



REGULAR BOARD MEETING AGENDA

BOARD OF DIRECTORS
ALTERNATE MEETING ROOM
3582 SOUTH WINERY AVENUE
FRESNO, CALIFORNIA 93725
Tuesday, August 8, 2023 at 6:30PM

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. **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 July 24, 2023.
- b. Minutes of the Special Board Meeting of July 31, 2023.

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

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

5. Old Business:

- a. **Audit.** Continued discussion from the previous meeting. Review and discussion of the audit report for fiscal year 2021-2022.

Recommended action: to approve Audit 2021-2022 as presented or amended.

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

- b. **Parking Lot Project.** Continued discussion from the previous meeting. Asphalt Technology, Inc. made repairs necessary to fully complete the project. An invoice was submitted for \$203,857.00.

Recommended action: to approve payment to Asphalt Technology.

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

6. New Business:

- a. **Pool Fees.** Minimum wage has increased. With this increase, pool rental fee for lifeguards must be modified to cover payroll costs. Currently, the lifeguard fee is \$14.00, and the California minimum wage rate is \$15.50.

Recommended action: to modify the pool rental lifeguard fee to \$15.50.

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

- b. **Soccer Park Agreement.** SAM Soccer League has expressed interest in using the park facilities for soccer practice and games. The league has been on a trial run to observe the type of presence it generates. They came to an agreement that the youth of Malaga may be able to enter the league free of charge. A draft agreement is presented for review.

Recommended action: to review and discuss agreement. For potential action.

7. Sheriff Report: Presented by CSO, Elaine Montoya.

8. Incorporation Reports:

9. Recreation Reports:

10. Engineer Reports:

- a. District Engineer Report.
 - i. **Well 3A & Tank Project Results.**
- b. CDBG Engineer Report:
 - i. **CDBG Funding Application Cycle 2024-2025.** A public hearing will be held at the next regular board meeting of August 22.

11. General Manager's Report:

- a. Employee retention credit.

12. President's Report:

13. Vice President's Report:

14. Director's Reports:

15. Legal Counsel Report:

16. Communications:

- a. Written Communications:
- 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.

17. Closed Session:

18. 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 August 8, 2023, 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 08/04/2023.

Norma Melendez District Clerk



REGULAR BOARD MEETING MINUTES

BOARD OF DIRECTORS MEETING
ALTERNATE MEETING ROOM
3582 S. WINERY AVENUE
FRESNO, CALIFORNIA 93725
Monday, July 24, 2023 at 6:00PM

item 4.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.

1. Call to Order: 6:03PM

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

Also present: 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 July 13, 2023.
 - b. Minutes of the Special Board Meeting Workshop of July 20, 2023.

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

Motion by Vice President Cerrillo; Second by Director Cerrillo and by a 5-0 vote to approve the consent agenda as presented.

5. Old Business: None for this meeting.

6. New Business:

- a. **Parking Lot Project.** The project has been completed. Asphalt Technology, Inc. has submitted an invoice of \$203,857.00 for the job completed.

Recommended action: to approve payment to Asphalt Technology.

Item tabled to the next board meeting of August 8, 2023, due to unfinished details.

- b. **Audit.** The District's CPA, Jaribu Nelson, to present the latest audit to the board of directors.

Recommended action: For discussion and potential action.

Discussion was held. Item tabled to the next board meeting of August 8, 2023.

- c. **IWS Billing.** Three billing options have been submitted to the district along with a residential term billing cycle.

Recommended action: for discussion and potential action.

The General Manager suggests creating a workshop to discuss billing options.

7. Incorporation Reports: None for this meeting.

8. Recreation Reports:

Director Castaneda reported that the recreation meeting is finalizing plans for the 50's dance that is scheduled for August 5, 2023.

Vice President Cerrillo asks the GM if the district can provide 250 waters to the religious outreach program of July 29.

9. Engineer Reports:

a. District Engineer Report.

i. The District Engineer has provided a memo of updates of open items.

ii. 3062 South Peach Ave; Malaga Well 5A.

Discussion was held. Bid opening for the Malaga Well 3A project is scheduled for August 3, 2023, at 2:00pm. No reportable action.

b. CDBG Engineer Report: None for this meeting.

10. General Manager's Report:

a. Solar Project.

b. Locations of Proposed Developments.

Director Cerrillo, Jr. asked the GM if the houses in front of Vitro part of Malaga's sphere of influence are. The GM confirms they are in the districts SOI.

11. President's Report:

Nothing for this meeting.

12. Vice President's Report:

Nothing for this meeting.

13. Director's Reports:

Nothing for this meeting.

14. Legal Counsel Report: Legal Counsel absent.

15. Communications:

a. Written Communications:

1. **IWS.** CPI percentage increase of 4.2% to be effective August 1, 2023.

2. Alex Morelos sport sponsorship request letter.

President Garabedian, Jr., Vice President Cerrillo and Director Cerrillo, Jr. made an in-person cash donation of \$100.00 each. The district will donate the remainder \$160.00 needed to complete the requestors sponsorship total.

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: none for this meeting.

17. Adjournment:

Motion by Vice President Cerrillo, Second by Vice President Cerrillo, Jr. and by a 5-0 vote to adjourn the meeting at 7:09pm

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 July 24, 2023 was posted for public view on the front window of the MCWD office at 3580 S. Frank Street, Fresno Ca 93725, on 08/09/2023.

Norma Melendez

MCWD Clerk



SPECIAL BOARD MEETING MINUTES
ALTERNATE MEETING ROOM
3582 SOUTH WINERY AVENUE
FRESNO, CALIFORNIA 93725
Monday, July 31, 2023 at 6:00PM

item 4.b.

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.

- ❖ 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.

3. Certification: Certification was made that the Board Meeting Agenda was posted 24 hours in advance of the meeting.

4. Old Business:

- a. **Solar Project.** Clarification is needed regarding the plans that were presented in the previous board meeting of July 25. Potential amendments to the project for discussion and cannot wait for the next board meeting.

Recommended action: board's pleasure.

The board of directors made the unanimous decision to select the northwest median for solar site location.

5. New Business: *None for this meeting.*

6. Communications:

- a. Public Comment: **none for this meeting.**

7. Closed Session: none for this meeting.

8. Adjournment:

Motion by Director Castaneda, Second by Director Cerrillo, Jr. and by a 5-0 vote to adjourn the meeting at 6:20pm.

Certification of Posting

I, Norma Melendez, District Clerk of the Malaga County Water District, do hereby certify that the foregoing minutes for the Special Board Meeting of the Board of Directors of July 31, 2023, was posted for public view on the front window of the MCWD office at 3580 S. Frank Street, Fresno Ca 93725, on 08/09/2023.

Norma Melendez

item 5.a.



MALAGA COUNTY WATER DISTRICT

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
JUNE 30, 2022**

draft

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**MALAGA COUNTY WATER DISTRICT
BOARD OF DIRECTORS AND ADMINISTRATION
JUNE 30, 2022**

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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Norma Melendez	Clerk
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Malaga County Water District

Opinion

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, 2022, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of the District as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Malaga County Water District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Malaga County Water District's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on 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 July 17, 2023, on our consideration of 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Malaga County Water District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Malaga County Water District's internal control over financial reporting and compliance.

Jaribu W. Nelson, CPA

Clovis, California

July 17, 2023

MALAGA COUNTY WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2022

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, 2022. 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, 2022, by \$7,154,941. Of this amount, unrestricted net position of \$826,363 may be used to meet the District's ongoing obligations to customers and creditors. As of June 30, 2021, assets exceeded liabilities by \$7,931,065 with unrestricted net position equaling \$1,307,035.
- Total net position decreased by \$605,463 for the year ended June 30, 2022. For the year ended June 30, 2021, total net position decreased by \$129,182.
- During the current year, the District's fixed assets increased by a net of \$108,187. 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 \$430,176 for the current year. Prior year depreciation was \$380,449.
- Total debt decreased by a net of \$170,305 during the current year. The decrease was mostly attributable to the debt service payments. During the prior year, total debt increased by a net of \$225,029. This was mostly attributable to the acquisition of a loan to finance improvements to safe water drinking.

