | 16,652.27 |
| 05/18 | 10,191.95 |
| 05/19 | 3,723.78 |
| 05/24 | 23,723.78 |
| 05/27 | 20,287.97 |

NEW BALANCE

05/28

20,287.97 ✓

ENJOY THE CONVENIENCE OF MOBILE CHECK DEPOSIT
AVAILABLE WITH THE STARCONNECT PLUS MOBILE BANKING APP.
DOWNLOAD THE APP TO YOUR MOBILE DEVICE TODAY!

BACK

EXTRA CASH LINE OF CREDIT CUSTOMERS: YOUR ACCOUNT DETAILS ARE LISTED BELOW. LATE PAYMENT WARNING: IF YOUR MINIMUM PAYMENT IS NOT RECEIVED BY THE PAYMENT DUE DATE YOU MAY BE CHARGED A LATE FEE OF \$5.

| PREVIOUS BALANCE | ADVANCES AND DEBITS | PAYMENTS AND CREDITS | INTEREST CHARGED | FEES CHARGED | NEW BALANCE | | |
|------------------|---------------------|------------------------|---------------------|--|---------------------|------------------|----------------------------|
| | NUMBER | AMOUNT | NUMBER | AMOUNT | | | |
| LINE OF CREDIT | CREDIT AVAILABLE | ANNUAL PERCENTAGE RATE | DAILY PERIODIC RATE | PAYMENT PAST DUE + PAYMENT THIS PERIOD = | MINIMUM PAYMENT DUE | PAYMENT DUE DATE | YEAR-TO-DATE INTEREST PAID |

| MERCY SPRINGS WATER DISTRICT (MSWD) | | | | | | | |
|---|---|--------------------------------|-----------------------------|----------------------------|---------------------|-------------------|------------------------------------|
| BUDGET FY 2022 (March 1, 2021 - February 28, 2022) | | | | | | | |
| | | PROPOSED BUDGET FY 2022 | | | FY 2021 | | FY 2021 |
| | | Total Combined Budget | BUDGET (Water Based) | BUDGET (Land Based) | ACTUAL | BUDGET | Budget to Actual Percentage |
| REVENUES | | | | | | | % |
| | CVP WATER CONTRACT | \$ - | \$ - | \$ - | \$ 65,316 | \$ 81,978 | 80% |
| | REVENUE - Supplemental Water | 14,645 | 14,645 | - | - | - | 0% |
| | OPERATION & MAINTAINANCE CHARGES | 106,021 | 72,031 | 33,990 | 45,525 | 36,756 | 124% |
| | REVENUE - Water transfer fee | 15,000 | 15,000 | - | 18,474 | - | 0% |
| | REVENUE SGMA | 54,151 | - | 54,151 | 86,444 | 68,044 | 127% |
| | REVENUE INTEREST | 5,000 | 2,500 | 2,500 | 228 | 20 | 1139% |
| | REVENUE OTHER/USBR REFUNDS | 24,958 | 24,958 | - | 51,118 | - | 0% |
| | TOTAL REVENUE | \$ 219,775 | \$ 129,134 | \$ 90,641 | \$ 267,105 | \$ 186,798 | 143% |
| OPERATING EXPENSES | | | | | | | |
| GENERAL ADMIN AND SERVICES | | | | | | | |
| | ANNUAL AUDIT | 8,500 | 4,250 | 4,250 | 8,000 | 8,000 | 100% |
| | INSURANCE | 3,000 | 1,500 | 1,500 | 2,942 | 2,000 | 147% |
| | LEGAL & PROFESSIONAL COSTS | 15,000 | 7,500 | 7,500 | 20,553 | 10,000 | 206% |
| | GENERAL ADMIN & OVERHEAD COSTS | 38,180 | 20,940 | 17,240 | 32,829 | 49,475 | 66% |
| | TOTAL GENERAL ADMIN AND SERVICES | \$ 64,680 | \$ 34,190 | \$ 30,490 | \$ 64,323 | \$ 69,475 | 93% |
| DIRECT O & M COSTS | | | | | | | |
| | SLDMWA Water costs | 14,645 | 14,645 | - | 31,777 | - | 0% |
| | CVP Water costs | 3,436 | 3,436 | - | 94,192 | 39,601 | 238% |
| | USBR WIIN Act Contract | - | - | - | 197,869 | - | 0% |
| | SLDMWA SGMA Costs | 54,151 | - | 54,151 | 69,381 | 68,044 | 102% |
| | SLDMWA DHCCP expenses | 4,488 | 4,488 | - | 1,675 | - | 0% |
| | SLDMWA Membership costs | 5,677 | 5,677 | - | 5,216 | 2,608 | 200% |
| | Central Delta Mendota GSA | 3,500 | - | 3,500 | - | 3,500 | 0% |
| | Water transfer expenses | 6,595 | 6,595 | - | 58 | 1,000 | 6% |
| | Water rights fee | 3,000 | 3,000 | - | 3,181 | 3,000 | 106% |
| | TOTAL DIRECT O&M COSTS | \$ 95,492 | \$ 37,841 | \$ 57,651 | \$ 403,348 | \$ 117,753 | 343% |
| | TOTAL EXPENSES | \$ 160,172 | \$ 72,031 | \$ 88,141 | \$ 467,671 | \$ 187,228 | 250% |
| | NET REVENUE/(DEFICIT) | \$ 59,603 | \$ 57,103 | \$ 2,500 | \$ (200,566) | \$ (430) | |

