



REGULAR BOARD MEETING AGENDA
BOARD OF DIRECTORS MEETING
MALAGA COUNTY WATER DISTRICT
3580 SOUTH FRANK STREET
FRESNO, CALIFORNIA 93725
Tuesday, July 13, 2021 at 6:00PM

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a District Board Meeting, please contact the District Office at 559-485-7353 at least 48 hours prior to the meeting, to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

- ❖ Please submit all written correspondence for the Board of Directors by 12:00 pm the Friday prior to the meeting. Please deliver or mail to the District Clerk.
- ❖ Public comments are limited to three (3) minutes or less per individual per item, with a fifteen (15) minute maximum per group per item and will be heard during the communication portion of the agenda.

1. Call to Order:

2. Roll Call: President Charles Garabedian, Jr.; Vice President Salvador Cerrillo; Director Irma Castaneda; Director Frank Cerrillo, Jr.; Director Carlos Tovar, Jr.

3. Certification: Certification was made that the Board Meeting Agenda was posted 72 hours in advance of the meeting.

4. Old Business:

- a. **FY 2019-2020 Audit Report.** A continued discussion from the previous board meeting. Jaribu W. Nelson, CPA has completed the FY 19/20 audit report. The audit report indicates that the district performs its fiduciary duties in accordance with accounting principles generally accepted in the United States.

Recommended action: to approve the FY 2019/2020 audit report as presented or amended.

Motion by: _____; **Second by:** _____

- b. **Resolution No. 7-13-2021.** A resolution establishing separate bank accounts for solid waste and recreation enterprises.

Recommended action: to approve resolution No. 07-13-2021 as presented or amended.

Motion by: _____; **Second by:** _____

5. New Business:

- a. **Non-profit status.** Gordon Saito, CPA, recommends the dissolution of the non-profit status.

Recommended action: for discussion and potential action.

6. Recreation Reports:

- a. **Recreational Health Inspection Report.** Report shows various violation/not in compliance items. Inspector suggests continuing to correct all violations, including violations from previous inspection report form 11/6/2020.

7. Incorporation Report:

8. Engineer Reports:

- a. District Engineer Report. *None for this meeting.*
- b. CDBG Engineer Report: *None for this meeting.*

9. General Manager's Report:

- a. IWS charges.

10. President's Report:

11. Vice President's Report:

12. Director's Reports:

13. Legal Counsel Report:

14. Communications:

- a. Written Communications:
 1. Notice of public drafts of City of Fresno 2020 Urban Water Management Plan, 2020 Water Shortage Contingency Plan and addendum to 2015 Urban water Management Plan.
 2. FID meeting proposed for Thursday, August 5, 2021 from 9:30am to 11:00am to discuss potential agreement. All those interested in attending please inform the District Clerk.
- b. Public Comment: *The Public may address the Malaga County Water District Board on item(s) of interest within the jurisdiction of the Board, not appearing on the agenda. The Board will listen to comments presented; however, in compliance with the Brown Act, the Board cannot take action on items that are not on the agenda. The public should address the Board on agenda items at the time they are addressed by the Board. All speakers are requested to wait until recognized by the Board President. All Comments will be limited to three **(3)** minutes or less per individual/group per item per meeting, with a fifteen **(15)** minutes maximum.*

15. Consent Agenda. The items listed below in the Consent Agenda are routine in nature and are usually approved by a single vote. Prior to any action by the Board of Directors, any Board member may remove an item from the consent agenda for further discussion. Items removed from the Consent Agenda may be heard immediately following approval of the Consent Agenda or set aside for discussion and action after Regular Business.

- a. Minutes of the Regular Board Meeting of June 22, 2021.
- b. Accounts Payable and Financial Reports.

Recommended action: To approve the Consent Agenda as presented or amended.

Motion by: _____; **Second by:** _____

16. Closed Session:

- a. Pending Litigation (Government code section 54956.8.) Two cases.
- b. Personnel Government Code Section 54957(b)(1).

17. Adjournment:

Motion by: _____, **Second by:** _____

Certification of Posting

I, Norma Melendez, District Clerk of the Malaga County Water District, do hereby certify that the foregoing agenda for the Regular Meeting of the Board of Directors of July 13, 2021 was posted for public view on the front window of the MCWD office at 3580 S. Frank Street, Fresno Ca 93725, at 5:00P.M. On 07/09/2021.

Norma Melendez

Norma Melendez, District Clerk

item 4.a.



MALAGA COUNTY WATER DISTRICT

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
JUNE 30, 2020**

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**MALAGA COUNTY WATER DISTRICT
BOARD OF DIRECTORS AND ADMINISTRATION
JUNE 30, 2020**

Board of Directors

Charles E. Garabedian Jr.	President
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Salvador Cerrillo Jr.	Vice-President
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Irma Castaneda	Director
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Frank A. Cerrillo, Jr.	Director
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Carlos Tovar, Jr.	Director
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Administration

Moises Ortiz	General Manager
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Laurie R. Cortez	Office Manager
------------------	----------------



Jaribu W. Nelson, CPA

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Malaga County Water District

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and each major fund of the Malaga County Water District (District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the District as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on page 4-7 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2021, on our consideration of the Malaga County Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Jaribu W. Nelson, CPA

Jaribu W. Nelson, CPA
June 10, 2021

MALAGA COUNTY WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2020

As management of Malaga County Water District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with information that is included within the financial statements.

Financial Highlights

- Assets of the District exceeded its liabilities as of June 30, 2020 by \$8,060,247. Of this amount, unrestricted net position of \$1,164,755 may be used to meet the District's ongoing obligations to customers and creditors. As of June 30, 2019, assets exceeded liabilities by \$7,936,298 with unrestricted net position equaling \$17,749.
- Total net position increased by \$123,949 for the year ended June 30, 2020. For the year ended June 30, 2019, total net position increased by \$885,879.
- During the current year, the District's fixed assets increased by a net of \$497,159. This increase was mostly attributable to the purchase of improvements to the water system and parks and recreation assets less depreciation. Depreciation expense, the ratable amortization of the cost of fixed assets, amounted to \$486,295 for the current year. Prior year depreciation was \$442,566.
- Total debt increased by a net of \$218,432 during the current year. The increase was mostly attributable to the acquisition of a loan to finance improvements to safe water drinking. During the prior year, total debt increased by a net of \$1,039,993. This was mostly due to the acquisition of a loan to finance improvements to parks and recreation assets.

Overview of the Financial Statements

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

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

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

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

MALAGA COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
YEAR ENDED JUNE 30, 2020

Financial Highlights (continued)

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2020, the District's assets exceeded liabilities by \$8,060,247. A significant portion of the District's net position (90 percent) reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to customers and they are not available for future spending.

In addition, the District has \$123,949 in net position (two percent) that is restricted to make improvements to water facilities and parks and recreation assets.

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

MALAGA COUNTY WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)
YEAR ENDED JUNE 30, 2020

Malaga County Water District's Net Position

	Business-Type Activities	Total	Prior Year Total
ASSETS			
Current assets	\$ 1,658,169	\$ 1,658,169	\$ 1,670,072
Other assets	9,639,623	9,639,623	9,628,759
Total assets	11,297,792	11,297,792	11,298,831
LIABILITIES			
Current liabilities	493,414	493,414	836,836
Deferred liabilities	2,744,131	2,744,131	2,525,697
Total liabilities	3,237,545	3,237,545	3,362,533
NET POSITION			
Net investment in capital assets, net of related debt	6,080,005	6,080,005	7,103,062
Restricted	815,487	815,487	815,487
Unrestricted	1,164,755	1,164,755	17,749
Total net position	\$ 8,060,247	\$ 8,060,247	\$ 7,936,298

Malaga County Water District's Changes in Net Position

	Business-Type Activities	Current Year Total	Prior Year Total (as restated)
REVENUE			
Program revenue			
Charges for services	\$ 3,195,133	\$ 3,195,133	\$ 3,231,677
Other	287,979	287,979	124,037
Total Revenues	3,483,112	3,483,112	3,355,714
EXPENSE			
Waste disposal utility activities	2,323,932	2,323,932	2,217,851
Water utility activities	1,368,253	1,368,253	1,200,476
Community recreation activities	765,065	765,065	581,699
Total Expenses	4,457,250	4,457,250	4,000,026
Net operating income/(loss)	(974,138)	(974,138)	(644,312)
Net nonoperating revenue/(expense)	1,098,087	1,098,087	1,530,191
Increase/(decrease) in net position	123,949	123,949	885,879
Net position, beginning of year	7,936,298	7,936,298	7,050,419
Net position, end of year	\$ 8,060,247	\$ 8,060,247	\$ 7,936,298

MALAGA COUNTY WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

YEAR ENDED JUNE 30, 2020

Business-type activities. Business-type activities increased the District's net position by \$123,949, accounting for 100 percent of the total increase in net position.

