



Yolo Subbasin Groundwater Agency

34274 State Highway 16, Woodland, CA 95695

(530) 662-3211

YSGA Executive Committee August 16, 2022, 2:15 p.m. – 3:00 p.m.

NOTE: This meeting is being agendized to allow Board Members, staff, and the public to participate in the meeting via teleconference, pursuant to [AB 361 \(Government Code section 54953\(e\)\)](#).

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AGENDA

1. **Call to Order**
2. **Adding Items to the Posted Agenda**- In order to add an item to the agenda, it must fit into one of the following categories: a) A majority determination that an emergency (as defined by the Brown Act) exists; or b) A 4/5ths determination that the need to take action that arose subsequent to the agenda being posted.
3. **Public Comment** - The public may address the Committee relating to matters within the YSGA's jurisdiction.
4. **Fiscal Year 2020-2021 Financial Audit Report** (Brian Nash, Richardson & Company)
Review draft audit report, pages 3-28
5. **Administrative Items** (Sicke)
 - a) [Approve July 25, 2022 meeting minutes](#), pages 29-30
 - b) [Review financials: FY 2021-2022: 7/22-8/9/22](#), pages 31-38
 - c) Payments to approve*
6. **YSGA Incorporation of WRA (WRA Merger into YSGA)**
Review draft Resolution No. 22-03, pages 39-42
7. **Update on YSGA GSP Implementation Actions:** Discussion Item (Sicke)
 - a) Water Conditions Update – Real-time Wells
 - b) Management Area Public Advisory Committee Proposal
 - c) GSP Implementation
 - Ad Hoc Committee to Reconsider Voting and Dues – 8/8
 - Ad Hoc Drought Contingency Planning Committee – 8/10
 - SGMA Implementation Grant

- i. Prioritization and Funding Strategies (Working Group Meetings on 8/3 and 8/31)

8. Other Updates & Future Executive Committee Agenda Items

9. Next Executive Committee Meeting Date: September __, 2022; via GoToMeeting

10. Adjourn

I declare under penalty of perjury that the foregoing agenda for this meeting of the Executive Committee for the Yolo Subbasin Groundwater Agency was posted by August 15, 2022 in the office located at 34274 State Highway 16, Woodland, CA and was available to the public during normal business hours.



Kristin Sicke
Executive Officer

* PAYMENTS:
Consero Solutions Invoice #1798: July 2022 Professional Services: \$5,577.50
LedgerPro Bookkeeping Invoice #2503: July Bookkeeping Services: \$300
ACWA Invoice: Cyber Liability Program 7/1/2022-6/30/2023: \$112.50
YCFC&WCD Postage Meter & Copies: July 2022: \$14.69
T. Ravazzini Consulting Invoice #0000003: June/July 2022: \$7,000

YOLO SUBBASIN GROUNDWATER AGENCY

Audited Financial Statements and
Compliance Report

June 30, 2021

YOLO SUBBASIN GROUNDWATER AGENCY

Audited Financial Statements and
Compliance Report

June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Yolo Subbasin Groundwater Agency
Woodland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major Special Revenue Fund of the Yolo Subbasin Groundwater Agency (the Agency), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and the major Special Revenue Fund of the Agency as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2022 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Richardson & Company, LLP

July 12, 2022

Yolo Subbasin Groundwater Agency
Management’s Discussion and Analysis
For the Year Ended June 30, 2021

OVERVIEW

The Yolo Subbasin Groundwater Agency (Agency) was formed under a Joint Exercise of Powers Agreement on June 19, 2017 pursuant to the Joint Exercise of Powers Act, California Government Code §§ 6500 *et seq.* The California Legislature enacted the 2014 Sustainable Groundwater Management Act (SGMA), effective January 1, 2015, requiring the formation of a Groundwater Sustainability Agency for each of the regional subbasins in the State.

The Agency was formed for the purpose of acting as the Groundwater Sustainability Agency (GSA) for the Yolo Subbasin. The Agency is considered the exclusive GSA for the Yolo Subbasin.