| MERCY SPRINGS WATER DISTRICT | | | | | | |
|---|-----------------|--|-----------------|-----------------|-----------------|-----------------|
| WATER BASED BUDGET | | | | | | |
| March 1 to February 28 | | | | | | |
| | FY 2021-22 | Notes | 2020-21 | | | |
| | Proposed | | Approved | | | |
| WATER COSTS | | | | | | |
| CVP Water costs | \$ 3,436 | | \$ 39,601 | | | |
| Supplemental Water costs | \$ 14,645 | 4 years average of supplemental water purchase, Including Yuba Water | \$ - | | | |
| SLDMWA Membership | \$ 5,677 | | \$ 2,608 | | | |
| SLDMWA DHCCP repayment | \$ 4,488 | | \$ - | | | |
| Water Transfers Expenses | \$ 6,595 | | \$ 1,000 | | | |
| Water Rights | \$ 3,000 | | \$ 3,000 | | | |
| Operations & Maintenance Costs (O&M) | | | | | | |
| PWD Contract labor | \$ 9,500 | | \$ 13,966 | | | |
| PWD admin services | \$ 7,050 | | \$ 7,050 | | | |
| Bank Charges | \$ 240 | | \$ 240 | | | |
| Dues & subscriptions | \$ 3,700 | Water association dues | \$ 2,063 | | | |
| Website support | \$ 450 | | \$ 450 | | | |
| | \$ 20,940 | | \$ 23,769 | | | |
| Annual Audit | \$ 4,250 | | \$ 6,000 | | | |
| Legal costs | \$ 7,500 | | \$ 5,000 | | | |
| Insurance | \$ 1,500 | | \$ 1,000 | | | |
| TOTAL | \$72,031 | | \$81,978 | | | |
| Supplemental Water costs | \$21,240 | PWD | | | | |
| CVP Water costs | \$16,601 | | | | | |
| O&M costs | \$34,190 | | | | | |
| | \$50,791 | | | | | |
| | \$72,031 | | | | | |
| | Water AF | CVP Costs allocation | O&M Costs | CVP Costs | O&M | Total |
| Entities | Allocation | CVP costs Percentage | Percentage | Allocation | Allocation | Allocation |
| San Luis Ranch (Wathen Castanos) | 1,000 | 35% | 32% | \$5,876.39 | \$11,057.57 | \$16,933.96 |
| F&S Investments | 450 | 16% | 15% | \$2,644.38 | \$4,975.91 | \$7,620.28 |
| Fox Hills Development (Angiola WD) | 1,300 | 46% | 42% | \$7,639.31 | \$14,374.84 | \$22,014.15 |
| Maricopa Orchard, LLC | 75 | 3% | 2% | \$440.73 | \$829.32 | \$1,270.05 |
| Panoche Water District - Supplemental | 267 | | 9% | - | \$2,952.37 | \$2,952.37 |
| TOTAL AF | 3,092 | 100% | 100% | \$16,601 | \$34,190 | \$50,791 |

| MERCY SPRINGS WATER DISTRICT | | | |
|---|-----------------|-----------|------------------|
| ACREAGE BASED BUDGET | | | |
| March 1 to February 28 | | | |
| | FY 2021-22 | Notes | 2020-21 |
| LAND BASED | Proposed | | Approved |
| SLDMWA SGMA Costs | \$ 54,151 | | \$ 68,044 |
| Central Delta Mendota GSA | \$ 3,500 | | \$ 3,500 |
| <u>Operations & Maintenance Costs (O&M)</u> | | | |
| PWD Contract labor | \$ 9,500 | | \$ 13,966 |
| PWD admin services | \$ 7,050 | | \$ 7,050 |
| Bank Charges | \$ 240 | | \$ 240 |
| Website support | \$ 450 | | \$ 450 |
| | \$ 17,240 | | \$ 21,706 |
| Annual Audit | \$ 4,250 | | \$ 2,000 |
| Legal costs | \$ 7,500 | | \$ 5,000 |
| Insurance | \$ 1,500 | | \$ 1,000 |
| TOTAL | \$88,141 | | \$101,250 |
| | | | |
| | | | |
| PER ACRE | ACRES | \$ | 26.14 |
| MAVERICK PISTACHIOS LLC | 465.90 | \$ | 12,178.56 |
| PANOCHÉ DD | 2,906 | \$ | 75,962.44 |
| | 3371.90 | \$ | 88,141.00 |

BACK

March 15, 2021

Board of Directors

Mercy Springs Water District
52027 W. Althea Ave.
Firebaugh, CA 93622

We are pleased to confirm our understanding of the services we are to provide the Mercy Springs Water District for year ended February 28, 2021.

Audit Scope and Objectives

We will audit the financial statements of the business-type activities and the general fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Mercy Springs Water District as of and for the year ended February 28, 2021. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management’s discussion and analysis (MD&A), to supplement Mercy Springs Water District t’s basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Mercy Springs Water District’s RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management’s Discussion and Analysis.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Mercy Springs Water District and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of Mercy Springs Water District’s financial statements. Our report will be addressed to Board of Directors of Mercy Springs Water District.