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, 2022

Financial Highlights (continued)

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

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

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

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, 2022, the District's assets exceeded liabilities by \$7,154,941. A significant portion of the District's net position (83 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 \$397,091 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, 2022

Malaga County Water District's Net Position

	Business-Type Activities	Total	Prior Year Total
ASSETS			
Current assets	\$ 2,508,956	\$ 2,508,956	\$ 1,870,192
Other assets	8,677,373	8,677,373	9,143,130
Total assets	11,186,329	11,186,329	11,013,322
LIABILITIES			
Current liabilities	1,682,593	1,682,593	563,157
Deferred liabilities	2,348,795	2,348,795	2,519,100
Total liabilities	4,031,388	4,031,388	3,082,257
NET POSITION			
Net investment in capital assets, net of related debt	5,931,487	5,931,487	6,083,171
Restricted	397,091	397,091	540,859
Unrestricted	826,363	826,363	1,307,035
Total net position	\$ 7,154,941	\$ 7,154,941	\$ 7,931,065

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	\$ 3,111,463	\$ 3,111,463	\$ 3,143,493
Other	102,949	102,949	90,224
Total Revenues	3,214,412	3,214,412	3,233,717
EXPENSE			
Waste disposal utility activities	1,949,299	1,949,299	1,643,970
Water utility activities	1,438,009	1,438,009	1,388,990
Solid waste activities	499,231	499,231	457,333
Community recreation activities	665,709	665,709	322,000
Total Expenses	4,552,248	4,552,248	3,812,293
Net operating income/(loss)	(1,337,836)	(1,337,836)	(578,576)
Net nonoperating revenue/(expense)	732,373	732,373	449,394
Increase/(decrease) in net position	(605,463)	(605,463)	(129,182)
Net position, beginning of year	7,931,065	7,931,065	8,060,247
Net position, end of year	\$ 7,325,602	\$ 7,325,602	\$ 7,931,065

MALAGA COUNTY WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)

YEAR ENDED JUNE 30, 2022

Business-type activities. Business-type activities decreased the District's net position by \$605,463, accounting for 100 percent of the total decrease in net position.

Financial Analysis of the District's Funds

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

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

As of June 30, 2022, the District's proprietary funds reported a combined ending fund balance of \$7,154,941, an decrease of \$605,463, and a restatement of beginning net position totaling \$170,661. Of the entire ending fund balance, \$826,363 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, 2022 amounted to \$8,280,282 (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 \$2,348,795 as of June 30, 2022. Of this total amount, \$176,967 is due and payable during the year ending June 30, 2022. The remainder, referred to as deferred liabilities, is due and payable over the next 21 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, 2023, projects a surplus of \$192,525. Revenue is anticipated to decrease by \$38,098 compared to 2021/2022, while expenses are expected to decrease by \$13,401. Charges for services are anticipated to decrease by \$17,347, while non-operating revenue is expected to increase by \$24,811. Salaries, wages and employee benefits are expected to decrease by \$53,203 and services and supplies are anticipated to decrease by \$39,802 compared to 2021/2022.

User rates are not expected to increase during the year ending June 30, 2023.

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, 2022

ASSETS

Cash and investments	\$ 2,151,823
Accounts receivable	277,533
Prepays	<u>79,600</u>
Total current assets	<u>2,508,956</u>

OTHER ASSETS

Restricted assets - cash	397,091
Capital assets, net of allowance for depreciation	<u>8,280,282</u>
Total other assets	<u>8,677,373</u>
Total assets	<u><u>11,186,329</u></u>

LIABILITIES

Accounts payable and accrued expense	1,640,527
Customer deposits payable	<u>42,066</u>
Total current liabilities	<u>1,682,593</u>

NONCURRENT LIABILITIES

Due within one year	176,967
Due in more than one year	<u>2,171,828</u>
Total Noncurrent liabilities	<u>2,348,795</u>

NET POSITION

Net investment in capital assets, net of related debt	5,931,487
Restricted	397,091
Unrestricted	<u>826,363</u>
Total net position	<u>7,154,941</u>
Total Liabilities and Net Position	<u><u>\$ 11,186,329</u></u>

MALAGA COUNTY WATER DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

BUSINESS-TYPE ACTIVITIES

Operating revenue		
Charges for services		\$ 3,111,463
Other		<u>102,949</u>
 Total operating revenues		 3,214,412
 Operating expense		
Waste disposal utility activities	\$ 1,949,299	
Water utility activities	1,438,009	
Solid waste activities	499,231	
Community recreation activities	<u>665,709</u>	
 Total operating expense		 <u>4,552,248</u>
 Net operating income/(loss)		 (1,337,836)
 Net nonoperating revenue/(expense)		 <u>732,373</u>
 Change in net position		 (605,463)
 Net position, beginning of year		 <u>7,760,404</u>
 Net position, end of year		 <u>\$ 7,154,941</u>

MALAGA COUNTY WATER DISTRICT
COMPARATIVE STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Business-Type Activities - Enterprise Funds					
	2022					2021
	Water	Waste Disposal	Recreation	Solid Waste	Total	Total
ASSETS						
Current assets						
Cash and cash equivalents	\$ 1,105,792	\$ 621,130	\$ 366,232	\$ 58,669	\$ 2,151,823	\$ 1,477,622
Accounts receivable	90,406	185,365	1,762	-	277,533	304,365
Prepaid expense	11,003	12,829	2,518	53,250	79,600	88,205
Total current assets	1,207,201	819,324	370,512	111,919	2,508,956	1,870,192
Other assets						
Restricted cash and investments	-	-	397,091	-	397,091	540,859
Advances to other activities	3,720,896	-	-	-	3,720,896	3,720,560
Capital assets, net of accumulated depreciation	3,601,353	3,352,612	1,326,317	-	8,280,282	8,602,271
Total non-current assets	7,322,249	3,352,612	1,723,408	-	12,398,269	12,863,690
Total assets	8,529,450	4,171,936	2,093,920	111,919	14,907,225	14,733,882
LIABILITIES						
Current liabilities						
Accounts payable and accrued expenses	244,279	1,286,852	110,099	-	1,641,230	521,121
Customer deposits payable	3,714	20,127	18,225	-	42,066	42,066
Current portion of long-term debt	104,807	12,660	59,500	-	176,967	170,306
Total current liabilities	352,800	1,319,639	187,824	-	1,860,263	733,493
Other liabilities						
Advances from other activities	-	1,098,542	2,621,651	-	3,720,193	3,720,530
Non-current liabilities						
Notes payable, less current portion	957,874	441,954	772,000	-	2,171,828	2,348,794
Total liabilities	1,310,674	2,860,135	3,581,475	-	7,752,284	6,802,817
NET POSITION						
Net investment in capital assets	2,538,672	2,897,998	494,817	-	5,931,487	6,083,171
Nonspendable	2,561,166	-	-	-	2,561,166	2,561,166
Restricted	-	-	397,091	-	397,091	540,859
Unrestricted / (deficit)	2,118,938	(1,586,197)	(2,379,463)	111,919	(1,734,803)	(1,254,131)
Total net position	\$ 7,218,776	\$ 1,311,801	\$ (1,487,555)	\$ 111,919	\$ 7,154,941	\$ 7,931,065

MALAGA COUNTY WATER DISTRICT
COMPARATIVE STATEMENT OF REVENUE, EXPENSE, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Business-Type Activities - Enterprise Funds					
	2022					2021
	Water	Waste Disposal	Recreation	Solid Waste	Total	Total
Operating Revenue						
Charges for services	\$ 1,270,193	\$ 1,286,064	\$ 23,718	\$ 531,488	\$ 3,111,463	\$ 3,143,493
Other	34,487	57,362	10,355	745	102,949	90,224
Total operating revenue	1,304,680	1,343,426	34,073	532,233	3,214,412	3,233,717
Operating Expense						
Salaries and wages	307,986	539,065	105,149	-	952,200	849,682
Employee benefits	239,821	302,105	36,755	-	578,681	412,440
Refuse collection and disposal	5,660	8,394	3,646	499,231	516,931	474,381
Depreciation	146,260	219,390	64,526	-	430,176	380,449
Utilities	220,711	171,469	73,026	-	465,206	436,738
Professional services	119,249	165,498	-	-	284,747	221,299
Repairs and maintenance	58,360	94,200	181,220	-	333,780	209,573
Board of directors	22,271	21,410	-	-	43,681	210,087
Contract services	22,814	24,453	10,919	-	58,186	67,265
Insurance	61,639	84,666	42,928	-	189,233	116,175
Supplies and small tools	22,889	87,310	83,958	-	194,157	79,157
Dues and memberships	50,109	46,493	754	-	97,356	76,545
Other	77,657	10,830	5,692	-	94,179	76,889
Telephone	13,604	30,869	8,641	-	53,114	47,657
Testing	6,401	32,379	-	-	38,780	36,158
Travel, meetings and education	17,022	11,239	3,037	-	31,298	3,928
Fuel and oil	12,489	14,336	1,161	-	27,986	20,311
Bank charges	3,853	1,216	934	-	6,003	7,267
Office supplies and postage	7,757	10,438	170	-	18,365	13,231
Rents and leases	1,547	14,026	8,330	-	23,903	8,133
Education and training	2,113	1,619	690	-	4,422	3,015
Total operating expense	1,420,212	1,891,405	631,536	499,231	4,442,384	3,750,380
Net operating income/(loss)	(115,532)	(547,979)	(597,463)	33,002	(1,227,972)	(516,663)
Nonoperating Revenues/(Expenses)						
Grant revenue	67,869	-	-	-	67,869	-
Taxes and assessments	-	-	373,426	-	373,426	387,539
Other	97,213	(32,437)	124,305	95,725	284,806	54,276
Interest and use of property	3,153	701	2,418	-	6,272	7,579
Interest expense	(17,797)	(57,894)	(34,173)	-	(109,864)	(61,913)
Net nonoperating revenues/(expenses)	150,438	(89,630)	465,976	95,725	622,509	387,481
Other Financing Sources/(Uses)						
Transfers in	-	-	-	-	-	34,127
Transfers out	-	-	-	-	-	(34,127)
Net other financing sources / (uses)	-	-	-	-	-	-
Change in net position	34,906	(637,609)	(131,487)	128,727	(605,463)	(129,182)
Net Position - beginning of year	7,226,536	2,050,953	(1,329,616)	(16,808)	7,931,065	8,060,247
Prior Period Adjustment	(42,666)	(101,543)	(26,452)	-	(170,661)	
Net Position - beginning of year (restated)	7,183,870	1,949,410	(1,356,068)	(16,808)	7,760,404	
Net Position, End of Year	\$ 7,218,776	\$ 1,311,801	\$ (1,487,555)	\$ 111,919	\$ 7,154,941	\$ 7,931,065