The mission of the Agency is to provide a dynamic, cost-effective, flexible collegial organization to ensure compliance with SGMA within the Yolo Subbasin. Each of the member agencies and affiliated parties will have initial responsibility for groundwater management within their respective jurisdictional boundaries and the Agency serves as a coordinating and administrative role for developing the Groundwater Sustainability Plan (GSP). The Yolo Subbasin GSP was completed and adopted by the Board of Directors on January 24, 2022.

DESCRIPTION OF BASIC FINANCIAL STATEMENTS

The Agency maintains its accounting records in accordance with generally accepted accounting principles for a Special Revenue Fund of the governmental fund group as prescribed by the Government Accounting Standards Board. A Special Revenue Fund is used to account for the proceeds of specific revenue sources that are either restricted or committed to expenditure for specified purposes. Agency’s revenues are legally restricted under a joint powers agreement provided for under the California Government Code. The accounts of the Agency are organized on the basis of fund accounting. 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 Governmental Accounting Standards Board requires that fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The categories include non-spendable and restricted funds. Non-spendable fund balance represents amounts such as prepaid expenses that are not available for expenditure because they are not expected to be converted to cash. The Agency’s revenues are legally restricted for the purpose of managing the Yolo groundwater subbasin, so any residual amounts would be considered restricted fund balance.

The basic financial statements include the statement of net position/governmental fund balance sheet and the statement of activities/statement of revenues, expenditures, and changes in fund balance. Additionally, the schedule of revenues, expenditures, and changes in fund balance – budget to actual is included as required supplementary information on page 16 of this report.

The Agency as a single governmental JPA presents their fund financial statements with their government-wide statements on the Statement of Net Position. Over time, increases or decreases in fund balance and net position may serve as a useful indicator of whether Agency’s financial position is improving or deteriorating.

The statement of activities/statement of revenues, expenditures, and changes in fund balance reports all of the Agency’s revenues and expenses/expenditures during the periods indicated. This statement reflects the operating activity as both a Special Revenue Fund and also converts to a statement of activities, if

Yolo Subbasin Groundwater Agency
Management’s Discussion and Analysis
For the Year Ended June 30, 2021

applicable. All changes in fund balance of the Special Revenue Fund are reported as soon as the underlying event is measurable and available. Expenditures/expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. amounts due to vendors) for both the fund balance and net position. Revenues are reported when available (i.e. grant awards) for fund balance and reported when earned under the accrual basis in the statement of net position.

The schedule of revenues, expenditures, and changes in fund balance – budget to actual illustrate the actual results compared to the legally adopted budget on a fund basis. The fund basis does not include depreciation expense and includes capital asset purchases as expenditures.

NOTES TO FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the financial data provided in the financial statements. The notes to the financial statements can be found on pages 10 to 15 of this report.

CONDENSED STATEMENTS OF NET POSITION

For the fiscal years ended June 30, the following condensed comparative Statements of Net Position using a net position basis are presented:

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
Current Assets	\$ 885,161	\$ 778,157	\$ 107,004	14%
Total Assets	<u>885,161</u>	<u>778,157</u>	<u>107,004</u>	<u>14%</u>
Current Liabilities	109,247	24,282	84,965	350%
Total Liabilities	<u>109,247</u>	<u>24,282</u>	<u>84,965</u>	<u>350%</u>
Net position:				
Restricted for groundwater sustainability activities	<u>775,914</u>	<u>753,875</u>	<u>22,039</u>	<u>3%</u>
Total Net Position	<u>\$ 775,914</u>	<u>\$ 753,875</u>	<u>\$ 22,039</u>	<u>3%</u>

FISCAL YEAR 2021 COMPARED TO FISCAL YEAR 2020

Current assets consisted of cash and cash equivalents, due from other governments and prepaid assets. Current assets increased by \$107,004 from the previous year. The increase is primarily due to not spending the expected consulting costs for project management.

Current liabilities of \$109,247 increased \$84,965 from the previous year and include \$85,278 due to Yolo County Flood Control and Water Conservation District (the District), mainly to reimburse the District for GSP consulting. The District is a related party that manages the projects and work for the Agency. The current liabilities also include \$23,969 of project management expenses payable, mainly to GSP consultants.