We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or may withdraw from this engagement.

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

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste and abuse.

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

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

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

Other Services

We will also assist in preparing the financial statements and related notes and State Controller's Report of the Mercy Springs Water District in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

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

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, including identification of all related parties and all related-party relationships and transactions, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

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

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

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

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

Engagement Administration, Fees, and Other

We may from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

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

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

The audit documentation for this engagement is the property of Bryant L. Jolley, CPA and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to regulators or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for

purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bryant L. Jolley's personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

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

We expect to begin our audit on approximately May 2021 and to issue our reports no later than June 2021. Bryant L. Jolley, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be billed at standard hourly rates except that we agree that our gross fee will not exceed \$8,500 for the audit periods ended February 28, 2021. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our most recent peer review report accompanies this letter.

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

BACK

Very truly yours,



Bryant L. Jolley, CPA

RESPONSE:

This letter correctly sets forth the understanding of Mercy Springs Water District.

General Manager

MERCY SPRINGS WATER DISTRICT

RESOLUTION NO. _____

RESOLUTION ADOPTING SPECIAL DISTRICT AUDITING REQUIREMENTS UNDER CALIFORNIA GOVERNMENT CODE SECTION 26909

A. **WHEREAS**, the Mercy Springs Water District (the “District”) is a California water district, formed pursuant to Division 13 of the California Water Code; and

B. **WHEREAS**, the Board of Directors of the District (the “Board”) shall establish and maintain funds and accounts pursuant to Generally Accepted Accounting Principles and by Federal and State statutes and regulations, as applicable; and the District shall comply with the accounting and auditing requirements contained in California Government Code sections 6505-6505.6; and

C. **WHEREAS**, the District is a “special district” as defined under California Government Code section 12463(d)(2)(B); and

D. **WHEREAS**, as a special district, the Board shall contract with a certified public accountant to make an annual audit of the accounts and records of the District, which shall be conducted in compliance with California Government Code section 26909 and all auditing requirements of special act districts by the State Controller’s Office. A copy of the District’s audit shall be submitted to Fresno County and to the State Controller’s Office; and

E. **WHEREAS**, in accordance with Section 26909(b)(1), a special district may, by unanimous request of the Board and with unanimous approval of the Board of Supervisors of the County of Fresno, replace the annual audit required (by Section 26909) with a biennial audit covering a two year period, performed in accordance with professional standards, as determined by the county auditor.

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Mercy Springs Water District finds as follows:

1. The facts stated in the Recitals above are true and correct and the Board so finds, orders, and determines.
- 2.. The District hereby unanimously requests that the Board of Supervisors of the County of Fresno adopt a resolution authorizing the Auditor-Controller to approve a request to replace the annual audit of the District with a biennial audit covering a two-year period.
3. The Board of Directors authorizes District General Manager, or his designee, to take such other actions as necessary to implement the purpose of this Resolution.

PASSED, APPROVED, AND ADOPTED this 30th day of June, 2021 by the following vote:

AYES: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

MICHAEL LINNEMAN, President
Mercy Springs Water District

Attest:

ARA AZHDERIAN, Secretary

BACK

DRAFT

MERCY SPRINGS WATER DISTRICT

RESOLUTION NO. _____

RESOLUTION AUTHORIZING UPDATES TO THE SIGNATORIES FOR MERCY SPRINGS WATER DISTRICT’S WESTAMERICA BANK ACCOUNT AND INITIATION OF STARCONNECT PLUS FOR BUSINESS SERVICE TO ONLINE ACCOUNT ACCESS

WHEREAS, the Mercy Springs Water District (the “District”) is a California water district duly formed under the laws of California; and

WHEREAS, in recent years, the Board of Directors of the District (the “Board”) has hired a new General Manager and has appointed a new member to the Board; and

WHEREAS, the District maintains a bank account at Westamerica Bank, Dos Palos branch and the District desires to initiate StarConnect Plus for Business Service, which enables online access to its account; and

WHEREAS, the District further desires to update those authorized to act on behalf of the District’s bank account and its designated signatories to the certain persons described hereunder, and remove names of former authorized signatories, including Daniel Nelson (former General Manager) and Atomic Falaschi (former Director).

NOW, THEREFORE, IT IS RESOLVED by the District’s Board of Directors hereby finds:

1. The facts stated in the Recitals above are true and correct and the Board so finds, orders, and determines.
2. The following individuals are hereby authorized and approved as signatories for the District’s business, including, but not limited to, on all District bank accounts:
 - (a) Richard Wathen, Director on the District Board of Directors
 - (b) Ara Azhderian, General Manager
 - (c) John Paul Otollo, Treasurer
 - (d) Marlene Brazil, Accounting Supervisor
3. The foregoing signing and authority granted shall include, but not be limited to, the execution of obligations, contracts, certificates, and other instruments entered into by the District. Checks drawn on the District’s Westamerica Bank account require two signatures, and at least one from a Director.
4. The District hereby authorizes the General Manager or his designee to certify and deliver to Westamerica Bank a copy of this resolution, and to execute proper signature cards bearing the authorized signatures as required by Westamerica Bank.