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

MALAGA COUNTY WATER DISTRICT
COMPARATIVE STATEMENT OF CASH FLOW
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Business-Type Activities - Enterprise Funds					2021 Total
	Water	Waset Disposal	Recreation	Solid Waste	Total	
Operating Activities						
Received from customers	\$ 1,302,764	\$ 1,372,174	\$ 34,073	\$ 532,233	\$ 3,241,244	\$ 3,233,717
Payments to suppliers	(610,409)	273,159	(445,564)	(499,231)	(1,282,045)	(2,001,969)
Payments to employees	(590,473)	(942,713)	(168,356)	-	(1,701,542)	(1,262,122)
Net cash provided by (used in) operating activities	101,882	702,620	(579,847)	33,002	257,657	(30,374)
Non-capital Financing Activities						
Advances (to)/from other funds	(336)	(337)	-	-	(673)	(30)
Property taxes and other nonoperating revenue	97,213	(32,437)	497,731	95,725	658,232	441,815
Net cash provided by (used in) noncapital financing activities	96,877	(32,774)	497,731	95,725	657,559	441,785
Capital and Related Financing Activities						
Grant revenue	67,869	-	-	-	67,869	-
Proceeds from construction loan	-	-	-	-	-	-
Principal paid on notes payable	(77,700)	(35,105)	(57,500)	-	(170,305)	(225,031)
Interest paid on notes payable	(17,797)	(57,894)	(34,173)	(70,568)	(180,432)	(61,913)
Disposition of capital assets	-	-	-	-	-	-
Transfers in / (out)	-	-	-	-	-	-
Purchase of capital assets	(24,075)	(24,075)	(60,037)	-	(108,187)	(158,584)
Net cash provided (used) in capital and related financing activities	(51,703)	(117,074)	(151,710)	(70,568)	(391,055)	(445,528)
Investing Activities						
Interest and use of property	3,153	701	2,418	-	6,272	24,987
Net Increase / (Decrease) in Cash	150,209	553,473	(231,408)	58,159	530,433	(9,130)
Cash and Investments						
Beginning of year	955,583	67,657	994,731	510	2,018,481	2,027,611
End of year	\$ 1,105,792	\$ 621,130	\$ 763,323	\$ 58,669	\$ 2,548,914	\$ 2,018,481

MALAGA COUNTY WATER DISTRICT
COMPARATIVE STATEMENT OF CASH FLOW
PROPRIETARY FUNDS
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Business-Type Activities - Enterprise Funds					
	2022					2021
	Water	Waste Disposal	Recreation	Solid Waste	Total	Total
Reconciliation of Operating Income (Loss)						
to Net Cash Provided By/(Used) for Operating Activities						
Operating income (loss)	\$ (115,532)	\$ (547,979)	\$ (597,463)	\$ 33,002	\$ (1,227,972)	\$ (516,663)
Adjustments to reconcile operating income (loss)						
to net cash provided (used) by operating activities:						
Depreciation	146,260	219,390	64,526	-	430,176	380,449
Changes in assets and liabilities:						
(Increase) Decrease in accounts receivable	(1,916)	28,748	-	-	26,832	-
(Increase) Decrease in prepaid expense	17,021	30,872	13,962	-	61,855	53,385
Increase (Decrease) in accounts payable and accrued expense	56,049	971,589	(60,872)	-	966,766	55,489
(Increase) Decrease in deposits	-	-	-	-	-	(3,034)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 101,882</u>	<u>\$ 702,620</u>	<u>\$ (579,847)</u>	<u>\$ 33,002</u>	<u>\$ 257,657</u>	<u>\$ (30,374)</u>
Summary of cash balances, end of year						
Cash and cash equivalents	1,105,792	621,130	366,232	58,669	2,151,823	1,477,622
Restricted cash	-	-	397,091	-	397,091	540,859
	<u>\$ 1,105,792</u>	<u>\$ 621,130</u>	<u>\$ 763,323</u>	<u>\$ 58,669</u>	<u>\$ 2,548,914</u>	<u>\$ 2,018,481</u>

MALAGA COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

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, 2022

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, 2022

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, 2022. 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.

Statement Reclassifications

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

MALAGA COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 2: Cash and Investments

The District's deposits as of June 30, 2022, 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, 2022:

	Bank Balance Category *			Carrying Amount
	1	2	3	
Cash on hand	\$ 42,635	\$ -	\$ -	\$ 42,635
Cash in bank	1,462,122	511,285	-	1,973,407
Fresno County Treasury	-	28,997	-	28,997
Local Agency Investment Fund	-	503,875	-	503,875
Total cash and investments	<u>\$1,504,757</u>	<u>\$1,044,157</u>	<u>\$ -</u>	<u>\$2,548,914</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, 2022:

	Beginning Balance	Additions/ Completions	Disposals/ Adjustments	Ending Balance
Land*	\$ 299,264	\$ -	\$ -	\$ 299,264
Water system	8,228,829	-	-	8,228,829
Sewer system	7,388,123	-	-	7,388,123
Buildings	1,169,276	-	-	1,169,276
Construction in progress*	713,110	60,037	-	773,147
Park development	1,055,306	-	-	1,055,306
Equipment	<u>615,072</u>	<u>48,150</u>	<u>-</u>	<u>663,222</u>
Total	19,468,980	108,187	-	19,577,167
Allowance for depreciation	<u>(10,866,709)</u>	<u>(430,176)</u>	<u>-</u>	<u>(11,296,885)</u>
	<u>8,602,271</u>	<u>(321,989)</u>	<u>-</u>	<u>8,280,282</u>

* Not currently being depreciated.

MALAGA COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 4: Noncurrent Liabilities

The following is a summary of deferred liabilities (long-term debt) for the year ended June 30, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance	Classification	
					Due Within One Year	Due After One Year
Note payable						
Water and sewer systems improvements	\$ 889,805	\$ -	\$ (75,756)	\$ 814,049	\$ 79,475	\$ 734,574
Parks and recreation improvements	889,000	-	(57,500)	831,500	59,500	772,000
Wastewater treatment plant improvements	347,974	-	(23,038)	324,936	23,980	300,956
Safe drinking water	<u>392,322</u>	<u>-</u>	<u>(14,012)</u>	<u>378,310</u>	<u>14,012</u>	<u>364,298</u>
Total long-term debt	<u>\$ 2,519,101</u>	<u>\$ -</u>	<u>\$ (170,306)</u>	<u>\$ 2,348,795</u>	<u>\$ 176,967</u>	<u>\$ 2,171,828</u>

Note 5: Note Payables

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, 2022, was \$42,248.

Future payments of the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 79,475	\$ 38,529	\$ 118,004
2024	83,376	34,628	118,004
2025	87,469	30,535	118,004
2026	91,763	26,241	118,004
2027 - 2031	471,966	59,053	531,019
	<u>\$ 814,049</u>	<u>\$ 188,986</u>	<u>\$ 1,003,035</u>

MALAGA COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 5: Note Payables (continued)

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, 2022, was \$13,862.

Future payments of the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 23,980	\$ 12,920	\$ 36,900
2024	24,961	11,939	36,900
2025	25,982	10,917	36,899
2026	27,045	9,855	36,900
2027 - 2031	152,757	31,743	184,500
2032 - 2035	70,211	3,590	73,801
	<u>\$ 324,936</u>	<u>\$ 80,964</u>	<u>\$ 405,900</u>

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, 2022, was \$32,278.

Future payments of the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 59,500	\$ 30,138	\$ 89,638
2024	61,500	27,924	89,424
2025	63,500	25,636	89,136
2026	66,000	23,275	89,275
2027 - 2031	451,500	77,601	529,101
2032 - 2035	129,500	4,806	134,306
	<u>\$ 831,500</u>	<u>\$ 189,380</u>	<u>\$ 1,020,880</u>

MALAGA COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 5: Note Payables (continued)

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 2021, 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, 2022, was \$0.

Future payments of the bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2023	\$ 14,012	\$ -	\$ 14,012
2024	14,012	-	14,012
2025	14,012	-	14,012
2026	14,012	-	14,012
2027 - 2031	70,058	-	70,058
2032 - 2036	70,058	-	70,058
Thereafter	182,146	-	182,146
	<u>\$ 378,310</u>	<u>\$ -</u>	<u>\$ 378,310</u>

Note 6: Restricted Assets – Cash

As of June 30, 2022, \$397,091 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, 2022.