Financial Analysis of the District's Funds

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

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

As of June 30, 2020, the District's proprietary funds reported a combined ending fund balance of \$8,060,247, an increase of \$123,949, in comparison to the prior year. Of the entire ending fund balance, \$1,164,755 is unrestricted and is available for spending at the District's discretion.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its business-type activities as of June 30, 2020 amounted to \$8,824,136 (net of allowance for depreciation). This investment in capital assets includes land, building, improvements, construction in progress and equipment.

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

Debt administration. The District's long-term debt totaled \$2,744,130 as of June 30, 2020. Of this total amount, \$234,373 is due and payable during the year ending June 30, 2020. The remainder, referred to as deferred liabilities, is due and payable over the next 23 years.

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

Economic Factors and Next Year's Budgets and Rates

The budget for the year ending June 30, 2021 projects a surplus of \$605,250. Revenue is anticipated to increase by \$2,370 compared to 2019/2020, while expenses are expected to decrease by \$188,343. Charges for services are anticipated to increase by \$20,970, while non-operating revenue is expected to decrease by \$18,600. Salaries, wages and employee benefits are expected to decrease by \$28,023 and services and supplies are anticipated to decrease by \$160,320 compared to 2019/2020.

User rates are not expected to increase during the year ending June 30, 2021.

Requests for Information

This financial report is designed to provide a general overview of Malaga County Water District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the General Manager, Malaga County Water District, 3580 South Frank Street, Fresno, California 93725.

MALAGA COUNTY WATER DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

ASSETS

Cash and investments	\$ 1,212,214
Accounts receivable	304,365
Prepays	<u>141,590</u>
Total current assets	<u>1,658,169</u>

OTHER ASSETS

Restricted assets - cash	815,487
Capital assets, net of allowance for depreciation	<u>8,824,136</u>
Total other assets	<u>9,639,623</u>
Total assets	<u>11,297,792</u>

LIABILITIES

Accounts payable and accrued expense	448,314
Customer deposits payable	<u>45,100</u>
Total current liabilities	<u>493,414</u>

NONCURRENT LIABILITIES

Due within one year	234,373
Due in more than one year	<u>2,509,758</u>
Total Noncurrent liabilities	<u>2,744,131</u>

NET POSITION

Net investment in capital assets, net of related debt	6,080,005
Restricted	815,487
Unrestricted	<u>1,164,755</u>
Total net position	<u>\$ 8,060,247</u>

MALAGA COUNTY WATER DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

BUSINESS-TYPE ACTIVITIES

Operating revenue		
Charges for services		\$ 3,195,133
Other		<u>287,979</u>
Total operating revenues		3,483,112
Operating expense		
Waste disposal utility activities	2,323,932	
Water utility activities	1,368,253	
Community recreation activities	<u>765,065</u>	
Total operating expense		<u>4,457,250</u>
Net operating income/(loss)		(974,138)
Net nonoperating revenue/(expense)		<u>1,098,087</u>
Change in net position		123,949
Net position, beginning of year		<u>7,936,298</u>
Net position, end of year		<u><u>8,060,247</u></u>

MALAGA COUNTY WATER DISTRICT
COMPARATIVE STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Business-Type Activities - Enterprise Funds				
	2020				2019
	Water	Waste Disposal	Recreation	Total	Total
ASSETS					
Current assets					
Cash and cash equivalents	\$ 785,388	\$ 336,005	\$ 90,821	\$ 1,212,214	\$ 1,263,811
Accounts receivable	88,490	214,113	1,762	304,365	300,382
Prepaid expense	<u>41,652</u>	<u>69,933</u>	<u>30,005</u>	<u>141,590</u>	<u>105,879</u>
Total current assets	<u>915,530</u>	<u>620,051</u>	<u>122,588</u>	<u>1,658,169</u>	<u>1,670,072</u>
Other assets					
Restricted cash and investments	-	44,060	771,427	815,487	815,487
Advances to other activities	3,720,530	-	-	3,720,530	3,096,587
Capital assets, net of accumulated depreciation	<u>3,830,104</u>	<u>3,719,459</u>	<u>1,274,573</u>	<u>8,824,136</u>	<u>8,813,272</u>
Total non-current assets	<u>7,550,634</u>	<u>3,763,519</u>	<u>2,046,000</u>	<u>13,360,153</u>	<u>12,725,346</u>
 Total assets	 <u>8,466,164</u>	 <u>4,383,570</u>	 <u>2,168,588</u>	 <u>15,018,322</u>	 <u>14,395,418</u>
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	181,045	203,196	64,073	448,314	796,230
Customer deposits payable	22,550	22,550	-	45,100	40,606
Current portion of long-term debt	<u>115,068</u>	<u>63,805</u>	<u>55,500</u>	<u>234,373</u>	<u>178,558</u>
Total current liabilities	<u>318,663</u>	<u>289,551</u>	<u>119,573</u>	<u>727,787</u>	<u>1,015,394</u>
Other liabilities					
Advances from other activities	-	1,098,879	2,621,651	3,720,530	3,096,587
Non-current liabilities					
Notes payable, less current portion	<u>1,072,691</u>	<u>548,067</u>	<u>889,000</u>	<u>2,509,758</u>	<u>2,347,139</u>
 Total liabilities	 <u>1,391,354</u>	 <u>1,936,497</u>	 <u>3,630,224</u>	 <u>6,958,075</u>	 <u>6,459,120</u>
NET POSITION					
Net investment in capital assets	2,642,345	3,107,587	330,073	6,080,005	7,103,062
Nonspendable	2,744,131	-	-	2,744,131	3,097,066
Restricted	-	44,060	771,427	815,487	815,487
Unrestricted / (deficit)	<u>1,688,334</u>	<u>(704,574)</u>	<u>(2,563,136)</u>	<u>(1,579,376)</u>	<u>(3,079,317)</u>
Total net position	<u>\$ 7,074,810</u>	<u>\$ 2,447,073</u>	<u>\$ (1,461,636)</u>	<u>\$ 8,060,247</u>	<u>\$ 7,936,298</u>

MALAGA COUNTY WATER DISTRICT
COMPARATIVE STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Business-Type Activities - Enterprise Funds				
	2020				2019
	Water	Waste Disposal	Recreation	Total	Total
Operating Revenue					
Charges for services	\$ 1,294,095	\$ 1,867,616	\$ 33,422	\$ 3,195,133	\$ 3,231,677
Other	27,645	251,026	9,308	287,979	124,037
Total operating revenue	1,321,740	2,118,642	42,730	3,483,112	3,355,714
Operating Expense					
Salaries and wages	320,344	533,307	156,768	1,010,419	863,595
Employee benefits	216,022	259,306	104,399	579,727	491,547
Refuse collection and disposal	1,203	414,887	2,770	418,860	445,833
Depreciation	198,841	243,085	44,369	486,295	444,341
Utilities	205,970	160,422	59,696	426,088	372,840
Professional services	83,121	101,125	-	184,246	254,046
Repairs and maintenance	40,119	177,955	28,928	247,002	232,293
Board of directors	108,966	108,576	-	217,542	201,048
Contract services	29,959	44,295	45,988	120,242	138,017
Insurance	26,405	45,219	20,928	92,552	88,968
Supplies and small tools	621	32,586	31,027	64,234	51,011
Dues and memberships	37,434	32,413	1,873	71,720	62,763
Other	10,483	17,928	214,769	243,180	54,412
Telephone	11,388	27,792	8,519	47,699	44,350
Testing	4,161	27,086	-	31,247	42,405
Travel, meetings and education	9,365	11,850	435	21,650	22,532
Fuel and oil	6,811	11,098	6,171	24,080	17,159
Bank charges	21,999	5,369	256	27,624	16,777
Office supplies and postage	5,627	8,791	403	14,821	15,013
Rents and leases	1,295	11,554	855	13,704	12,395
Education and training	1,387	6,918	533	8,838	6,025
Total operating expense	1,341,521	2,281,562	728,687	4,351,770	3,877,370
Net operating income/(loss)	(19,781)	(162,920)	(685,957)	(868,658)	(521,656)
Nonoperating Revenues/(Expenses)					
Grant revenue	496,039	-	170,820	666,859	1,126,479
Taxes and assessments	-	8,467	359,775	368,242	362,010
Other	2,400	951	46,699	50,050	30,111
Interest and use of property	4,108	4,319	4,509	12,936	11,591
Interest expense	(26,732)	(42,370)	(36,378)	(105,480)	(122,656)
Net nonoperating revenues/(expenses)	475,815	(28,633)	545,425	992,607	1,407,535
Change in net position	456,034	(191,553)	(140,532)	123,949	885,879
Net Position - beginning of year	6,618,833	2,638,609	(1,321,144)	7,936,298	7,050,419
Net Position, End of Year	\$ 7,074,867	\$ 2,447,056	\$ (1,461,676)	\$ 8,060,247	\$ 7,936,298