5. The District further authorizes the General Manager or his designee to initiate StarConnect Plus for Business Service to enable online access to the District’s bank account.

PASSED, APPROVED, AND ADOPTED this 30th day of June, 2021 by the following vote:

AYES: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

MICHAEL LINNEMAN, President
Mercy Springs Water District

Attest:

BACK

ARA AZHDERIAN, Secretary

DRAFT

| MERCY SPRINGS WATER DISTRICT | | | | |
|--|--------------|---|----------------------|---|
| ACCOUNTS PAYABLE LIST | | | | |
| PAYMENTS RUN FROM 9/22/2020 TO 6/30/2021 | | | | |
| WESTAMERICA CHECKING # 1602 | | | | |
| DATE | CHECK NUMBER | NAME | CHECK AMOUNT | MEMO |
| 10/16/2020 | 1415 | FRESNO COUNTY CLERK | \$ 50.00 | NOTICE OF EXEMPTION - WINN ACT CONVERSION CONTRACT |
| 10/27/2020 | 1416 | PANOCHÉ WATER DISTRICT | \$ 1,949.00 | AUGUST 2020 LABOR |
| 10/27/2020 | 1417 | MULTI BUSINESS SYSTEMS | \$ 154.35 | 250 CHECKS |
| 10/27/2020 | 1418 | SAN LUIS & DELTA-MENDOTA WATER AUTHORITY | \$ 4,885.45 | WY 2017 YEAR END ACCOUNTING |
| 10/27/2020 | 1419 | U.S. BUREAU OF RECLAMATION | \$ 18,724.14 | SEPTEMBER 2020 DMC WATER PYMT SUMMARY |
| 10/28/2020 | 1420 | U.S. BUREAU OF RECLAMATION | \$ 667.52 | FY 2019 DMC WATER TRUE-UP PYMT SUMMARY |
| | | TOTAL | \$ 26,430.46 | |
| 11/9/2020 | 1421 | BAKER MANOCK & JENSEN | \$ 2,035.00 | SEPTEMBER 2020 LEGAL SERVICES |
| 11/24/2020 | 1422 | SAN LUIS & DELTA-MENDOTA WATER AUTHORITY | \$ 34,690.50 | FY 2021 2ND INSTALL SGMA CENTRAL DELTA |
| 11/24/2020 | 1423 | CA DEPARTMENT OF TAX AND FEE ADMINISTRATION | \$ 3,181.13 | 2020/2021 WATER RIGHTS FEE |
| | | TOTAL | \$ 39,906.63 | |
| 12/4/2020 | 1424 | STREAMLINE | \$ 900.00 | 2020/2021 WEBSITE MAINTENANCE |
| 12/15/2020 | 1425 | STOCKING & COZZI INSURANCE AGENCY, INC. | \$ 1,681.00 | 2020/2021 LIABILITY INSURANCE |
| 12/18/2020 | 1426 | U.S. BUREAU OF RECLAMATION | \$ 5,000.00 | POWER LETTER OF AGREEMENT |
| | | TOTAL | \$ 7,581.00 | |
| 1/6/2021 | 1427 | OFFICE SUPPLY EXPRESS | \$ 27.64 | RUBBER SIGNATURE STAMP - B GLEASON |
| 1/7/2021 | W00001 | U.S. BUREAU OF RECLAMATION | \$ 197,869.00 | WINN ACT REPAYMENT OBLIGATION PAID IN FULL |
| | | TOTAL | \$ 197,896.64 | |
| 2/19/2021 | 1428 | SAN LUIS & DELTA MENDOTA WATER AUTHORITY | \$ 10,699.55 | DHCCP PROJECT \$ 3,342.00 & YUBA CO WATER AGENCY TRANSFER \$ 7,357.55 |
| 2/23/2021 | 1429 | PANOCHÉ WATER DISTRICT | \$ 11,014.00 | SEPTEMBER 2020 - DECEMBER 2020 LABOR COSTS |
| 2/23/2021 | 1430 | U.S. BUREAU OF RECLAMATION | \$ 818.52 | RESCHEDULED DMC WATER WY 20/21 INTO WY 21/22 |
| 2/23/2021 | 1431 | BAKER MANOCK & JENSEN | \$ 5,702.93 | JANUARY 2021 LEGAL SERVICES |
| 2/26/2021 | 1432 | BAKER MANOCK & JENSEN | \$ 9,754.81 | OCTOBER, NOVEMBER & DECEMBER 2020 LEGAL SERVICES |
| | | TOTAL | \$ 37,989.81 | |
| 3/22/2021 | 1433 | SAN LUIS & DELTA MENDOTA WATER AUTHORITY | \$ 32,945.30 | FY22 1ST INSTALL \$ 30,263.50 & YUBA COUNTY WATER AGENCY TRANSFER \$ 2,681.80 |
| 4/26/2021 | 1434 | PANOCHÉ WATER DISTRICT | \$ 2,329.05 | JANUARY 2021 - FEBRUARY 2021 LABOR COSTS |
| 4/26/2021 | 1435 | CENTRAL DELTA-MENDOTA WATER AUTHORITY | \$ 3,700.00 | FY 2020/2021 MEMBERSHIP CONTRIBUTION |
| 4/26/2021 | 1436 | U.S. BUREAU OF RECLAMATION | \$ 8,435.52 | WATER PYMT FOR TRANSFER CHARGE TO ANGIOLA WD |
| | | TOTAL | \$ 14,464.57 | |
| 5/14/2021 | 1437 | PANOCHÉ WATER DISTRICT | \$ 10,014.17 | APRIL 2020 THRU APRIL 2021 ADMINISTRATION COSTS |
| 5/14/2021 | 1438 | SAN LUIS & DELTA-MENDOTA WATER AUTHORITY | \$ 6,468.17 | 2021 NORTH OF DELTA WATER TRANSFER \$ 6,460.00 & LONG TERM NORTH TO SOUTH TRANSFER COST \$ 8.17 |
| 5/14/2021 | 1439 | BAKER MANOCK & JENSEN | \$ 6,460.32 | FEBRUARY & MARCH 2020 LEGAL SERVICES |
| 5/21/2021 | 1440 | SAN LUIS & DELTA-MENDOTA WATER AUTHORITY | \$ 3,435.81 | WY 2018 FINAL TRUE-UP COSTS |
| | | TOTAL | \$ 26,378.47 | |
| 6/14/2021 | 1441 | PANOCHÉ WATER DISTRICT | \$ 1,199.62 | APRIL & MAY 2021 LABOR COSTS |
| 6/14/2021 | 1442 | SAN LUIS & DELTA-MENDOTA WATER AUTHORITY | \$ 135.43 | WY 19 SEPT - FEB 2020 ADMIN EXPENSE \$ 46.48, 20/21 NORTH OF DELTA WATER TRANSFER \$ 87.50 & REVISED ENVIRONMENTAL IMPACT STATEMENT \$ 1.45 |
| 6/14/2021 | 1443 | BAKER MANOCK & JENSEN | \$ 925.10 | APRIL 2020 LEGAL SERVICES |
| 6/30/2021 | 1444 | BAKER MANOCK & JENSEN | \$ 1,118.00 | MAY 2021 LEGAL SERVICES |
| | | TOTAL | \$ 3,378.15 | |
| | | GRAND TOTAL | \$ 386,971.03 | |