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, 2022 was \$849,682 with covered payroll equaling \$813,908. 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, 2022 were \$79,428.

MALAGA COUNTY WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2022

Note 8: Restatement

The following prior period adjustments were made to correct the beginning net position balances:

	<u>Water</u>	<u>Sewer</u>	<u>Recreation</u>	<u>Solid Waste</u>	<u>Total</u>
Beginning net position	\$7,226,536	\$2,050,953	\$(1,329,616)	\$ (16,808)	\$7,931,065
Prior period adjustment - to record pension plan payments	<u>(42,666)</u>	<u>(101,543)</u>	<u>(26,452)</u>	<u>-</u>	<u>(170,661)</u>
Beginning net position, as restated	<u>\$7,183,870</u>	<u>\$1,949,410</u>	<u>\$(1,356,068)</u>	<u>\$ (16,808)</u>	<u>\$7,760,404</u>

Note 9: Subsequent Events

In compliance with accounting standards, subsequent events were evaluated through July 17, 2023, which is the date the financial statements were available to be issued. Management has determined that no events require disclosure in accordance with the accounting standards subsequent to June 30, 2022.

MALAGA COUNTY WATER DISTRICT
COMBINING STATEMENT OF REVENUE AND EXPENSE
WASTE DISPOSAL FUND
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	Business-Type Activities - Waste Disposal Fund				
	2022				2021
	Sewer	Pretreatment	Solid Waste	Total	Total
OPERATING REVENUE					
Charges for services	\$ 1,286,064	\$ 153,863	\$ 531,488	\$ 1,971,415	\$ 1,811,107
Other	<u>57,362</u>	<u>21,358</u>	<u>745</u>	<u>79,465</u>	<u>75,138</u>
Total operating revenue	<u>1,343,426</u>	<u>175,221</u>	<u>532,233</u>	<u>2,050,880</u>	<u>1,886,245</u>
OPERATING EXPENSE					
Salaries and wages	539,065	91,662	-	630,727	558,272
Employee benefits	302,105	34,214	-	336,319	230,450
Refuse collection and disposal	8,394	-	499,230	507,624	463,911
Depreciation	219,390	-	-	219,390	194,029
Utilities	171,469	-	-	171,469	157,955
Professional services	165,498	17,493	-	182,991	110,475
Repairs and maintenance	94,200	8,369	-	102,569	111,917
Board of directors	21,410	-	-	21,410	105,029
Contract services	24,453	4,437	-	28,890	38,061
Insurance	84,666	11,040	-	95,706	52,586
Supplies and small tools	87,310	-	-	87,310	37,377
Dues and memberships	46,493	1,063	-	47,556	46,017
Other	10,830	2,921	-	13,751	54,961
Telephone	30,869	4,648	-	35,517	28,486
Testing	32,379	3,684	-	36,063	27,162
Travel, meetings and education	11,239	351	-	11,590	1,279
Fuel and oil	14,336	2,553	-	16,889	9,879
Bank charges	1,216	106	-	1,322	3,396
Office supplies and postage	10,438	2,123	-	12,561	8,048
Rents and leases	14,026	248	-	14,274	4,306
Education and training	<u>1,619</u>	<u>279</u>	<u>-</u>	<u>1,898</u>	<u>1,670</u>
Total operating expense	<u>1,891,405</u>	<u>185,191</u>	<u>499,230</u>	<u>2,575,826</u>	<u>2,245,266</u>
Net operating income	(547,979)	(9,970)	33,003	(524,946)	(359,021)
Nonoperating revenue/(expense)					
Grant revenue	-	-	-	-	-
Taxes and assessments	-	-	-	-	7,653
Other	(32,437)	(37,482)	95,725	25,806	4,808
Interest and use of property	701	-	-	701	2,110
Interest expense	<u>(57,894)</u>	<u>-</u>	<u>-</u>	<u>(57,894)</u>	<u>(36,786)</u>
Net nonoperating revenue/(expense)	<u>(89,630)</u>	<u>(37,482)</u>	<u>95,725</u>	<u>(31,387)</u>	<u>(22,215)</u>
Change in net position	<u>\$ (637,609)</u>	<u>\$ (47,452)</u>	<u>\$ 128,728</u>	<u>\$ (556,333)</u>	<u>\$ (381,236)</u>

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated July 17, 2023.

Report on 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 were not identified. Given these limitations, during our audit we did identify any deficiencies in internal control that we consider to be material weaknesses. These findings are identified as finding 22-01.

Report on 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

July 17, 2023

MALAGA COUNTY WATER DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS YEAR ENDED JUNE 30, 2022

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 2022-01

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, 2022

FINANCIAL STATEMENT FINDINGS

Finding 2022-01

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. We noted the pension plan has been unfunded for the prior 2 years and current year of this financial statement.

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. The in-house bookkeeper failed to timely make payments on the pension plan.

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. The total dollar effect of the amounts not recorded totaled \$246,647.

Recommendation:

We recommend that the review of all year-end account balances include an accounting professional to validate the accuracy of all accounts. We recommend that the District make payment arrangements to bring the plan into compliance.

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, 2021

Finding 2021-01

Improve the preparation of the financial statements

Recommendation:

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

Status:

Partially implemented, the District was able to procure an accounting professional. However, transactions were being presented inaccurately in the Recreation Fund and the Solid Waste Fund.

CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT

NOTICE: THIS DOCUMENT WAIVES THE CLAIMANT'S LIEN, STOP PAYMENT NOTICE, AND PAYMENT BOND RIGHTS EFFECTIVE ON RECEIPT OF PAYMENT. A PERSON SHOULD NOT RELY ON THIS DOCUMENT UNLESS SATISFIED THAT THE CLAIMANT HAS RECEIVED PAYMENT.

Identifying Information

Name of Claimant:

Name of Customer:

Job Location:

Owner:

Through Date:

Conditional Waiver and Release

This document waives and releases lien, stop payment notice, and payment bond rights the claimant has for labor and service provided, and equipment and material delivered, to the customer on this job through the Through Date of this document. Rights based upon labor or service provided, or equipment or material delivered, pursuant to a written change order that has been fully executed by the parties prior to the date that this document is signed by the claimant, are waived and released by this document, unless listed as an Exception below. This document is effective only on the claimant's receipt of payment from the financial institution on which the following check is drawn:

Maker of Check:

Amount of Check: \$

Check Payable to:

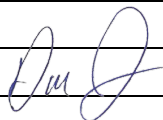
Exceptions

This document does not affect any of the following:

- (1) Retentions.
 - (2) Extras for which the claimant has not received payment.
 - (3) The following progress payments for which the claimant has previously given a conditional waiver and release but has not received payment:
Date(s) of waiver and release: _____
Amount(s) of unpaid progress payment(s): \$ _____
 - (4) Contract rights, including (A) a right based on rescission, abandonment, or breach of contract, and (B) the right to recover compensation for work not compensated by the payment.
-

Signature

Claimant's Signature:



Claimant's Title:

Date of Signature:



4075 Celeste Ave
Clovis, CA 93619
Don Jimenez: 559-313-7179
Office: 559-291-0711
Fax: 559-346-1227
don@asphalt-tech.com

License# 948614



INVOICE

Date	Invoice #
7/19/2023	071923-MCWD

Name-Address

MCWD
3582 SOUTH WINERY AVE
FRESNO, CA 93725

DESCRIPTION	Amount
PROJECT LOCATION: 3582 SOUTH WINERY AVE FRESNO, CA	
SCOPE OF WORK:	
PARKING LOT PAVING APPROXIMATELY 57,000 SF	\$180,500.00
-REMOVE AND SALVAGE EXISTING WHEELSTOPS	
-GRIND EXISTING ASPHALT IN PLACE	
-GRADE AND COMPACT GRINDINGS AS NEEDED TO PROVIDE STABLE SUBGRADE AND PROPER DRAINAGE	
-HAUL OF EXCESS GRINDING MATERIALS	
-CUT CURB FOR DRAINAGE	
-PAVE WITH 2" HMA	
-COMPACT AND ROLL TO A SMOOTH SURFACE	
-LAYOUT & STRIPE PARKING AREAS AND MARKING AS PER EXISTING PLANS	
(ADDING 3 ADDITIONAL ADA PARKING STALLS (2) AT POOL AREA & (1) NEAR CABOOSE	
CONCRETE DRIVE (SOUTH) APPROXIMATELY 500 SF	\$13,650.00
-SAW CUT AND REMOVE EXISTING DAMAGED CONCRETE	
-GRADE AND COMPACT SUBGRADE	
-INSTALL #4 REBAR REINFORCEMENT 12" OC	
-DOWEL TO EXISTING CONCRETE	
-POUR AND FINISH CONCRETE 4,000 PSI TO EXISTING GRADES 8" DEPTH	
-BONDING COST	\$9,707.00
TOTAL	\$203,857.00

John Leyva Community Pool
Recreation Department
Swimming Pool Rental Application
3582 S. Winery Ave, Fresno, CA 93725
Center: (559)268-0404 District Office: (559)485-7353

item 6.a.