MALAGA COUNTY WATER DISTRICT
COMPARATIVE STATEMENT OF CASH FLOW
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Business-Type Activities - Enterprise Funds				
	2020				2019
	Water	Waset Disposal	Recreation	Total	Total
Operating Activities					
Received from customers	\$ 1,305,514	\$ 2,132,647	\$ 40,968	\$ 3,479,129	\$ 3,411,006
Payments to suppliers	(584,067)	(1,323,521)	(746,874)	(2,654,462)	(2,093,770)
Payments to employees	(536,366)	(792,613)	(261,167)	(1,590,146)	(1,364,927)
Net cash provided by (used in) operating activities	185,081	16,513	(967,073)	(765,479)	(47,691)
Non-capital Financing Activities					
Advances (to)/from other funds	(623,943)	(382,144)	1,006,087	-	-
Property taxes and other nonoperating revenue	2,400	9,418	406,474	418,292	392,121
Net cash provided by (used in) noncapital financing activities	(621,543)	(372,726)	1,412,561	418,292	392,121
Capital and Related Financing Activities					
Grant revenue	496,039	-	170,820	666,859	1,126,479
Proceeds from construction loan	403,417	-	-	403,417	1,026,500
Principal paid on notes payable	(54,980)	(76,503)	(53,500)	(184,983)	(118,436)
Interest paid on notes payable	(26,732)	(42,370)	(36,378)	(105,480)	(92,437)
Disposition of capital assets	-	300,349	-	300,349	-
Purchase of capital assets	(105,082)	-	(692,426)	(797,508)	(1,678,896)
Net cash provided (used) in capital and related financing activities	712,662	181,476	(611,484)	282,654	263,210
Investing Activities					
Interest and use of property	4,108	4,319	4,509	12,936	15,396
Net Increase (Decrease) in Cash					
	280.308	(170.418)	(161.487)	(51.597)	623.036
Cash and Investments					
Beginning of year	505,080	550,483	1,023,735	2,079,298	1,456,262
End of year	\$ 785,388	\$ 380,065	\$ 862,248	\$ 2,027,701	\$ 2,079,298

**MALAGA COUNTY WATER DISTRICT
COMPARATIVE STATEMENT OF CASH FLOW
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	Business-Type Activities - Enterprise Funds				
	2020				2019
	Water	Waste Disposal	Recreation	Total	Total
Reconciliation of Operating Income (Loss)					
to Net Cash Provided By/(Used) for Operating Activities					
Operating income (loss)	\$ (19,838)	\$ (162,903)	\$ (685,917)	\$ (868,658)	\$ (521,656)
Adjustments to reconcile operating income (loss)					
to net cash provided (used) by operating activities:					
Depreciation	198,841	243,085	44,369	486,295	444,341
Changes in assets and liabilities:					
(Increase) Decrease in accounts receivable	(16,226)	14,005	(1,762)	(3,983)	20,379
(Increase) Decrease in prepaid expense	2,356	(28,290)	(9,777)	(35,711)	(9,216)
Increase (Decrease) in accounts payable and accrued expense	17,701	(51,631)	(313,986)	(347,916)	12,802
(Increase) Decrease in deposits	<u>2,247</u>	<u>2,247</u>	<u>-</u>	<u>4,494</u>	<u>5,659</u>
Net Cash Provided/(Used) by Operating Activities	<u>\$ 185,081</u>	<u>\$ 16,513</u>	<u>\$ (967,073)</u>	<u>\$ (765,479)</u>	<u>\$ (47,691)</u>
Summary of cash balances, end of year					
Cash and cash equivalents	785,388	336,005	90,821	1,212,214	1,263,811
Restricted cash	<u>-</u>	<u>44,060</u>	<u>771,427</u>	<u>815,487</u>	<u>815,487</u>
	<u>\$ 785,388</u>	<u>\$ 380,065</u>	<u>\$ 862,248</u>	<u>\$ 2,027,701</u>	<u>\$ 2,050,068</u>

MALAGA COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies

Malaga County Water District is a California special district that was created as a result of a State of California statute. The District was organized to provide and maintain sewer and water operations in the community of Malaga, County of Fresno, State of California. The District is governed by a board of directors. As the District is a governmental unit, it is exempt from federal and California taxes on income.

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

Financial Reporting Entity

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

Government-Wide and Fund Financial Statements

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

MALAGA COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

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

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

Proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flow.

The District reports the following major proprietary funds:

The Sewer, Water and Recreation Funds are the District's only operating funds. The Recreation Fund accounts for community recreation activities and the Sewer and Water Funds account for the sewer and water systems operations in the community of Malaga, County of Fresno, State of California. The District also provides solid waste disposal services to residential housing within the immediate residential area of the community of Malaga by contracting with a third party vendor for the provision of that service.

Amounts reported as program revenue include charges to customers for goods and services, operating grants and contributions and capital grants and contributions.

Assets, Liabilities and Net Position or Equity

1. Cash and Investments

Investments are reported at fair value. Cash represents cash on hand, in banks and on deposit in the treasury of the County of Fresno and the State of California Local Agency Investment Fund. Investments made from pooled cash consist primarily of short-term investments.

2. Property, Plant and Equipment

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

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

MALAGA COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 1: Summary of Significant Accounting Policies (continued)

Assets, Liabilities and Net Position or Equity (continued)

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

	Estimated Useful Life in Years
Buildings and improvements	20 – 40
Equipment	10 – 20

3. Net Position

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

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

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

Restricted – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

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

Budgets and Budgetary Accounting

The District established a budget for its governmental fund for the year ended June 30, 2020. The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

Estimates

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

MALAGA COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 2: Cash and Investments

The District's deposits as of June 30, 2020, were entirely covered by federal depository insurance or otherwise collateralized. The Government Code of the State of California requires California financial institutions to secure District deposits by pledging government securities as collateral.

The following is an analysis of cash as of June 30, 2020:

	Bank Balance Category *			Carrying Amount
	1	2	3	
Cash on hand	\$ 23,916	\$ -	\$ -	\$ 23,916
Cash in bank	551,690	554,825	-	1,106,515
Fresno County Treasury	-	399,018	-	399,018
Local Agency Investment Fund	-	498,252	-	498,252
Total cash and investments	<u>\$ 575,606</u>	<u>\$1,452,095</u>	<u>\$ -</u>	<u>\$2,027,701</u>

* These categories are as follows:

Category 1: Cash on hand or insured by the Federal Deposit Insurance Corporation or collateralized with securities held by the District or by its agents in the District's name.

Category 2: Collateralized with securities held by the pledging financial institution's trust department or agent in the District's name.

Category 3: Uncollateralized.

Restricted assets consists of cash deposits from loan proceeds to be used only for capital asset acquisition.

Note 3: Property, Plant and Equipment

The following is an analysis of the District's capital assets as of June 30, 2020:

	Beginning Balance	Additions/ Completions	Disposals/ Adjustments	Ending Balance
Land*	\$ 599,613	\$ -	\$ (300,349)	\$ 299,264
Water system	5,085,566	3,120,478	-	8,206,044
Sewer system	7,365,626	-	-	7,365,626
Buildings	1,169,276	-	-	1,169,276
Construction in progress*	3,015,396	-	(2,328,970)	686,426
Park development	968,689	-	-	968,689
Equipment	609,072	6,000	-	615,072
Total	18,813,238	3,126,478	(2,629,319)	19,310,397
Allowance for depreciation	<u>(9,999,966)</u>	<u>(486,295)</u>	<u>0</u>	<u>(10,486,261)</u>
	<u>8,813,272</u>	<u>2,640,183</u>	<u>(2,629,319)</u>	<u>8,824,136</u>

* Not currently being depreciated.

MALAGA COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 4: Noncurrent Liabilities

The following is a summary of deferred liabilities (long-term debt) for the year ended June 30, 2020:

	Beginning Balance	Additions	Deletions	Ending Balance	Classification	
					Due Within One Year	Due After One Year
Note payable						
Debt refinancing	\$ 139,484	\$ -	\$ (68,966)	\$ 70,518	\$ 70,518	\$ -
Water and sewer systems improvements	996,845	-	(34,829)	962,017	72,211	889,806
Parks and recreation improvements	998,000	-	(53,500)	944,500	55,500	889,000
Wastewater treatment plant improvements	391,368	-	(21,263)	370,105	22,132	347,973
Safe drinking water	-	403,417	(6,427)	396,990	14,012	382,978
Total long-term debt	<u>\$ 2,525,697</u>	<u>\$ 403,417</u>	<u>\$ (184,985)</u>	<u>\$ 2,744,130</u>	<u>\$ 234,373</u>	<u>\$ 2,509,757</u>

Note 5: Note Payables

Debt Refinancing

Long-term debt outstanding on June 30, 2010 was refinanced on July 26, 2010. The debt was originally incurred to make improvements to the water and sewer systems. The total amount of the refinanced debt was \$1,151,053 and provides for interest at the rate of 4.50 percent per annum. Semi-annual payments of principal and interest began January 2011, and continues until paid. Full repayment of the loan is scheduled to occur in July 2020. The Water Fund finances this debt to the extent of 30 percent of the payments due and the Waste Disposal Fund finances 70 percent of the payments. Interest paid on this loan for the year ended June 30, 2020 was \$7,794.