MERCY SPRINGS WATER DISTRICT**RESOLUTION NO. _____****RESOLUTION CALLING THE 2021 DISTRICT GENERAL ELECTION
AND AUTHORIZING REQUIRED ACTIONS**

A. **WHEREAS**, Mercy Springs Water District (the “District”) is a California water district duly organized and existing under and pursuant to the Division 13 of the California Water Code; and

B. **WHEREAS**, the District is governed by a Board of Directors consisting of five (5) members who are elected for a term of four (4) years; and

C. **WHEREAS**, the terms of office for two (2) positions on the Board of Directors expire in 2021; and

D. **WHEREAS**, California Elections law, and the District’s Bylaws prescribe the time and manner for the conduct of the election to fill these elective offices, including the use of an all-mail ballot; and

E. **WHEREAS**, California Elections law provides that forms for declaration of candidacy shall be first available on the 113th day prior to the election and shall be filed no later than 5:00 p.m. on the 88th day prior to the election; and

F. **WHEREAS**, California Elections law provides that if by 5:00 p.m. on the 83rd day prior to the day fixed for the general district election, only one person has filed a declaration of candidacy for any elective office to be filled, or no one has filed a declaration of candidacy, the District shall submit a certificate of these facts to the Clerk to the Board of Supervisors of the County of Fresno (the “Board of Supervisors”) and request that the Board of Supervisors appoint to the office or offices the person or persons, if any, who have filed declarations of candidacy; and

NOW, THEREFORE, it is hereby resolved by the Board of Directors of the Mercy Springs Water District that:

1. In the event that the number of candidates for director exceed the number of positions on the Board of Directors which are to be filled by election this year and an election is required, such election shall be held on the second Tuesday in November, that day being the 2nd of November, 2021.

2. Such election shall be conducted pursuant to the all-mail ballot procedure authorized and described by California Elections laws.

3. Forms for declarations of candidacy shall be available from the Secretary of the District at the District office on and after July 12th, 2021, and shall be filed not later than 5:00 p.m. on August 6th, 2021, in the same office; *provided*, however, that forms may be filed by certified mail so that the forms reach the District office no later than 5:00 p.m. on August 6th, 2021.

4. The Secretary of the District shall prepare a list of voters for this election based upon the last equalized assessment book of the District, corrected to reflect, as of the 45th day prior to the election, those persons who as of that date appear as owners of land within the District on the County’s records.

5. The Secretary of the District and District staff are authorized and directed to take any and all actions necessary in order to properly and efficiently conduct the election pursuant to and in compliance with California Water District law, California Elections law, and the District’s Bylaws.