DATE: _____

NAME OF APPLICANT: _____

CURRENT FORM

MAILING ADDRESS: _____

PHONE: _____ MESSAGE PHONE: _____

PURPOSE OF RENTAL: _____ DATE OF USE: _____

CHECK IN TIME: _____ CHECK OUT TIME: _____ TOTAL HOURS OF USE: _____

*Minimum use of pool 2 hours, Maximum 6 hours ending at 4:00P.M.

POOL FEE: \$65.00/HR (2 hours minimum)

NUMBER OF LIFEGUARDS: (2 Lifeguards **required** at all times)

\$28/hour 2 LIFEGUARDS UP TO 30 PEOPLE

\$42/hour 3 LIFEGUARDS UP TO 45 PEOPLE

\$56/hour 4 LIFEGUARDS UP TO 60 PEOPLE

\$70/hour 5 LIFEGUARDS UP TO 75 PEOPLE

\$84/hour 6 LIFEGUARDS UP TO 90 PEOPLE

\$98/hour 7 LIFEGUARDS UP TO 100 PEOPLE

Pool Maximum Capacity: 100 people

RENTAL FEE: \$ _____

DEPOSIT FEE: **\$65.00 (Nonrefundable Holding/Admin. Fee.)**

LIFEGUARDS: \$ _____

TOTAL FEES: \$ _____

I UNDERSTAND AND AGREE TO HOLD MALAGA COUNTY WATER DISTRICT FREE AND HARMLESS FROM ANY AND ALL LIABILITY ARISING FROM THIS ACTIVITY.

I HAVE READ AND UNDERSTAND THE MALAGA COUNTY WATER DISTRICT PARK AND COMMUNITY CENTER REGULATIONS AND AGREE TO ADHERE TO THEM. NO ALCOHOL BEVERAGES OR FOOD IS ALLOWED IN SWIM POOL AREA.

APPLICANT SIGNATURE

M.C.W.D. STAFF SIGNATURE

John Leyva Community Pool
Recreation Department
Swimming Pool Rental Application
3582 S. Winery Ave, Fresno, CA 93725
Center: (559)268-0404 District Office: (559)485-7353

item 6.a.

DATE: _____

NAME OF APPLICANT: _____

UPDATED FORM

MAILING ADDRESS: _____

PHONE: _____ MESSAGE PHONE: _____

PURPOSE OF RENTAL: _____ DATE OF USE: _____

CHECK IN TIME: _____ CHECK OUT TIME: _____ TOTAL HOURS OF USE: _____

*Minimum use of pool 2 hours, Maximum 6 hours ending at 4:00P.M.

POOL FEE: \$65.00/HR (2 hours minimum)

NUMBER OF LIFEGUARDS: (2 Lifeguards **required** at all times)

\$31/hour 2 LIFEGUARDS UP TO 30 PEOPLE

\$46.50/hour 3 LIFEGUARDS UP TO 45 PEOPLE

\$62/hour 4 LIFEGUARDS UP TO 60 PEOPLE

\$77.50/hour 5 LIFEGUARDS UP TO 75 PEOPLE

\$93/hour 6 LIFEGUARDS UP TO 90 PEOPLE

\$108.50/hour 7 LIFEGUARDS UP TO 100 PEOPLE

Pool Maximum Capacity: 100 people (*Lifeguard availability may affect total capacity*).

RENTAL FEE: \$ _____

DEPOSIT FEE: **\$65.00 (Nonrefundable Administrative Fee.)**

LIFEGUARDS: \$ _____

TOTAL FEES: \$ _____

I UNDERSTAND AND AGREE TO HOLD MALAGA COUNTY WATER DISTRICT FREE AND HARMLESS FROM ANY AND ALL LIABILITY ARISING FROM THIS ACTIVITY.

I HAVE READ AND UNDERSTAND THE MALAGA COUNTY WATER DISTRICT PARK AND COMMUNITY CENTER REGULATIONS AND AGREE TO ADHERE TO THEM. NO ALCOHOL BEVERAGES OR FOOD IS ALLOWED IN SWIM POOL AREA.

APPLICANT SIGNATURE

M.C.W.D. STAFF SIGNATURE

**RENTAL AGREEMENT BETWEEN MALAGA COUNTY WATER DISTRICT AND
SAM YOUTH SOCCER LEAGUE**

This Agreement is entered into by and between the Malaga County Water District, hereinafter referred to as "District" and **SAM Youth Soccer League** hereinafter referred to as "SYS", for the rental of soccer fields at District's park effective **[DATE____, 2023]**, (the "Effective Date") as follows:

Section 1. Purpose.

SYS requires facilities to operate youth and adult soccer games and desires to rent the District's soccer fields. The "Soccer Fields" subject to this agreement are identified in attachment "A" which is attached to and incorporated into this agreement by this reference.

Section 2. Term.

The lease shall be month to month beginning on the Effective Date and may be cancelled by either party upon receipt of three (3) days written notice from the other party.

Section 3. Consideration.

SYS agrees to pay the District the sum of one thousand eighty dollars (\$1,600.00) for the first month's rent, and the sum of one thousand eighty dollars (\$1,600.00) per month for rent of the facility each month thereafter, **due and payable on the 1st day of each month.** A Deposit of two hundred and fifty dollars (\$250) will be required and shall be refundable if the conditions of the term agreement are met.

Delinquent payments paid three days after the due date shall bear a late charge of one and one-half percent (1.5%) per month or portion thereof that the payment is delinquent.

Section 4. Use of Soccer Fields.

A. Days and Hours of Use. The SYS may use the Soccer Fields to operate as sports and sport practice on the dates and during the times set forth in this Agreement. Hours of operation shall be **Tuesday, Wednesday, Friday 5:30pm to 10pm, and Saturday 7am to 12pm,** Excluding the following days/times:

- Valentines Dance (February)
- Easter Program (March/April)
- Fiesta Day (September)
- Halloween Dance (October)
- Thanksgiving Luncheon (November)
- Christmas Program (December)
- Any other District sponsored events.

Due to the nature of scheduling, date and times may vary by event. Notice of event exclusion will be given ten (10) calendar days before the event. Days and hours of use may be changed by written agreement of the Parties.

B. Equipment. The SYS agrees to provide and pay for their own telephone service, marketing and equipment including soccer goals.

C. Maintenance. The SYS agrees to maintain cleanliness of the Facility and its surrounding area, to be free from trash and debris, and to be swept and sanitized clean daily use.

D. Staffing. The SYS agrees that the District will not provide staff and that SYS is responsible for providing its own staff and is responsible for the supervision and safety of all persons (club members, licensees or invitees) using the Leasehold Soccer Fields as described in the Agreement.

E. Condition of Soccer Fields. SYS has inspected and accepts the condition of the field as is and acknowledges that the Soccer Fields are suitable and safe for the intended purpose. The District will be responsible for routine maintenance such as irrigation and mowing but will not be responsible for preparing the field for play such as marking or striping.

F. Food. Any vendors selling during the event must go through the district office or staff and pay a fee to sell at the park.

Section 5. Nuisance or Unlawful Use.

The SYS shall not to commit, or allow others to commit, any waste on the Soccer Fields, or nuisance, nor shall it use or allow the Soccer Fields to be used in violation of Federal, State, County and/or Laws, ordinances or regulations including the Park Rules which are attached hereto and incorporated herein by this reference as attachment "8."

The SYS, at their sole expense, shall promptly comply with any and all laws, ordinances, rules, regulations, requirements and orders whatsoever, present or future, or national, state or local government, which may in any way apply to the use, maintenance or occupation or operations on the Soccer Fields, provided that such compliance does not prevent the above reasonable use of the Soccer Fields, and if so, this Agreement, at the option of the SYS, shall terminate without any further liability or obligation by either party.

Section 6. Holdover and Surrender.

The SYS shall, at the termination of this Agreement, vacate the Soccer Fields in as good a condition as they were at the Effective Date of this Agreement, except for the reasonable use and wear thereof, acts of God, or damage by casualty beyond the control of SYS.

Section 7. Fixtures and Improvements.

The SYS shall not remove improvement from the Soccer Fields or any District Property during or at the expiration or other termination of this Agreement, or any extension or holdover period therefor, but may remove fixtures, equipment and other personal property placed or installed in or upon the Soccer Fields by SYS or under its authority. Any damage resulting from removal in other than a good workmanlike manner shall be repaired by SYS.

The SYS agrees that, except for reasonable repairs and minor improvements, it will not allow the Soccer Fields to be altered or any facilities installed or constructed without having first obtained the written consent of the District for such proposed alteration.

The SYS will not construct or place or permit to be constructed or placed any sign, awnings, marquees, or other structures projecting from the exterior of the Soccer Fields without District's prior written consent. The SYS further agrees to remove signs, displays, advertisements or decorations it has placed or permitted to be placed, on the Soccer Fields; which in the District's opinion are offensive or otherwise objectionable. If SYS fails to remove such signs, displays, advertisements or decorations within five days after having received written notice to remove the same from the District, the District may re-enter the Soccer Fields and remove them at the SYS's expense.

Section 8. Inspection and Maintenance.