Future payments of the note are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	<u>\$ 70,518</u>	<u>\$ 1,587</u>	<u>\$ 72,105</u>
	<u>\$ 70,518</u>	<u>\$ 1,587</u>	<u>\$ 72,105</u>

MALAGA COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 5: Note Payables (continued)

Water and Sewer Systems Improvements

This debt was incurred to finance the construction of water well number eight and improvements to the sewer system. The total amount of the debt was \$1,500,000 and provides for interest at the rate of 4.85 percent per annum. Semi-annual payments of principal and interest began January 2011, and continue until paid. Full repayment of the loan is scheduled to occur in July 2030. The Water Fund finances this debt to the extent of 80 percent of the payments due and the Waste Disposal Fund finances 20 percent of the payments. Interest paid on this loan for the year ended June 30, 2020 was \$49,172.

Future payments of the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 72,211	\$ 45,793	\$ 118,004
2022	75,756	42,248	118,004
2023	79,475	38,529	118,004
2024	83,376	34,628	118,004
2025 - 2029	482,441	107,579	590,020
2030 - 2034	168,756	8,250	177,006
	<u>\$ 962,015</u>	<u>\$ 277,027</u>	<u>\$ 1,239,042</u>

Wastewater Treatment Plant Improvements

This debt was incurred to finance the construction of wastewater treatment plant improvements. The total amount of the debt was \$502,500 and provides for interest at the rate of 4.05 percent per annum. Semi-annual payments of principal and interest began December 2018, and continue until paid. Full repayment of the loan is scheduled to occur in June 2033. The Waste Disposal Fund finances this debt to the extent of 100 percent of the payments. Interest paid on this loan for the year ended June 30, 2020 was \$14,767.

Future payments of the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 22,132	\$ 14,767	\$ 36,899
2022	23,038	13,862	36,900
2023	23,980	12,920	36,900
2024	24,961	11,939	36,900
2025 - 2029	140,986	43,513	184,499
2030 - 2034	135,009	12,590	147,599
	<u>\$ 370,106</u>	<u>\$ 109,591</u>	<u>\$ 479,697</u>

MALAGA COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 5: Note Payables (continued)

Parks and Recreation Improvements

This debt was incurred to finance improvements to parks and recreation department assets. The total amount of the debt was \$1,026,500 and provides for interest at the rate of 3.690 percent per annum. Semi-annual payments of principal and interest began June 2019, and continue until paid. Full repayment of the loan is scheduled to occur in December 2033. The Parks and Recreation Fund finances this debt. Interest paid on this for the year ended June 30, 2020 was \$36,337.

Future payments of the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 55,500	\$ 34,345	\$ 89,845
2022	57,500	32,278	89,778
2023	59,500	30,138	89,638
2024	61,500	27,924	89,424
2025 - 2029	342,500	103,606	446,106
2030 - 2034	368,000	34,778	402,778
	<u>\$ 944,500</u>	<u>\$ 263,069</u>	<u>\$ 1,207,569</u>

Safe Drinking Water

This debt was incurred to finance water meters for safe drinking water. The total amount of the debt was \$403,417 and provides for interest at the rate of 0 percent per annum. Semi-annual payments of principal began January 2020, and continue until paid. Full repayment of the loan is scheduled to occur in January 2049. The Water Fund finances this debt. Interest paid on this for the year ended June 30, 2020 was \$0.

Future payments of the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 14,012	\$ -	\$ 14,012
2022	14,012	-	14,012
2023	14,012	-	14,012
2024	14,012	-	14,012
2025 - 2029	70,058	-	70,058
2030 - 2034	70,058	-	70,058
Thereafter	196,162	-	196,162
	<u>\$ 392,326</u>	<u>\$ -</u>	<u>\$ 392,326</u>

MALAGA COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Note 6: Restricted Assets – Cash

As of June 30, 2020, \$815,487 in cash is restricted for the improvements to the wastewater treatment plant and parks and recreation assets. This amount is not available for spending for other purposes. The improvements to the wastewater treatment plant and the parks and recreation assets should be made during the year ending June 30, 2021.

Note 7: Pension Plan

All full-time employees are participants in the District's Money Purchase Retirement Benefit Plan after twelve consecutive months of employment. Total payroll for the year ended June 30, 2020 was \$1,010,419 with covered payroll equaling \$794,280. The pensions cost to the District is 10 percent of the participants' compensation. Required and accrued contributions to the plan for the year ended June 30, 2020 were \$79,428.

Note 8: Subsequent Events

In compliance with accounting standards, management has evaluated events that have occurred after year-end to determine if these events are required to be disclosed in the financial statements. Management has determined the events regarding the novel Coronavirus require disclosure in accordance with accounting standards. During March 2020, Governor Newsom issued an emergency proclamation declaring a State of Emergency in California due to the novel Coronavirus (COVID-19). The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak and the economic and other actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate impact of COVID-19 on the operations and finances of the Organization are unknown.

MALAGA COUNTY WATER DISTRICT
COMBINING STATEMENT OF REVENUE AND EXPENSE
WASTE DISPOSAL FUND
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	Business-Type Activities - Waste Disposal Fund				
	2020				2019
	Sewer	Pretreatment	Solid Waste	Total	Total
OPERATING REVENUE					
Charges for services	\$ 1,262,503	\$ 165,962	\$ 439,151	\$ 1,867,616	\$ 1,917,581
Other	221,250	29,776	-	251,026	66,971
Total operating revenue	1,483,753	195,738	439,151	2,118,642	1,984,552
OPERATING EXPENSE					
Salaries and wages	461,072	72,236	-	533,308	457,410
Employee benefits	226,802	32,505	-	259,307	230,685
Refuse collection and disposal	4,267	-	410,619	414,886	442,241
Depreciation	243,085	-	-	243,085	244,603
Utilities	160,422	-	-	160,422	131,895
Professional services	82,305	18,820	-	101,125	127,127
Repairs and maintenance	172,305	5,650	-	177,955	168,043
Board of directors	108,576	-	-	108,576	100,524
Contract services	35,618	8,676	-	44,294	51,884
Insurance	23,859	21,359	-	45,218	44,460
Supplies and small tools	32,119	468	-	32,587	28,491
Dues and memberships	29,854	2,559	-	32,413	40,387
Other	14,676	3,234	-	17,910	12,826
Telephone	24,130	3,661	-	27,791	26,599
Testing	21,565	5,521	-	27,086	37,383
Travel, meetings and education	11,783	67	-	11,850	6,605
Fuel and oil	8,266	2,832	-	11,098	5,956
Bank charges	5,224	145	-	5,369	7,521
Office supplies and postage	7,075	1,716	-	8,791	7,946
Rents and leases	11,394	160	-	11,554	7,110
Education and training	5,779	1,140	-	6,919	3,378
Total operating expense	1,690,176	180,749	410,619	2,281,544	2,183,074
Net operating income	(206,423)	14,989	28,532	(162,902)	(198,522)
Nonoperating revenue/(expense)					
Grant revenue	-	-	-	-	13,485
Taxes and assessments	-	-	8,467	8,467	1,823
Other	-	-	951	951	
Interest and use of property	3,967	-	351	4,318	6,077
Interest expense	(42,370)	-	-	(42,370)	(34,777)
Net nonoperating revenue/(expense)	(38,403)	-	9,769	(28,634)	(13,392)
Change in net position	\$ (244,826)	\$ 14,989	\$ 38,301	\$ (191,536)	\$ (211,914)

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



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

To the Board of Directors
Malaga County Water District

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities and each major fund of the Malaga County Water District (District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated June 10, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2020-01.

Compliance and Other Matters

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

Purpose of this Report

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

Jaribu W. Nelson, CPA

June 10, 2021

MALAGA COUNTY WATER DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2020

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:

Unmodified

Internal control over financial reporting:

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

Non-compliance material to financial statements noted?