PASSED, APPROVED, AND ADOPTED this 30th day of June, 2021 by the following vote:

AYES: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

MICHAEL LINNEMAN, President
Mercy Springs Water District

Attest:

BACK

ARA AZHDERIAN, Secretary

MERCY SPRINGS WATER DISTRICT**RESOLUTION NO. _____****RESOLUTION TO IMPLEMENT A DISTRICT ELECTION PLAN TO HOLD ALL
SUBSEQUENT DISTRICT ELECTIONS DURING EVEN-NUMBERED YEARS
AFTER NOVEMBER 2021**

- A. **WHEREAS**, Mercy Springs Water District (the “District”) is a California water district located in Fresno County established under Division 13 of the California Water Code; and
- B. **WHEREAS**, the District is governed by a Board of Directors (the “Board”) consisting of five (5) members who are each elected for a term of four (4) years; and
- C. **WHEREAS**, the District currently has odd-numbered year elections, with the next scheduled elections being November, 2021 and November, 2023; and
- D. **WHEREAS**, the State’s enactment of Senate Bill 415 (Elections Code §§ 14050-14057) requires special districts to consolidate future Board elections with statewide general elections on even-numbered years no later than the November 8, 2022, statewide general election; and
- E. **WHEREAS**, many special districts in Fresno County have changed their elections to coincide with statewide general elections (even-numbered year elections); and
- F. **WHEREAS**, it will be more cost effective to hold the District’s elections in even-numbered years, when the County of Fresno is already conducting other elections; and
- G. **WHEREAS**, generally, voter participation is greater for statewide general elections than for special local elections; and
- H. **WHEREAS**, Elections Code Sections 1303, subdivision (b), and 10404, subdivision (b), authorizes the Board to adopt a resolution requiring elections of its Board to occur on the same day as the statewide general elections, and submit that resolution to the Fresno County Board of Supervisors not later than 240 days before the date of the currently scheduled Board election, which resolution becomes operative upon approval by the Fresno County Board of Supervisors; and
- I. **WHEREAS**, the deadline to submit the resolution to the Fresno County Board of Supervisors has passed for the November, 2021, therefore the District will conduct an election in 2021, but wishes to change the election date for all future elections; and
- J. **WHEREAS**, if the change in election date is approved by the Fresno County Board of Supervisors, the Board requests that the future election date be moved from 2023 to November, 2024, and the election date scheduled for 2025 moved to November, 2026; with Board members whose terms would have expired in 2023 being extended to 2024, and Board members elected in 2021 whose terms would have expired in 2025 being extended to 2026, as

required by Elections Code Section 10404, subdivision (i), and as more particularly described in Exhibit “A” to this Resolution; and

K. **WHEREAS**, it is in the District’s best interest to change to even-numbered year elections to take advantage of shared election expense cost savings.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Mercy Springs Water District hereby finds as follows:

1. The above Recitals are deemed true and correct and are incorporated herein by this reference.
2. The Board adopts this Resolution pursuant to Elections Code Section 10404 to move the District Board elections to even-year elections to coincide with the statewide general election in November, beginning with the 2023 election year being consolidated with the 2024 election year.
3. This Resolution shall first become operative and apply to all specific dates necessary for the Board election to be held in concurrence with the statewide general election in November 2024 and each subsequent election of the Board members shall occur in even-numbered years at the same time as the statewide general election.
4. For those Board members whose terms of office would have expired in 2023, their terms of office are extended to 2024. For those Board members elected in 2021 whose terms of office would have expired in 2025, their terms of office will be extended to 2026. A list of the Directors, current election year, and proposed election year dates are identified on the table attached hereto as Exhibit “A” and incorporated herein by this reference.
5. Attached hereto as Exhibit “B” and incorporated herein by this reference are the dates and procedures for the election of Board members pursuant to the California Elections Code.
6. The President of the District’s Board, or his designee, is authorized to take additional and further actions and execute any instruments and documents as may be required by the Fresno County Board of Supervisors and other County Officials in order to effectuate the change of election dates required by this Resolution.
7. The District’s Secretary shall submit this Resolution to the Fresno County Board of Supervisors for approval under Elections Code Section 10404, subdivision (b)(2), and request formal approval of the change by the Board of Supervisors at a public meeting within 60 days after that submission and after the Resolution has been posted as required by law. The change to even-year elections shall become effective upon approval by the Fresno County Board of Supervisors.

PASSED, APPROVED, AND ADOPTED this 30th day of June, 2021 by the following vote:

AYES: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

MICHAEL LINNEMAN, President
Mercy Springs Water District

Attest:

ARA AZHDERIAN, Secretary

DRAFT

EXHIBIT “A”
MERCY SPRINGS WATER DISTRICT
BOARD OF DIRECTORS

| Board Member | Current Election Year | Proposed Election Year |
|---------------------|------------------------------|-------------------------------|
| Brad Gleason* | 2021 | 2026, if re-elected |
| Vacant* | 2021 | 2026, if filled |
| Michael Linneman | 2023 | 2024 |
| Juan Cadena | 2023 | 2024 |
| Richard Wathen | 2023 | 2024 |

* District will conduct an election in 2021 for two director positions. Upon approval of this resolution by the Fresno County Board of Supervisors, those positions shall be up for election in 2026.

DRAFT

EXHIBIT “B”**Dates and Procedures for the Election of Board Members**

(All section references are to the Elections Code.)