The SYS shall keep in good repair and maintain except as provided on Section 4(e) at the SYS's expense the Soccer Fields including any improvement thereon.

The District reserves the right to enter and inspect the Soccer Fields at any time. The District will give SYS notice of any condition(s) that the District determines needs repair/maintenance if the SYS fails, neglects, or refuses to commence the repair or maintenance work required herein ten (10) days after written notice has been served by the District, or if the SYS fails, neglects or refuses to pursue the repair or the maintenance work with reasonable diligence to completion, the District may, at its sole option, perform or cause to be performed such repair or maintenance work and add reasonable costs thereof to the installments of rent next due, as a charge, to the District. The District reserves the right to immediately cease the use of the Soccer Fields by SYS and/or effect immediate repairs if, in its sole determination, the District determines that there is any condition present on the Soccer Fields that is an immediate danger to the health, safety or welfare of the Public.

Section 9. Indemnification.

Except to the extent of District's gross negligence or willful misconduct, and to the fullest extent permitted by law, SYS agrees to indemnify, hold harmless, protect, and

defend District and District's employees, Board of Directors, agents, representatives, and contractors from any and all claims, causes of action, liability, losses, costs and damages, for the foreseeable or unforeseeable, arising out of or related to any act, omission, or neglect of SYS or SYS's agents, employees, representatives, or contractors, or arising from or related to SYS's use of or activities on or about the property of the District including, without limitation to, any claims, liens or encumbrances related to or resulting from this Agreement. The provisions of this section shall survive the termination, cancellation, or expiration of this Agreement.

Section 10. Insurance.

SYS, at its sole cost and expense, shall acquire and maintain in full force and effect throughout the term of this Agreement worker's compensation, employer's liability, and commercial general liability insurance. The minimum amounts of coverage corresponding to the aforesaid categories of insurance per insurable event shall be as follows:

<u>INSURANCE CATEGORY</u>	<u>MINIMUM LIMITS</u>
Worker's Compensation	Statutory
Employer's Liability Minimum Limit	\$100,000/accident for bodily injury or disease
Comprehensive General Liability	\$1,000,000 per occurrence for bodily injury \$1,000,000 per occurrence for personal injury \$1,000,000 per occurrence for property damage

Any deductibles or self-insured retentions must be declared to and approved by the General Manager of District. In the event District does not approve of a deductible amount, at the option of the District, either SYS's insurer shall reduce or eliminate the deductible or self-insurance retentions with respect to District, it's officers, employees and agents, or SYS shall procure a bond guaranteeing payment of losses related to investigations, claim administration and defense expenses.

Concurrently with the execution of this Agreement, SYS shall furnish District with certificates and copies of information or declaration pages of the insurance required by the Agreement herein and, with respect to evidence of commercial general liability coverage, original endorsements as follows:

A. Precluding cancellation or reduction in coverage before expiration of thirty (30) days after District shall receive written notification of cancellation or reduction in coverage by certified mail, return-receipt requested.

B. Providing the SYS's insurance shall apply separately to each insured against whom a claim is made, or suit is brought, except with respect to the limits of the insurer's liability (cross-liability endorsements).

C. Naming District, its Board, officers, employees, and agents as additional insureds; and

D. Providing that SYS's insurance shall be primary insurance relating to SYS's services herein under this Agreement with respect to the District, its Board, officers, employees, and agents, and further providing that any insurance or self-insurance maintained by the District on behalf of the District, its Board, officers, employees and agents shall be in excess of SYS's insurance and shall not be contributory with it.

In the event of the breach of any of the provisions of this paragraph, or in the event of any notices received which indicate any required insurance coverage will be diminished or cancelled, District, at its option, may notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend use of the District facilities by SYS pursuant to this Agreement.

Section 11. **General.**

A. Independent Contractor. SYS is an independent contractor and not an officer, agent, servant or employee of District. SYS is fully responsible for the acts and omissions of its officers, agents, employees, contractors, or representatives. Nothing in this Agreement shall be construed as creating a partnership or joint venture between District and SYS. Neither SYS nor its officers, employees, agents, contractors or representatives shall obtain a right to retirement or other benefits that accrue to District employees.

B. Property Damage. Any physical damage caused by the negligent or willful acts or omission of SYS, its employees, contractors, agents or representatives shall be repaired or replaced promptly by SYS, at SYS's sole expense.

C. Choice of Law and Venue. This Agreement shall be construed and enforced in accordance with the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lay exclusively in the County of Fresno.

D. Amendment. This Agreement may only be amended when modified upon written agreement between the parties hereto. The parties agree to meet and confer in good faith if amendments or modifications are proposed.

E. Severability. If any of the provisions contains in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had not been contained in this Agreement.

F. Entire Agreement. This Agreement is the entire agreement between the parties, and supersedes any prior agreement, representation, negotiations, or correspondence between the parties except as expressed in this Agreement. Except as otherwise provided in this Agreement, no subsequent change or addition to this Agreement shall be binding unless in writing and signed by the parties to this Agreement.

G. Waiver. The waiver by either party of any breach or violation of any provision of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision nor of any subsequent breach or violation of the same or any other provisions. The acceptance of any monies that become due hereunder shall not be deemed to be a waiver of any pre-existing or concurrent breach or violation by other parties of any provision to this Agreement.

H. Joint and Several. If SYS is constituted of more than one person or entity, the obligations imposed on each said person or entity shall be joint and several.

I. Attorney's Fees. In the event that any action is instituted by either party to enforce any right or obligation under this Agreement, the prevailing party shall be entitled to and have its fees and costs associated with such action including, but not limited to, attorney's fees and expert witness fees.

J. Transfer by SYS. SYS shall not, in any way, directly or indirectly, transfer or sign any right or duty under this Agreement without prior written consent of District.

K. Notice. Either party may give the other party any notice required or permitted pursuant to this Agreement follows:

To the District: Malaga County Water District
 3580 S. Frank Street
 Fresno, CA 93725
 Attn: General Manager

To SYS: **NEED RESPONSIBLE PERSONS NAME, ADDRESS,
PHONE NUMBER.**

L. Authority. Each person signing below represents and warrants that he or she is duly authorized to sign and enter into this Agreement.

M. Execution and Counterparts. This Agreement may be executed in counterparts or by facsimile, each of which shall be an original and all of which shall constitute one and the same agreement.

Owner:

SYS:

MOISES ORTIZ
MALAGA COUNTY WATER DISTRICT
Date: _____

[RESPONSIBLE PERSON NAME]
SAM YOUTH SOCCER LEAGUE
Date: _____

Memorandum

To: Department of Water Resources

From: Liz Varner, PE and Michael Taylor, PE

Subject: Bid Summary for Malaga County Water District – Well 3A and Tank and Request for Additional Funding

Date: August 3, 2023

The bid opening for the Malaga County Water District (MCWD) Well 3A and Tank Project was held on Thursday, August 3, 2023 at 2:00 p.m. at the office of the Malaga County Water District located at 3580 S. Frank Ave, Fresno CA 93725. Six bids were received and opened; we have reviewed the bids and a summary of our review is provided below for consideration by MCWD. A copy of the bid package from the bidders will be provided to MCWD under separate cover.

Review of Bid Packages:

Bids were received from the following contractors: Steve Dovali Construction, Inc., Manito Construction, Inc., Unified Field Services Corporation, Brough Construction, Inc. BMY Construction Group, Inc. and T&S Construction Company, Inc. The bid packages have been reviewed to determine if all required documents were included. The apparent low bidder, Steve Dovali Construction, Inc., included all required bid documents, and is therefore considered the lowest responsive bidder.

Evaluation of Bids:

A summary of the bids received is provided in the attached canvass of bids (**Exhibit A**). The bid documents state that if the total cost of any item or the total Base bid is inconsistent with the Unit Cost, the Unit Cost shall prevail. The bid schedule was reviewed and checked accordingly for mathematical errors. Manito Construction, Inc. Total Base bid did not match the unit cost as unit costs were not provided for Bid items 19 through 60, and therefore is considered unresponsive. The total bid amount provided by Steve Dovali Construction, Inc., did contain an error, the additive unit cost was \$500.50 less than the written base bid. Therefore, Steve Dovali Construction still remains the lowest responsive bidder.