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

There was one (1) financial statement finding to be reported in accordance with *Generally Accepted Government Auditing Standards (GAGAS)*. See Finding 2020-01

SECTION III – FEDERAL AWARDS FINDINGS

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

MALAGA COUNTY WATER DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2020

FINANCIAL STATEMENT FINDINGS

Finding 2020-01

Improve the preparation of the financial statements

Criteria:

Internal controls should be in place which will provide assurance that the financial statements along with preparation of the notes to the financial statements and supplementary information, are prepared accurately on a timely basis at year-end.

Condition:

During the course of performing our audit procedures, we noted that many proposed adjusting journal entries were to reclassify amounts to their proper account.

Cause:

Management did not perform its closing procedures to ensure all ledger account balances were properly classified to the appropriate fund on a timely basis at year-end.

Effect:

There is a risk that a material financial statement may exist and not be prevented or detected by the District's system of internal control.

Recommendation:

We recommend that the review of all year-end account balances include an accounting professional to validate the accuracy of all accounts.

District Response:

The District will work with external CPA to provide accurate and timely financial reporting to minimize the misstatements that could occur. The District is currently engaging an external CPA to complete the current year financial statements in a more timely manner.

MALAGA COUNTY WATER DISTRICT

SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2019

There were no prior year financial statement findings reported in accordance with *Government Auditing Standards*.

ITEM 4.b.

RESOLUTION NO. 7-13-2021

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MALAGA COUNTY WATER DISTRICT ESTABLISHING SEPARATE BANK ACCOUNTS FOR SOLID WASTE AND RECREATION ENTERPRISES

WHEREAS, the Board of Directors of the Malaga County Water district, on the advice of the General Manager, Auditor and Accountant, has determined that the establishment of separate bank accounts for the solid waste and recreation enterprises will simplify the Districts accounting and annual audits and improve transparency; and

WHEREAS, the Board desires to and hereby does establish separate accounts for the Recreation and Solid waste enterprises.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MALAGA COUNTY WATER DISTRICT AS FOLLOWS:

1. That the foregoing recitals are true and correct and are incorporated herein by this reference as though fully set forth at this point.
2. The District hereby establishes a separate bank accounts for the Recreation and Solid Waste enterprises and authorizes the following persons to be signors on those accounts: Moises Ortiz, Laurie Cortez, Charles E. Garabedian, Jr., Salvador Cerrillo, Irma Castaneda, Frank Cerrillo, Jr. and Carlos Tovar, Jr.
3. The accounts may be held in any Federally insured bank.

* * * * *

Passed and approved by the Board of Directors of the Malaga County Water District at their meeting held on this 13th day of July, 2021, by the following vote:

AYES:

NOES:

ABSENT:

Charles Garabedian, President of the
Malaga County Water District

ATTEST:

Moises Ortiz, Secretary to the Board
of Directors of the Malaga County Water District

ITEM 6.a.



Official Recreational Health Inspection Report

Department of Public Health Environmental Health Division
1221 Fulton Street, P.O. Box 11867, Fresno, CA 93775, Phone (559) 600-3357
http://www.fcdph.org Email: EnvironmentalHealth@fresnocountyca.gov

**FACILITY
CLOSED**

FACILITY ID: FA00002417

RECORD ID: REC00010094

CT: AL20

MALAGA COMMUNITY PARK
3582 S WINERY AVE
FRESNO CA 93725

CALL FOR REINSPECTION
(559) 485-7353

Time In: 06/29/2021 9:39 am
Time Out: 06/29/2021 11:39 am
Reinspection Date: 07/29/2021

REC Pool Final Inspection

Public Swimming Facility - Pool

Contractor License #:

Permit Posted:

Balance Due:

\$0.00

Free-Chlorine residual (PPM): 2.5
Required Flow Rate (GPM): 390

pH (range 7.2 - 7.8): 7.6
Actual Flow Rate (GPM): 480

Cyanuric Acid (Max 100 PPM): 0
Filter (PSI):

Violations / Not in compliance

9. Gates / Self-Latching

Violation: Gates and doors opening into the pool enclosure shall be equipped with self-latching devices. Self-latching devices shall keep the gate or door securely closed. CBC 3119B.2

Comments: CORRECT FROM PREVIOUS INSP. REPORT DATED 11/6/20

Remedy: Repair/replace the latch for the gate so that the gate can remain securely

89. Pool Decks / General

Violation: A minimum continuous and unobstructed 4-foot wide slip resistant, cleanable, nonabrasive deck area of concrete or like material shall be provided flush with the top of the pool coping extending completely around the pool. CBC 3114B.1

Remedy: Multiple cracks, chipping, and gaps noted in decking. Repair deck as needed.

118. Anti-Entrapment / Drain Covers

Violation: Every public swimming pool shall be equipped with anti-entrapment devices or systems that comply with ANSI/APSP-16 performance standard or successor standard designated by the Federal Consumer Product Safety Commission. CBC 3162B

Remedy: Close/eliminate gap around various equalizer cover riser rings and pool wall.

162. Chemical Feeders / Flow Switch

Violation: Chemical feeders and associated components shall be constructed and installed to prevent uncontrolled discharge or siphoning of chemicals and fumes directly into the pool, its recirculation system, the pool area or ancillary facilities. CBC 3133B.3

Remedy: Repair/service controller and paddle flow switch to make fully functional. Accu-Tab injection pump appears to feed when flow warning light is activated during a paddle flow switch test. Acid feed appears to function properly. Recir. pump to controller inter-lock appears to be functioning.

MAIN DRAIN COVER(S): MAKE MODEL: <input type="checkbox"/> SINGLE <input checked="" type="checkbox"/> SPLIT <input type="checkbox"/> UNBLOCKABLE AQUASTAR WAV18WR Exp. 06/22/2026	EQUALIZER COVER(S): MAKE MODEL #: AQUASTAR A8R Exp. 06/22/2026	SVR5: MAKE MODEL:	SVR5 (JET) : MAKE MODEL:
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Observed and in Compliance:

General Comments:

CALL FOR REINSPECTION AFTER ALL VIOLATIONS HAVE BEEN CORRECTED, FINAL NOT COMPLETE.
CONTINUE TO CORRECT ALL VIOLATIONS FROM PREVIOUS INSPECTION REPORT DATED 11/6/20. REPORT COPY LEFT
ONSITE.

NOTICE: REINSPECTION FEES WILL BE CHARGED FOR REINSPECTIONS DUE TO UNCORRECTED VIOLATIONS

Received By: EMAIL

Inspected By: Aaron Baruti



ITEM 9.a.

	FY 21/22 Solid Waste Budget-DRAFT			Proposed
	Mid YR FY 20/21	FY 20/21 Budget	FY 20/21 YR END Est.	FY 21/22
Income				
60060-Solid Waste Trsh Coll Cnt-Res	35,834	72,100	72,955	73,000
60065-Solid Waste Trsh Coll Cnt-Bus	169,862	414,200	356,920	\$ 354,600
Sub-Total Income	205,697	414,200	356,920	\$ 354,600
Other Income				
41700-Other - Other		1,000	0	\$ 1,000
49300-Taxes & Assessments	0	900	0	\$ 900
Sub-Total Other Income	0	1,900	0	\$ 1,900
Total Income	205,697	416,100	356,920	\$ 356,500

Expense				
56110-Contract Service	0	0	0	\$ -
56200-Other	0	0	0	\$ -
57120-Professional Service	0	0	0	\$ -
74060-Solid Waste-Colltn Residential	38,303	64,200	76,606	\$ 76,600
74065-Solid Waste-Colltn Business	164,911	364,500	307,882	\$ 307,900
Total Expense	203,214	428,700	384,488	\$ 384,500

SOLID WASTE REVENUE VS. EXPENSES:

MID YR FY 20/21 Revenue-Solid Waste:	\$ 205,697
MID YR FY 20/21 Expense-Solid Waste:	\$ 203,214
DIFFERENCE:	\$ 2,483

YR END FY 20/21 Revenue-Solid Waste:	\$ 356,920
YR END FY 20/21 Expense-Solid Waste:	\$ 384,488
DIFFERENCE:	\$ (27,568)

Proposed Budget FY21/22 Revenue-Solid Waste:	\$ 356,500
Proposed Budget FY21/22 Expense-Solid Waste:	\$ 384,500
DIFFERENCE:	\$ (28,000)

**FY19/20 Solide Waste was in the negative \$14,458.41.

FY 21/22 Solid Waste Budget-REVISED				Proposed
Mid YR FY 20/21	FY 20/21 Budget	FY 20/21 YR END Est.	FY 21/22	

Income

60060-Solid Waste Trsh Coll Cnt-Res	35,834	72,100	72,955	73,000
60065-Solid Waste Trsh Coll Cnt-Bus	169,862	414,200	356,920	\$ 354,600
Sub-Total Income	205,697	486,300	429,875	\$ 427,600
Other Income				
41700-Other - Other		1,000	0	\$ 1,000
49300-Taxes & Assessments	0	900	0	\$ 900
Sub-Total Other Income	0	1,900	0	\$ 1,900
Total Income	205,697	488,200	429,875	\$ 429,500