1. No later than 125 days before the date of the general election, the District secretary shall deliver a notice of election to the County elections office listing the elective offices to be filled, specifying which offices, if any, are for the balance of an unexpired term and whether the District or the candidate is to pay for the publication of a statement of qualifications under section 13307. A map of the District must accompany the notice. (§§ 10509, 10522.)
2. Between the 120th and 90th day before the date of the general election, the County elections official will publish, one time, a notice of election in a newspaper of general circulation containing the date of the election, the offices to be filled, qualifications for candidacy required by the principal act, where nomination papers are available, the deadline for filing declarations for candidacy, and a notice that appointment will be made in lieu of election in accordance with law. (§12112.)
3. Between the 113th and 88th day before the date of the general election, candidates for the District's Board may obtain and file their declarations of candidacy along with their candidate's statement of qualifications if they choose to submit one.(§§ 10510, 10511, 13307, 13311.)
4. If an incumbent member of the Board does not file a declaration of candidacy by 5:00 p.m. on the 88th day before the date of the general election, any person other than the incumbent may file a declaration of candidacy by 5:00 p.m. on the 83rd day before the date of the general election. (§§ 10407, sub. (b), 10516, sub. (b).)
5. If, by 5:00 p.m. on the 83rd day before the date of the general election: (1) only one person has filed a declaration of candidacy for any position to be filled on the Board; or (2) no one has filed a declaration of candidacy for such office; the County Board of Supervisors may appoint a person to the position. (§ 10515.)
6. On the 82nd day before the date of the general election, the Secretary of State shall conduct the randomized alphabet at 11:00 a.m. to determine the order in which the Board candidates will appear on the general election ballot. (§ 13112.)
7. Between the 57th and 14th day before the date of the general election, write in candidates must file their statement of write-in candidacy and nomination Papers with the County elections official. (§ 8601.)
8. Between the 2nd and 30th day after the date of the general election, the official canvass of the returns is to be completed. (§§ 10547- 10549, 15300 et seq.)

If there is any future amendment of the Elections Code provisions identified above, the amended provisions are applicable. Where the dates described above are inconsistent with those provided in the Elections Code for the statewide general elections, the dates for statewide general elections are controlling.

BACK

MERCY SPRINGS WATER DISTRICT**RESOLUTION NO. _____****RESOLUTION TO AUTHORIZE EXECUTION OF THIRD AMENDMENT OF**

A. **WHEREAS**, Mercy Springs Water District (the “District”) is a California water district located in Fresno County established under Division 13 of the California Water Code; and

B. **WHEREAS**, is a member to that certain Central Delta-Mendota Region Sustainable Groundwater Management Act (“SGMA”) Services Activity Agreement (the “Activity Agreement”), made effective as of February 15, 2017, that certain First Amendment, made effective as of November 17, 2017 (the “First Amendment”), and that certain Second Amendment, made effective November 1, 2018 (the “Second Amendment”); and

C. **WHEREAS**, effective August 28, 2019, Eagle Field Water District, County of Fresno, Fresno Slough Water District, County of Merced, Mercy Springs Water District, Pacheco Water District, Panoche Water District, San Luis Water District, Santa Nella County Water District, and Tranquillity Irrigation District formed a joint power authority known as the Central Delta-Mendota Groundwater Sustainability Agency (the “Central DM GSA”); and

D. **WHEREAS**, the Central DM GSA replaced the multi-agency GSA formed pursuant to a prior memorandum of agreement amongst the same parties; and

E. **WHEREAS**, on January 27, 2020, the Central DM GSA approved the Third Amendment to the Activity Agreement (the “Third Amendment”), attached hereto as Exhibit “A” and incorporated herein by this reference, to allow the Members to delegate their voting authority on the Management Committee; and

F. **WHEREAS**, the Board of Directors of the District (the “Board”) has determined that it is in the District’s best interest to authorize execution of the Third Amendment to allow the District to delegate their voting authority, if the Board desires to delegate such authority in the future.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of Mercy Springs Water District hereby finds as follows:

1. The above Recitals are deemed true and correct and are incorporated herein by this reference.

2. The Board hereby authorizes the Board President or the General Manager to execute the Third Amendment and take additional and further actions in order to accomplish the purpose of this resolution, including delivering an original copy of the executed document to the Central DM GSA.

PASSED, APPROVED, AND ADOPTED this 30th day of June, 2021 by the following vote:

AYES: _____

NAYS: _____

ABSTAIN: _____

ABSENT: _____

MICHAEL LINNEMAN, President
Mercy Springs Water District

Attest:

ARA AZHDERIAN, Secretary

DRAFT

**THIRD AMENDMENT TO CENTRAL DELTA-MENDOTA REGION SUSTAINABLE
GROUNDWATER MANAGEMENT ACT SERVICES ACTIVITY AGREEMENT AND
CONSENT OF SS-MOA PARTICIPANTS**

A. WHEREAS, the San Luis & Delta-Mendota Water Authority (“Authority”) and its members Eagle Field Water District, Mercy Springs Water District, Pacheco Water District, Panoche Water District, San Luis Water District, Tranquillity Irrigation District and Fresno Slough Water District have executed that certain Central Delta-Mendota Region Sustainable Groundwater Management Act (“SGMA”) Services Activity Agreement (the “Activity Agreement Members” and “Activity Agreement”), made effective as of February 15, 2017, that certain First Amendment, made effective as of November 17, 2017 (the “First Amendment”), and that certain Second Amendment, made effective November 1, 2018 (the “Second Amendment”); and