The bid documents state that the project will be awarded to the lowest responsive bidder based on the sum of the **base bid**. The total base bid amount received from each bidder is listed below:

Bidder	Base Bid Amount
Grant Budget for Construction	\$3,371,130.00
Steve Dovali Construction, Inc.	\$4,607,284.25
Manito Construction, Inc. ¹	N/A
Unified Field Services Corporation	\$5,392,137.00
Brough Construction, Inc.	\$4,619,176.00
BMV Construction, Inc.	\$7,405,111.50
T&S Construction, Inc.	\$4,901,810.00

1. Manito Construction Bid form was incomplete.

Add Alternative Bid Items:

The District would like to add to the project the Add Alternative items A-2 and A-3 if authorized. See the below breakdown of the apparent low bidder Add Alternatives A-2 and A-3:

Bidder	Add Alternatives Bid Amount
F&I Carport Type Enclosure over Booster Pump Station	\$16,959.00
F&I Cathodic Protection System	\$23,119.00
Total Additive Bid Items A-2 and A-3	\$40,078.00

Project Budget:

The construction line item in the original funding agreement totaled **\$4,167,821.00**. This cost included project administration, final design and environmental documentation, contract services, construction administration, construction, and operation and maintenance manual creation. Below is a breakdown of the original funding agreement budget:

<i>Current Funding Breakdown</i>	
Task 1: Project Administration	\$ 175,960.00
Task 2: Final Design and Environmental Documentation	\$ 132,250.00
Task 3: Contract Services	\$ 29,350.00
Task 4 Construction	
Task 4.1: Construction Administration	\$ 434,461.00
Task 4.1: Construction	\$ 3,371,130.00
Task 4.3: Operations and Maintenance Manual Costs	\$ 24,670.00
Current Funding Agreement Total:	\$ 4,167,821.00

Additional funds are needed in order to award the contract to the lowest bidder. Provost and Pritchard sent a preliminary request for funding increase on August 22, 2022 and a follow up on February 3, 2023 to emphasize that construction costs have increased substantially over the

past few years and would not allow the project to proceed as originally described. The response indicated that an increase in budget would not be considered at the time based on estimates, and to submit another request after MCWD receives contracting bids.

The lowest responsive base bid is \$4,607,284.25. All projects have unforeseen challenges during construction, we are requesting an additional \$460,000 for construction contingency.

Once a contract amendment is received, MCWD can be in a place to award a contract, please note that the bids are time sensitive and we need a contract amendment in less than 60 days.

Updated Funding Breakdown based on Bid Results and Scope Amendment	
Task 1: Project Administration	\$ 175,960.00
Task 2: Final Design and Environmental Documentation	\$ 132,250.00
Task 3: Contract Services	\$ 29,350.00
Task 4.1: Construction Administration	\$ 434,461.00
Task 4.2: Construction (Total Base Bid)	\$ 4,607,284.25
Total Additive Bid Items A-2 and A-3	\$ 40,078.00
Total Construction Contingency	\$ 460,000.00
Task 4.3: Operations and Maintenance Manual Costs	\$ 24,670.00
Total Funding Required	\$ 5,904,323.25
Total Additional Funds Needed	\$ 1,736,502.25

Project Schedule:

Per the executed funding agreement, "Task 4: Construction" end date is December 29, 2023. Construction schedule noted in the bid documents is 400 days from the date of the Notice of Proceed. It is requested that the schedule get modified to December 21, 2025.

Attachment: Exhibit A, Canvass of Bids



Bid Opening Date 8/3/2023
Prevailing Wages Required Yes

Project Manager Liz Varner
Project Engineer P&P

CANVASS OF BIDS
Malaga County Water District
Well No. 3A and Tank No. 1 Improvements Project