Expense

56110-Contract Service	0	0	0	\$ -
56200-Other	0	0	0	\$ -
57120-Professional Service	0	0	0	\$ -
74060-Solid Waste-Colltn Residential	38,303	64,200	76,606	\$ 76,600
74065-Solid Waste-Colltn Business	164,911	364,500	307,882	\$ 307,900
Total Expense	203,214	428,700	384,488	\$ 384,500

SOLID WASTE REVENUE VS. EXPENSES:

MID YR FY 20/21 Revenue-Solid Waste:	\$	205,697
MID YR FY 20/21 Expense-Solid Waste:	\$	203,214
DIFFERENCE:	\$	2,483

YR END FY 20/21 Revenue-Solid Waste:	\$	429,875
YR END FY 20/21 Expense-Solid Waste:	\$	384,488
DIFFERENCE:	\$	45,387

Proposed Budget FY21/22 Revenue-Solid Waste:	\$	429,500
Proposed Budget FY21/22 Expense-Solid Waste:	\$	384,500
DIFFERENCE:	\$	45,000



Industrial Waste & Salvage

P.O. BOX 446
FRESNO, CA 93709
Phone: (559) 233-1158
Fax: (559) 441-4140

CUSTOMER NO	001167
INVOICE DATE	5/31/2021
INVOICE NO	0000689589
CUSTOMER PO	
DUE DATE	6/30/2021

BALANCE FWD	\$6,372.39
PAYMENTS	\$-6,372.39
CREDITS	\$0.00
CHARGES	\$6,372.39
BALANCE DUE	\$6,372.39

CURRENT	1-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	BALANCE DUE
\$ 6,372.39	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 6,372.39

SERVICE DATE	TICKET	DESCRIPTION	QUANTITY	RATE	AMOUNT
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New Charges

Site 001167-0001 - MALAGA COUNTY WATER DISTRICT - VARIOUS LOCATION, FRESNO

05/01/2021-05/31/2021	96 GALLON TRASH SERVICE	9.00	\$9.42	\$84.78
05/01/2021-05/31/2021	96 GALLON RECYCLING SERVICE	4.00	\$4.35	\$17.40
05/01/2021-05/31/2021	96 GALLON GREENWASTE SERVICE	3.00	\$6.03	\$18.09
05/01/2021-05/31/2021	64 GALLON SENIOR TRASH SERVICE	7.00	\$19.82	\$138.74
05/01/2021-05/31/2021	COMMUNITY CLEANUP	204.00	\$8.51	\$1,736.04
05/01/2021-05/31/2021	96 GALLON TRASH SERVICE	197.00	\$22.22	\$4,377.34

Total For Site 001167-0001: **\$6,372.39**

Site 001167-0004 - LOPEZ, ERNEST - 3222 E GRAND AVE, FRESNO

05/01/2021-05/31/2021	96 GALLON TRASH SERVICE	1.00	\$0.00	\$0.00
05/01/2021-05/31/2021	96 GALLON RECYCLING SERVICE	1.00	\$0.00	\$0.00
05/01/2021-05/31/2021	96 GALLON GREEN WASTE SERVICE	1.00	\$0.00	\$0.00

Total For Site 001167-0004: **\$0.00**

Site 001167-0005 - CIVILA, ROBERT H - 3228 E GRAND ST, FRESNO

05/01/2021-05/31/2021	96 GALLON TRASH SERVICE	1.00	\$0.00	\$0.00
05/01/2021-05/31/2021	96 GALLON RECYCLING SERVICE	1.00	\$0.00	\$0.00

Industrial Waste & Salvage

P.O. BOX 446
FRESNO, CA 93709
Phone: (559) 233-1158

CUSTOMER NO	INVOICE DATE	INVOICE NO	BALANCE DUE
001167	5/31/2021	0000689589	\$ 6,372.39
CHECK NO		AMOUNT ENCLOSED	
		\$	

Be sure to write your customer number on your check

MALAGA COUNTY WATER DISTRICT
3580 S FRANK AVE
FRESNO, CA 93725-2511

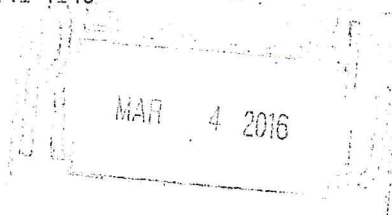
**Industrial Waste & Salvage**

P.O. BOX 446

FRESNO, CA 93709

Phone: (559) 233-1158

Fax: (559) 441-4140



CUSTOMER NO	001167
INVOICE DATE	2/28/2016
INVOICE NO	0000229442
CUSTOMER PO	
DUE DATE	3/29/2016

BALANCE FWD	\$6,822.10
PAYMENTS	\$0.00
CREDITS	\$0.00
CHARGES	\$6,754.55
BALANCE DUE	\$13,576.65

CURRENT	1-30 DAYS	31-60 DAYS	61-90 DAYS	OVER 90 DAYS	BALANCE DUE
\$ 13,576.65	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 13,576.65

SERVICE DATE	TICKET	DESCRIPTION	QUANTITY	RATE	AMOUNT
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New Charges**Site 001167-0001 - MALAGA COUNTY WATER DISTRICT - VARIOUS LOCATION**

2/1/2016-2/29/2016		64 GALLON SENIOR TRASH SERVICE	3.00	\$10.40	\$31.20
2/1/2016-2/29/2016		96 GALLON GREENWASTE SERVICE	3.00	\$4.00	\$12.00
2/1/2016-2/29/2016		96 GALLON SENIOR TRASH SERVICE	47.00	\$13.40	\$629.80
2/1/2016-2/29/2016		96 GALLON TRASH SERVICE	5.00	\$6.75	\$33.75
2/1/2016-2/29/2016		96 GALLON RECYCLING SERVICE	4.00	\$2.75	\$11.00
2/1/2016-2/29/2016		COMMUNITY CLEANUP	221.00	\$15.40	\$3,403.40
2/1/2016-2/29/2016		96 GALLON TRASH SERVICE	171.00	\$15.40	\$2,633.40

Total For Site 001167-0001: \$6,754.55**Site 001167-0002 - CUSTOMER - 3175 E MALAGA AVE**

2/1/2016-2/28/2016		96 GALLON GREEN WASTE SERVICE	1.00	\$0.00	\$0.00
2/1/2016-2/28/2016		96 GALLON RECYCLING SERVICE	1.00	\$0.00	\$0.00
2/1/2016-2/28/2016		96 GALLON TRASH SERVICE	1.00	\$0.00	\$0.00

Total For Site 001167-0002: \$0.00**Site 001167-0003 - SALINAS, JOSE - 3621 S HARDING AVE # 1**

2/1/2016-2/28/2016		96 GALLON GREEN WASTE SERVICE	1.00	\$0.00	\$0.00
2/1/2016-2/28/2016		96 GALLON RECYCLING SERVICE	1.00	\$0.00	\$0.00



ITEM 14.a.1.

Department of Public Utilities

Utilities Planning & Engineering
2101 G Street, Bldg. A
Fresno, California 93706
559-621-8600 – FAX 559-498-4126
www.fresno.gov

June 25, 2021

VIA ELECTRONIC MAIL

Moises Ortiz
Malaga County Water District
3580 South Frank Street
Fresno, CA 93725-2511

SUBJECT: NOTICE OF PUBLIC DRAFTS OF CITY OF FRESNO 2020 URBAN WATER MANAGEMENT PLAN, 2020 WATER SHORTAGE CONTINGENCY PLAN, AND ADDENDUM TO 2015 URBAN WATER MANAGEMENT PLAN

Dear Mr. Ortiz:

The City of Fresno (City) has prepared the 2020 Urban Water Management Plan (UWMP) and 2020 Water Shortage Contingency Plan (WSCP) in accordance with the Urban Water Management Planning Act (California Water Code Sections 10610 to 10657). In accordance with Title 23 California Code of Regulations §5003(c)(1)(C), the City has also prepared an addendum to the 2015 UWMP to include a discussion of the City's reduced reliance on the Sacramento-San Joaquin River Delta surface water.

The three documents will be made available for public review starting June 28, 2021. Physical copies of the three documents will be available at the following Fresno County Libraries: Central Library (2420 Mariposa St), Woodward Park Regional Library (944 E Perrin Ave), Betty Rodriguez Regional Library (3040 N Cedar Ave), Fig Garden Regional Library (3071 W Bullard Ave), and Sunnyside Regional Library (5566 E Kings Canyon Rd). Electronic copies of the three documents will be available online at <https://www.fresno.gov/publicutilities/about-dpu/plans-reports-resources/>.