B. WHEREAS, the County of Fresno, the County of Merced, the Santa Nella County Water District, and the Widren Water District, non-members of the Authority, have executed Memoranda of Agreement to participate in the Activity Agreement as SS-MOA Participants; and

C. WHEREAS, effective August 28, 2019, Eagle Field Water District, County of Fresno, Fresno Slough Water District, County of Merced, Mercy Springs Water District, Pacheco Water District, Panoche Water District, San Luis Water District, Santa Nella County Water District, and Tranquillity Irrigation District formed a joint power authority known as the Central Delta-Mendota Groundwater Sustainability Agency; and

D. WHEREAS, the Central Delta-Mendota Groundwater Sustainability Agency replaced the multi-agency GSA formed pursuant to a prior memorandum of agreement amongst the same parties; and

E. WHEREAS, the Members of the Activity Agreement desire to enter into this Third Amendment to allow the Members to delegate their voting authority on the Management Committee.

NOW, THEREFORE, in consideration of the true and correct facts recited above, the Activity Agreement Members and the Authority agree as follows:

1. **Amendment to Section 6.1(a)**. The parties hereby amend, modify, and otherwise revise Section 6.1(a) of the Activity Agreement in its entirety as follows:

Management Committee Members and alternates shall be appointed by action of the governing body of the represented Activity Participant, and such appointments shall be effective upon the appointment date as communicated in writing to the Authority. Each appointee shall serve on the Management Committee from the date of appointment by the governing body of the Activity Participant he/she represents at the pleasure of such governing body. Each governing body may also delegate the voting authority of its Management Committee Members and alternates as provided in Section 6.4.

2. **Amendment to Section 6.4**. The parties hereby amend, modify, and otherwise revise Section 6.4 of the Activity Agreement in its entirety as follows:

Voting. Except as expressly stated to the contrary in this Activity Agreement, the vote of an Activity Participant's duly appointed Management Committee Member or Voting Alternate is deemed to be the vote of that Activity Participant. However, an Activity Participant may delegate voting authority of its Management Committee Member or Voting Alternate to another entity, such as the Central Delta-Mendota Groundwater Sustainability Agency, by providing written notice to the Authority.

A simple majority of the quorum shall be required for the adoption of a resolution, motion or other action of the Management Committee, except that:

3. **Amendment to Section 7.1.** The parties hereby amend, modify, and otherwise revise Section 7.1 of the Activity Agreement to add the following sentence identified in bold:

When the terms of this Agreement or applicable law require the approval of an Activity Participant, written documentation of such approval, whether by Resolution, motion, or other form of authorization, must be provided to the Authority and to each of the other Activity Participants. **An Activity Participant may delegate its approval authority to another entity, such as the Central Delta-Mendota Groundwater Sustainability Agency, by providing written notice to the Authority.**

4. **Controlling Document; No Other Amendment.** In the event of any conflict between the terms of this Third Amendment and the Activity Agreement, First Amendment, or Second Amendment, the terms of this Third Amendment shall control. Except as amended by this Third Amendment, all terms of the Activity Agreement shall remain in full force and effect.

5. **Counterparts.** This Third Amendment may be signed by the parties in different counterparts and the signature pages combined to create one document binding on all parties.

IN WITNESS WHEREOF, the Members and the Authority have executed this Third Amendment as of the date appearing next to their respective signature lines.

SAN LUIS & DELTA-MENDOTA WATER AUTHORITY

By: _____

Name: _____

Title: _____

Date: _____

ACTIVITY AGREEMENT MEMBERS

Agency Name: **EAGLE FIELD WATER DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____

Agency Name: **MERCY SPRINGS WATER DISTRICT**

By: _____

Name: Michael Linneman

Title: President

Date: July 1, 2021

BACK

Agency Name: **PACHECO WATER DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____

Agency Name: **PANOCHE WATER DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____

Agency Name: **SAN LUIS WATER DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____

Agency Name: **TRANQUILLITY IRRIGATION DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____

Agency Name: **FRESNO SLOUGH WATER DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____

Agency Name: **ORO LOMA WATER DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____

**SS-MOA PARTICIPANT CONSENT TO THIRD AMENDMENT
TO THE CENTRAL DELTA-MENDOTA REGION
SUSTAINABLE GROUNDWATER MANAGEMENT ACT
SERVICES ACTIVITY AGREEMENT**

The undersigned duly authorized representatives of the SS-MOA Participants that have entered into a Memorandum of Agreement for Central Delta-Mendota Region Sustainable Groundwater Management Act Services with the San Luis & Delta-Mendota Water Authority hereby consent on behalf of such SS-MOA Participants to the Third Amendment to the Central Delta-Mendota Region Sustainable Groundwater Management Act Services Activity Agreement.

SS-MOA Participants

Agency Name: **COUNTY OF MERCED**

By: _____

Name: _____

Title: _____

Date: _____

Agency Name: **COUNTY OF FRESNO**

By: _____

Name: _____

Title: _____

Date: _____

Agency Name: **SANTA NELLA COUNTY WATER DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____

Agency Name: **WIDREN WATER DISTRICT**

By: _____

Name: _____

Title: _____

Date: _____