				ENGINEER'S ESTIMATE		STEVE DOVALI CONST. INC.		UNIFIED FIELD SERVICES CORPORATION		T&S CONST. CO. INC.		BROUGH CONST. INC.		MANITO CONST. INC.		BMY CONST. GROUP INC.	
Item	Description	Quantity	Unit	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total	Unit Cost	Total
APPARENT LOW BIDDER																	
Base Bid																	
1	Mobilization/Demobilization, Bonds, Insurance, and Permits	1	LS	\$ 230,000	\$ 230,000	\$ 94,097.00	\$ 94,097.00	\$ 114,600.00	\$ 114,600.00	\$ 180,000.00	\$ 180,000.00	\$ 200,000.00	\$ 200,000.00	\$ 173,100.00	\$ 173,100.00	\$ 340,000.00	\$ 340,000.00
2	Worker Protection	1	LS	\$ 45,000	\$ 45,000	\$ 113.00	\$ 113.00	\$ 15,579.00	\$ 15,579.00	\$ 8,000.00	\$ 8,000.00	\$ 3,500.00	\$ 3,500.00	\$ 10,950.00	\$ 10,950.00	\$ 5,000.00	\$ 5,000.00
3	Traffic Control	1	LS	\$ 10,000	\$ 10,000	\$ 563.00	\$ 563.00	\$ 16,510.00	\$ 16,510.00	\$ 20,000.00	\$ 20,000.00	\$ 14,000.00	\$ 14,000.00	\$ 26,500.00	\$ 26,500.00	\$ 8,000.00	\$ 8,000.00
4	Temporary Facilities and Miscellaneous Operations	1	LS	\$ 45,000	\$ 45,000	\$ 18,844.00	\$ 18,844.00	\$ 46,295.00	\$ 46,295.00	\$ 100,000.00	\$ 100,000.00	\$ 50,000.00	\$ 50,000.00	\$ 40,200.00	\$ 40,200.00	\$ 49,000.00	\$ 49,000.00
5	County of Fresno Encroachment Permit	1	LS	\$ 5,000	\$ 5,000	\$ 2,033.00	\$ 2,033.00	\$ 5,625.00	\$ 5,625.00	\$ 3,500.00	\$ 3,500.00	\$ 4,500.00	\$ 4,500.00	\$ 7,620.00	\$ 7,620.00	\$ 1,200.00	\$ 1,200.00
6	Construction Staking	1	LS	\$ 10,000	\$ 10,000	\$ 15,328.00	\$ 15,328.00	\$ 17,830.00	\$ 17,830.00	\$ 17,000.00	\$ 17,000.00	\$ 11,000.00	\$ 11,000.00	\$ 22,100.00	\$ 22,100.00	\$ 24,000.00	\$ 24,000.00
7	Compaction Testing	12	EA	\$ 700	\$ 8,400	\$ 619.00	\$ 7,428.00	\$ 477.50	\$ 5,730.00	\$ 300.00	\$ 3,600.00	\$ 700.00	\$ 8,400.00	\$ 367.00	\$ 4,404.00	\$ 400.00	\$ 4,800.00
8	Site Sampling, Testing and Inspections	1	LS	\$ 10,000	\$ 10,000	\$ 21,175.00	\$ 21,175.00	\$ 18,845.00	\$ 18,845.00	\$ 15,000.00	\$ 15,000.00	\$ 20,000.00	\$ 20,000.00	\$ 27,900.00	\$ 27,900.00	\$ 18,000.00	\$ 18,000.00
9	Clearing and Grubbing, Tree Removal	1	LS	\$ 30,000	\$ 30,000	\$ 15,109.00	\$ 15,109.00	\$ 39,170.00	\$ 39,170.00	\$ 28,000.00	\$ 28,000.00	\$ 15,000.00	\$ 15,000.00	\$ 41,400.00	\$ 41,400.00	\$ 36,000.00	\$ 36,000.00
10	Existing Well 3 Site Demolition	1	LS	\$ 40,000	\$ 40,000	\$ 48,161.00	\$ 48,161.00	\$ 79,905.00	\$ 79,905.00	\$ 40,000.00	\$ 40,000.00	\$ 38,000.00	\$ 38,000.00	\$ 23,400.00	\$ 23,400.00	\$ 25,000.00	\$ 25,000.00
11	Existing Well 3 Site Destruction	1	LS	\$ 55	\$ 55	\$ 54,655.00	\$ 54,655.00	\$ 54,900.00	\$ 54,900.00	\$ 18,000.00	\$ 18,000.00	\$ 58,000.00	\$ 58,000.00	\$ 12,370.00	\$ 12,370.00	\$ 55,000.00	\$ 55,000.00
12	F&I 30" Diameter Conductor Casing	50	LF	\$ 800	\$ 40,000	\$ 1,013.00	\$ 50,650.00	\$ 784.00	\$ 39,200.00	\$ 400.00	\$ 20,000.00	\$ 850.00	\$ 42,500.00	\$ 433.00	\$ 21,650.00	\$ 39,072.73	\$ 1,953,636.50
13	Drill 28" Diameter Borehole and Conduct Electric and Caliper Logging	605	LF	\$ 250	\$ 151,250	\$ 366.00	\$ 221,430.00	\$ 207.00	\$ 125,235.00	\$ 200.00	\$ 121,000.00	\$ 200.00	\$ 121,000.00	\$ 229.00	\$ 138,545.00	\$ 206.00	\$ 124,630.00
14	F&I 16" Diameter x 3/8" Wall Blank HSLA Casing	457	LF	\$ 230	\$ 105,110	\$ 321.00	\$ 146,697.00	\$ 370.00	\$ 169,090.00	\$ 375.00	\$ 171,375.00	\$ 400.00	\$ 182,800.00	\$ 415.00	\$ 189,655.00	\$ 370.00	\$ 169,090.00
15	F&I 16" Diameterx 5/16" Wall Louvered HSLA Casing	170	LF	\$ 300	\$ 51,000	\$ 394.00	\$ 66,980.00	\$ 424.00	\$ 72,080.00	\$ 450.00	\$ 76,500.00	\$ 450.00	\$ 76,500.00	\$ 492.00	\$ 83,640.00	\$ 422.00	\$ 71,740.00
16	F&I 20' Long Compression Section	1	LS	\$ 15,000	\$ 15,000	\$ 12,375.00	\$ 12,375.00	\$ 15,965.00	\$ 15,965.00	\$ 20,000.00	\$ 20,000.00	\$ 17,000.00	\$ 17,000.00	\$ 22,500.00	\$ 22,500.00	\$ 16,000.00	\$ 16,000.00
17	F&I 3" Diameter Gravel Feed Tube	432	LF	\$ 80	\$ 34,560	\$ 39.00	\$ 16,848.00	\$ 19.00	\$ 8,208.00	\$ 30.00	\$ 12,960.00	\$ 20.00	\$ 8,640.00	\$ 33.00	\$ 14,256.00	\$ 19.00	\$ 8,208.00
18	F&I 2" Diameter Sounding Tube	432	LF	\$ 50	\$ 21,600	\$ 47.00	\$ 20,304.00	\$ 27.00	\$ 11,664.00	\$ 25.00	\$ 10,800.00	\$ 29.00	\$ 12,528.00	\$ 28.00	\$ 12,096.00	\$ 27.00	\$ 11,664.00
19	F&I Gravel Envelope	230	LF	\$ 100	\$ 23,000	\$ 68.00	\$ 15,640.00	\$ 157.00	\$ 36,110.00	\$ 45.00	\$ 10,350.00	\$ 170.00	\$ 39,100.00		\$ -	\$ 156.00	\$ 35,880.00
20	F&I Annular Seal	425	LF	\$ 100	\$ 42,500	\$ 79.00	\$ 33,575.00	\$ 82.00	\$ 34,850.00	\$ 40.00	\$ 17,000.00	\$ 88.00	\$ 37,400.00		\$ -	\$ 82.00	\$ 34,850.00
21	Preliminary Development	48	HR	\$ 600	\$ 28,800	\$ 450.00	\$ 21,600.00	\$ 616.00	\$ 29,568.00	\$ 400.00	\$ 19,200.00	\$ 650.00	\$ 31,200.00		\$ -	\$ 614.00	\$ 29,472.00
22	Well Development and Pump Test	1	LS	\$ 40,000	\$ 40,000	\$ 47,250.00	\$ 47,250.00	\$ 34,730.00	\$ 34,730.00	\$ 22,500.00	\$ 22,500.00	\$ 38,000.00	\$ 38,000.00		\$ -	\$ 34,600.00	\$ 34,600.00
23	Additional Well Development and Test Pumping Time	20	HR	\$ 600	\$ 12,000	\$ 450.00	\$ 9,000.00	\$ 448.00	\$ 8,960.00	\$ 400.00	\$ 8,000.00	\$ 480.00	\$ 9,600.00		\$ -	\$ 445.00	\$ 8,900.00
24	Conduct Video Survey	1	LS	\$ 3,000	\$ 3,000	\$ 1,688.00	\$ 1,688.00	\$ 3,140.00	\$ 3,140.00	\$ 5,000.00	\$ 5,000.00	\$ 3,500.00	\$ 3,500.00		\$ -	\$ 3,125.00	\$ 3,125.00
25	F&I 10" x 1-11/16" Diameter Column Pipe and Shaft	430	LF	\$ 500	\$ 215,000	\$ 398.00	\$ 171,140.00	\$ 363.00	\$ 156,090.00	\$ 330.00	\$ 141,900.00	\$ 390.00	\$ 167,700.00		\$ -	\$ 361.00	\$ 155,230.00
26	F&I Pump Bowls	1	LS	\$ 100,000	\$ 100,000	\$ 39,938.00	\$ 39,938.00	\$ 44,750.00	\$ 44,750.00	\$ 32,000.00	\$ 32,000.00	\$ 48,000.00	\$ 48,000.00		\$ -	\$ 45,000.00	\$ 45,000.00
27	F&I Pump Motor (200 HP)	1	LS	\$ 50,000	\$ 50,000	\$ 88,614.00	\$ 88,614.00	\$ 86,200.00	\$ 86,200.00	\$ 35,000.00	\$ 35,000.00	\$ 92,000.00	\$ 92,000.00		\$ -	\$ 87,000.00	\$ 87,000.00
28	Construct Pump Foundation	1	LS	\$ 15,000	\$ 15,000	\$ 10,809.00	\$ 10,809.00	\$ 26,102.00	\$ 26,102.00	\$ 25,000.00	\$ 25,000.00	\$ 10,000.00	\$ 10,000.00		\$ -	\$ 17,000.00	\$ 17,000.00
29	Well Discharge Piping, Valves, and Appurtenances	1	LS	\$ 150,000	\$ 150,000	\$ 90,267.00	\$ 90,267.00	\$ 80,330.00	\$ 80,330.00	\$ 75,000.00	\$ 75,000.00	\$ 78,000.00	\$ 78,000.00		\$ -	\$ 137,000.00	\$ 137,000.00
30	F&I 2" Diameter Pre-lube Drain Pipe and Drain	1	LS	\$ 15	\$ 15	\$ 6,102.00	\$ 6,102.00	\$ 23,100.00	\$ 23,100.00	\$ 7,000.00	\$ 7,000.00	\$ 9,000.00	\$ 9,000.00		\$ -	\$ 10,000.00	\$ 10,000.00
31	1,000,000 Gallon Storage Tank, Foundation, and Appurtenances	1	LS	\$ 1,250,000	\$ 1,250,000	\$ 809,382.00	\$ 809,382.00	\$ 970,655.00	\$ 970,655.00	\$ 870,000.00	\$ 870,000.00	\$ 770,000.00	\$ 770,000.00		\$ -	\$ 754,000.00	\$ 754,000.00
32	F&I Pressure Sustaining Valve	1	EA	\$ 30,000	\$ 30,000	\$ 14,414.00	\$ 14,414.00	\$ 16,685.00	\$ 16,685.00	\$ 18,000.00	\$ 18,000.00	\$ 17,000.00	\$ 17,000.00		\$ -	\$ 25,000.00	\$ 25,000.00
33	F&I Tank Influent Flowmeter	1	EA	\$ 12,000	\$ 12,000	\$ 4,215.00	\$ 4,215.00	\$ 12,410.00	\$ 12,410.00	\$ 15,000.00	\$ 15,000.00	\$ 6,500.00	\$ 6,500.00		\$ -	\$ 14,000.00	\$ 14,000.00
34	F&I 10" EBAA Iron Flexible Coupling	1	EA	\$ 20,000	\$ 20,000	\$ 10,195.00	\$ 10,195.00	\$ 9,045.00	\$ 9,045.00	\$ 13,000.00	\$ 13,000.00	\$ 9,500.00	\$ 9,500.00		\$ -	\$ 11,000.00	\$ 11,000.00
35	F&I 12" EBAA Iron Flexible Coupling	1	EA	\$ 20,000	\$ 20,000	\$ 13,511.00	\$ 13,511.00	\$ 11,370.00	\$ 11,370.00	\$ 17,000.00	\$ 17,000.00	\$ 12,000.00	\$ 12,000.00		\$ -	\$ 23,000.00	\$ 23,000.00
36	Pump Station With VFDs	1	LS	\$ 350,000	\$ 350,000	\$ 354,343.00	\$ 354,343.00	\$ 297,420.00	\$ 297,420.00	\$ 200,000.00	\$ 200,000.00	\$ 300,000.00	\$ 300,000.00		\$ -	\$ 547,000.00	\$ 547,000.00
37	Pump Station Concrete Slab Foundation	1	LS	\$ 15,000	\$ 15,000	\$ 11,426.00	\$ 11,426.00	\$ 44,860.00	\$ 44,860.00	\$ 32,000.00	\$ 32,000.00	\$ 16,000.00	\$ 16,000.00		\$ -	\$ 16,000.00	\$ 16,000.00
38	Water Main Connection in Central Avenue	1	LS	\$ 30,000	\$ 30,000	\$ 118,402.00	\$ 118,402.00	\$ 75,470.00	\$ 75,470.00	\$ 110,000.00	\$ 110,000.00	\$ 93,000.00	\$ 93,000.00		\$ -	\$ 130,000.00	\$ 130,000.00
39	F&I 10" Piping, Fittings and Appurtenances	176	LF	\$ 120	\$ 21,120	\$ 328.00	\$ 57,728.00	\$ 454.00	\$ 79,904.00	\$ 750.00	\$ 132,000.00						

Gordon Saito & Co., CPA's LLP

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Fresno, California 93711

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item 11.a.

July 10, 2023

Malaga County Water District
3580 S Frank St
Fresno, CA 93725

Dear Moises Ortiz,

Enclosed is the original package for the IRS that will need to be signed & filed to claim the Employee Retention Credit, and a copy of the package for your business to keep for your records. The contents of the package are as follows:

Cover Letter			
Form 941-X	2 nd Quarter 2020	Refund	\$15,108.00
Form 941-X	3 rd Quarter 2020	Refund	\$26,209.00
Form 941-X	4 th Quarter 2020	Refund	\$57,423.50
Form 941-X	1 st Quarter 2021	Refund	\$84,466.20
Form 941-X	2 nd Quarter 2021	Refund	\$89,035.80

Please contact me if any further information is needed.

Very Truly Yours,



Gordon Saito, CPA

Gordon Saito & Co., CPA's LLP