Comments may be submitted by calling Utilities Planning & Engineering at 559-621-1603, by writing to Mr. Peter Maraccini, Department of Public Utilities, Utilities Planning & Engineering Division, 2101 G Street Bldg. A, Fresno, CA 93706, or by emailing at Peter.Maraccini@Fresno.gov. All written comments must be received no later than

Mr. Ortiz

NOTICE OF PUBLIC DRAFTS OF CITY OF FRESNO 2020 URBAN WATER
MANAGEMENT PLAN, 2020 WATER SHORTAGE CONTINGENCY PLAN, AND
ADDENDUM TO 2015 URBAN WATER MANAGEMENT PLAN

June 25, 2021

Page 2 of 2

July 12, 2021 at 5:00 P.M. The three documents will be brought to the City Council at 10:05 A.M. on Thursday, July 15, 2021 at the City Council Chambers at the City Hall located at 2600 Fresno Street for a public hearing and consideration for adoption. We welcome your participation in reviewing the documents and providing comments.

Sincerely,



Brock D. Buche, PE, PLS
Assistant Director



REGULAR BOARD MEETING MINUTES
BOARD OF DIRECTORS MEETING
MALAGA COUNTY WATER DISTRICT
3580 SOUTH FRANK STREET
FRESNO, CALIFORNIA 93725
Tuesday, June 22, 2021 at 6:00PM

ITEM 15.a.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a District Board Meeting, please contact the District Office at 559-485-7353 at least 48 hours prior to the meeting, to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

- ❖ Please submit all written correspondence for the Board of Directors by 12:00 pm the Friday prior to the meeting. Please deliver or mail to the District Clerk.
- ❖ Public comments are limited to three (3) minutes or less per individual per item, with a fifteen (15) minute maximum per group per item and will be heard during the communication portion of the agenda.

1. Call to Order: 6:00PM

- 2. Roll Call:** President Charles Garabedian, Jr.; Vice President Salvador Cerrillo; Director Irma Castaneda; Director Frank Cerrillo, Jr.; Director Carlos Tovar, Jr.

All present. Late arrival of Vice President Cerrillo at 6:04p.m. Director Tovar, Jr. present via telephone.

Also present: Neal Costanzo, Norma Melendez, and Moises Ortiz.

- 3. Certification:** Certification was made that the Board Meeting Agenda was posted 72 hours in advance of the meeting.
- 4. Consent Agenda.** The items listed below in the Consent Agenda are routine in nature and are usually approved by a single vote. Prior to any action by the Board of Directors, any Board member may remove an item from the consent agenda for further discussion. Items removed from the Consent Agenda may be heard immediately following approval of the Consent Agenda or set aside for discussion and action after Regular Business.
- a. Minutes of the Regular Board Meeting of June 8, 2021.
 - b. Minutes of Special Board Meeting Workshop of June 17, 2021.

Recommended action: To approve the Consent Agenda as presented or amended.

Motion by Director Castaneda; Second by Director Cerrillo and by a 4-0 vote to approve the consent agenda as presented.

5. Old Business:

- a. **FY 2021-2022 Budget Review.** Review of the draft budget for FY 2021-2022.

Recommended action: To approve the budget as presented or amended for FY 2021-2022.

Director Castaneda suggested to increase recreation salary by \$50,000 to accommodate potential new positions at the park. President Garabedian suggested to add a separate item for

landscape contractors. **Motion by Vice President Cerrillo; Second by Director Cerrillo, Jr. and a 5-0 vote to approve FY 2021-2022 budget as amended.**

b. **Resolution 06-22-2021.** A resolution approving fiscal year 2021-2022 budget.

Recommended action: to approve resolution 06-22-2021 as presented or amended.

Motion by Vice President Cerrillo; Second by Director Tovar, Jr. and a 5-0 vote to approve resolution 06-22-2021 as amended.

c. **Resolution 06-22-2021A.** Consideration and necessary action on Resolution 06-22-2021A, a resolution of necessity of the Board of Directors for the acquisition of approximately 14.73 acres of real property owned by the Fresno Unified School District located at 3224 E. Central Avenue.

Recommended action: to approve resolution 06-22-2021A as presented or amended.

Motion by Vice President Cerrillo; Second by Director Cerrillo, Jr. and a vote of 5-0 to approve Resolution 06-22-2021A as presented.

AYES: President Charles Garabedian, Jr., Vice President Salvador Cerrillo, Director Irma Castaneda, Director Frank Cerrillo, Jr. And Director Carlos Tovar, Jr.

NOES: 0

ABSENT: 0

6. New Business:

a. **FY 2019-2020 Audit Report.** Jaribu W. Nelson, CPA has completed the FY 19/20 audit report. The audit report indicates that the district performs its fiduciary duties in accordance with accounting principles generally accepted in the United States.

Recommended action: To approve the FY 2019/2020 audit report as presented.

Item tabled for the next board meeting pending review from the board. It was also suggested that Jaribu come to the next board meeting to give an overview of the audit and answer questions the board may have.

7. Recreation Reports:

- a. Bathroom Partition Updates
- b. Pool Update
- c. Prop 68
- d. Recreation Bank Account

8. Incorporation Report: *No new updates for this meeting.*

9. Engineer Reports:

- a. District Engineer Report. *None for this meeting.*
- b. CDBG Engineer Report: *None for this meeting.*

10. General Manager's Report:

- a. IWS roll off rate increase.
- b. High Speed Rail recoup cost
- c. Pre-treatment

1. Permits. **Permits have been mailed out and are ready whenever the EPA comes to inspect.**
2. Sewer units. **Need to reevaluate facilities square footage to calculate appropriate sewer units per account.**

11. President's Report:

President Garabedian, Jr. will be retiring December 31, 2022 and has planned his retirement trip for December, 2022.

12. Vice President's Report:

Vice President Cerrillo mentioned that Eric Cederquist was coming to the board meeting. He also reported that everything is set for the "Welcome Back" event at the park.

13. Director's Reports:

None for this meeting.

14. Legal Counsel Report:

None for this meeting.

15. Communications:

a. Written Communications:

1. The district received thank you cards from Rogelio Lopez Magana and Maya Garcia in appreciation for the Malaga Scholarship.
2. Janice Monroe from City of Fresno's, Planning and Development, sends an invitation to schedule zoom meeting to discuss South Central Specific Plan.

b. Public Comment: *The Public may address the Malaga County Water District Board on item(s) of interest within the jurisdiction of the Board, not appearing on the agenda. The Board will listen to comments presented; however, in compliance with the Brown Act, the Board cannot take action on items that are not on the agenda. The public should address the Board on agenda items at the time they are addressed by the Board. All speakers are requested to wait until recognized by the Board President. All Comments will be limited to three (3) minutes or less per individual/group per item per meeting, with a fifteen (15) minutes maximum.*

16. Closed Session: 7:48pm

- a. Pending Litigation (Government code section 54956.8.) one case.
No reportable action.

17. Adjournment:

Motion by Director Cerrillo, Second by Vice President Cerrillo, and by a 5-0 vote to adjourn the meeting at 8:54pm.

Certification of Posting

I, Norma Melendez, District Clerk of the Malaga County Water District, do hereby certify that the foregoing minutes for the Regular Meeting of the Board of Directors of June 22, 2021, was posted for public view on the front window of the MCWD office at 3580 S. Frank Street, Fresno Ca 93725, at 5:00P.M. On 07/14/2021.

Norma Melendez

Norma Melendez, District Clerk

Num	Name	Memo	Amount
Direct Deposit	QuickBooks Payroll Service	Created by Payroll Service on 06/02/2021	-24,939.93
EFT Pmt	Internal Revenue Service	EFT Payment	-11,109.56
ACH Pmt	Employment Development Department	CA/SUI Withholdings	-1,749.70
ACH Pmt	Employment Development Department	Disability Withholdings	-523.80
42432	AFLAC	Employee Withholding	-49.32
42433	California State Disbursement Unit	Employee Wage Assignment	-471.69
42434	Noble Credit Union	Employee Withholding	-100.00
42435	Valley First Credit Union	Employee Withholding	-250.00
42436	Ability Answering/Paging Services	May-2021 Answering Service	-106.05
42437	P G & E	May-2021 Utilities	-33,594.21
42438	Rod's Lawn Service	May-2021 Park Lawn Service	-2,160.00
42439-42444	Employee Payroll	(1st) Payroll	-7,806.67
42445	Richard Mason	Water Shop/Park Maintenance	-750.00
42446	ACWA/JPIA	July-2021 Dental/Vision Premium	-2,321.89
42447	Alert-O-Lite	District Maintenance Supplies	-1,302.20
42448	All-Phase Medallion	District Maintenance Supplies	-621.49
42449	Allied Rodent Control	May -2021 WWTF Rodent Control	-350.00
42450	Badger Meter	Meter Communication Device	-119.57
42451	Badger Meter	May-2021 Meter Service	-445.00
42452	Big W Sales	Weed Sprayer Trailer for WWTF	-50.43
42453	California Business Machines	May- Aug21 Copier Svc/Plus Overage Feb21-May21	-1,101.20
42454	California CAD Solutions	GIS Annual Subscription 07/1/21-06/30/22	-7,140.00
42455	CAPRCBM	2021-Renewal	-250.00
42456	Clark Pest Control	May-2021 Service/District Office/Center	-129.00
42457	Clark Pest Control	May-2021 Service-WWTF	-129.00
42458	Clark Pest Control	May-2021 Service-Water Dept	-65.00
42459	Costanzo & Associates	April-2021 Professional Service	-5,539.23
42460	County of Fresno Rd Maintenance	CDBG #19451-Fire Hydrant Improvements	-776.00
42461	Culligan	May-2021 Water Service	-32.05
42462	Culligan	May-2021 Water Service-WWTF	-43.66
42463	Culligan	May-2021 Water Service-Water Shop	-39.40
42464	CWEA	21/22 CWEA Renewal-J. Swacker	-91.00
42465	CWEA	21/22 CWEA Renewal-S. Perez	-101.00
42466	Domain Listings	21/22 Annual Domain Listing Service	-228.00
42467	Ernest Packaging	District Maintenance Supplies	-766.69
42468	Esperanza Rodriguez	Picnic Shelter Depsit Refund	-50.00
42469	Fresno Ag Hardware	Park Repairs/Maint.	-72.85
42470	Fresno Equipment Company	Park Repairs/Maint.	-15.40
42472	Fresno Pipe & Supply, Inc.	Park/Rec Maintenance	-137.98
42471	General Automotive	Repairs/Maintenance Water Trk	-1,198.99
42473	Goodyear Commercial Tire	Repair Flat Maint. Trk	-37.96
42474	Gordon Saito & Co., CPA's LLP	May-2021 Accouting Service	-225.00
42475	Haven's For Total Security	Change Locks Park/Recreation	-1,107.83
42476	Home Depot	Apr/May-21 District Maintenance Supplies	-3,264.02
42477	Industrial Waste & Salvage	April-2021 Solid Waste Business	-38,246.77
42478	Integrity Networks	June-2021 WWTF-Internet	-275.95
42479	Irma Castaneda	Reimb: Rec. Committee Mtgs Food	-144.23
42480	Jensen & Pilegard	Maintenance Equipment Water Dept	-39.90
42481	Jorgensen & Co.	Install Ceullar Communicate Center	-3,111.00
42482	McClatchy Company, LLC	Public Notice-Water Schedule/Water Theft	-391.02
42483	Moore Twining Associates,Inc	May-2021 Testing	-7,157.00
42484	Moore Twining Associates,Inc	WWTF PFA's Sampling per SWRCB	-2,455.00
42485	Moore Twining Associates,Inc	WWTF Testing	-80.00
42486	New England Sheet Metal And Mechanical	Rep/Maint. A/C District Office	-866.41
42487	Pena's Disposal	June-2021 Shredding Service	-50.00
42488	Provost & Pritchard	April-2021 Engineering Fees	-12,401.30

Num	Name	Memo	Amount
42489	Quadient Finance USA, Inc.	May-2021 Postage Refill	-300.00
42490	Robert V. Jensen Inc.	May-2021 District Fuel	-1,624.35
42491	SDRMA	21-22 Property Liability	-63,639.98
42492	Sherwin Williams Co.	Park/Gazebo Maintenance Supplies	-823.67
42493	Silvas Oil Company, Inc.	Grease for WWTF	-122.67
42494	Streamline	June-2021 Website Service	-200.00
42495	UniFirst Corporation	May-2021 Uniforms/Supplies	-779.06
42496	Winsupply	Fire Hydrant Meters	-1,162.24
42497	Yamabe & Horn Engineering	April-2021 Fire Hydrant Project #19451	-2,040.00
42498	Zee Medical Services	Medical Supplies-Center	-62.30
Direct Deposit	QuickBooks Payroll Service	Created by Payroll Service on 06/16/2021	-25,053.29
EFT Pmt	Internal Revenue Service	EFT Payment	-9,811.08
ACH Pmt	Employment Development Department	CA/SUI Withholdings	-1,467.96
ACH Pmt	Employment Development Department	Disability Withholding	-472.00
42499	AFLAC	Employee Withholdings	-49.32
42500	California State Disbursement Unit	Employee Wage Assignment	-471.69
42501	Noble Credit Union	Employee Withholdings	-100.00
42502	Valley First Credit Union	Employee Withholdings	-250.00
42503	A T & T	May 2021 Service-District Office	-579.08
42504	A T & T	May 2021 Service-Center	-426.27
42505	Citi Cards	May-2021 Payroll Updates	-24.45
42506	Industrial Waste & Salvage	May-2021 Solid Waste-Residential	-6,372.39
42507	Industrial Waste & Salvage	May-2021 Dumping Fees All Dept.	-1,274.48
42508	Industrial Waste & Salvage	May-2021 WWTF Dumping Fees	-300.07
42509	Jaribu W. Nelson, CPA	Audit 2019/2020-Accounting Service	-6,250.00
42510	Leaf	June-2021 Copier Service	-370.42
42511	Richard Mason	Paint Water Shop	-600.00
42512	Productivity Plus Account	Repairs/Maintenance WWTF Backhoe	-293.10
42513	Richard Mason	Paint Center Gym	-750.00
42514	TPX Communications	WWTF Phone Service-June-2021	-570.94
42515	United HealthCare	July-2021 Premium	-8,547.92
42516	Alexis Hernandez	Rental Cancelled Deposit Refund	-200.00
42517	State Water Resources Control Board	D3 Water Distribtuon Operator Certification	-120.00
42518	AFLAC	April-2021 Pmt L.Rios	-33.12
42519	AFLAC	May-2021 Pmt L.Rios	-33.12
42520-42523	Employee Payroll	(2nd) Payroll	-4,655.80
42524	Carlos Tovar Jr.	JUNE-2021 Mtgs (3) @\$143.50	-430.50
42525	Charles Garabedian Jr.	JUNE-2021 Mtgs (5) @\$143.50	-717.50
42526	Charles Garabedian Jr.	In Lieu of Medical 07/2021	-2,850.52
42527	Frank Cerrillo Jr.	JUNE-2021 Mtgs (3) @\$100	-300.00
42528	Frank Cerrillo Jr.	In Lieu of Medical 07/2021	-2,878.03
42529	Irma Castaneda	JUNE-2021 Mtgs (3) @\$143.50	-336.56
42530	Irma Castaneda	In Lieu of Medical 07/2021	-2,784.23
42531	Salvador Cerrillo	JUNE-2021 Mtgs (5) @\$100	-500.00
42532	Salvador Cerrillo	In Lieu of Medical 07/2021	-3,333.49
42533	Home Depot	June-2021 District Maintenance Supplies	-389.70
42534	Ismael Ramirez	Mariachi's for Welcome Back BBQ	-700.00
42535	Roberto Aleman	Table Cloths for Welcome Back BBQ	-140.00
42536	Richard Mason	Paint Rec Center	-750.00
TOTAL:			-332,522.65

MALAGA COUNTY WATER DISTRICT
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
JUNE-2021
FINAL

Wells Fargo Bank - Checking

Beginning Balance-May 31, 2021:	\$ 1,023,627.07
Cash Receipts-June-21:	272,177.98
Bank Interest-June-21:	7.46
Bank Fees-June-21:	(97.50)
Credit Card Fees-June-21:	(278.29)
Credit Card Charges-June-21:	(6,762.39)
Disbursements-June-21:	(326,486.64)
Ending Balance-June 30, 2021	\$ 962,187.69

County of Fresno**Maintenance Fund:**

Beginning Balance-May 31, 2021:	\$ 136.09
Property Taxes-N/A	-
Ending Balance-June 30, 2021	\$ 136.09

LAIF Account:

Beginning Balance-May 31, 2021:	\$ 502,472.33
Qtrly Interest-N/A	-
Ending Balance-June 30, 2021	\$ 502,472.33

Self-Help Credit Union

Beginning Balance-May 31, 2021:	\$ 51,797.21
Interest-May-21	-
Ending Balance-June 30, 2021	\$ 51,797.21

Zions Bank

Beginning Balance-May 31, 2021:	\$ 540,859.00
Interest-N/A	-
Ending Balance-June 30, 2021	\$ 540,859.00

Total Cash In Bank Accounts-June 30, 2021**\$ 2,057,452.32**

**** All bank accounts are subject to change when bank statements come in.