Yolo Subbasin Groundwater Agency
Management's Discussion and Analysis
For the Year Ended June 30, 2021

The restricted net position may be used to meet the Agency's ongoing obligations to member agencies and creditors. Restricted net position increased by \$22,039. This increase was the result of revenue being greater than project expenses by \$22,039.

CONDENSED SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION

For the fiscal years ended June 30, the following condensed Statement of Activities are presented:

	<u>2021</u>	<u>2020</u>	<u>Increase (Decrease)</u>	<u>% Change</u>
General Revenues	\$ 466,782	\$ 490,319	\$ (23,537)	-5%
Total Expenses	<u>444,743</u>	<u>206,218</u>	<u>238,525</u>	<u>116%</u>
Change in Net Position	22,039	284,101	(262,062)	-92%
Net position, beginning of year	<u>753,875</u>	<u>469,774</u>	<u>284,101</u>	<u>60%</u>
Net position, end of year	<u><u>\$ 775,914</u></u>	<u><u>\$ 753,875</u></u>	<u><u>\$ 22,039</u></u>	<u><u>3%</u></u>

ANALYTICAL REVIEW REVENUES

The Agency's principal source of revenue is from dues contributions received from its member agencies. The total revenue received from this source for the fiscal year was \$462,842 and were \$1,774 lower than in the previous year. Investment earnings decreased \$21,763, which was mainly due to the investment in the County of Yolo investment pool sustaining an unrealized loss due to market rate changes.

ANALYTICAL REVIEW EXPENSES

Total operating expenses for the fiscal year were \$444,743, an increase of \$238,525 over the previous year. This was primarily for additional consulting and increased implementation costs incurred by the District for the GSP as it neared completion. This was offset by a reduction of Water Resources Association of Yolo County (WRA) administrative expenses of \$26,469 due to the retirement of a WRA staff.

Yolo Subbasin Groundwater Agency
Management's Discussion and Analysis
For the Year Ended June 30, 2021

SPECIAL REVENUE AND CONDENSED BUDGETARY ANALYSIS

For the fiscal year ended June 30, 2021, the following condensed Budget to Actual Statements of Revenues, Expenditures, and Changes in Fund Balance are presented:

	<u>Final</u> <u>Budget</u>	<u>Actual</u> <u>Amounts</u>	<u>Variance with</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>	<u>%</u> <u>Difference</u>
General revenues				
Member contributions	\$ 482,842	\$ 462,842	\$ (20,000)	-4%
Use of money and property	5,000	3,940	(1,060)	-27%
Total Revenues	<u>487,842</u>	<u>466,782</u>	<u>(21,060)</u>	<u>-5%</u>
Expenditures				
Administration services				
Water Resource Association	85,000	82,348	2,652	3%
Yolo County groundwater monitoring program	42,064	42,064		0%
Project management	149,939	138,759	11,180	8%
Services and supplies	12,550	13,021	(471)	-4%
Legal	20,000	9,330	10,670	114%
Consulting services	<u>205,061</u>	<u>159,221</u>	<u>45,840</u>	<u>29%</u>
Total Expenditures	<u>514,614</u>	<u>444,743</u>	<u>69,871</u>	<u>16%</u>
Expenditures (over) under revenue	(26,772)	22,039	48,811	221%
Fund balance, beginning of year	<u>753,875</u>	<u>753,875</u>		0%
Fund balance, end of year	<u>\$ 727,103</u>	<u>\$ 775,914</u>	<u>\$ 48,811</u>	<u>6%</u>

ADMINISTRATIVE SERVICES EXPENSES

The Agency incurs administrative expenses from WRA to manage the Agency. Total actual administrative costs were \$2,652 lower than budgeted, largely due to a retirement of a WRA administrative staff. Administrative expenses are budgeted based upon the costs as needed under the Administrative Services Agreement with the WRA.

PROJECT MANAGEMENT, LEGAL AND CONSULTING EXPENSES

Overall project management, legal fees and consulting came in lower than budgeted by \$67,690. Lower costs are the result of utilizing less District staff labor, legal and consulting for project management and technical assistance than expected to develop the GSP. This work was primarily performed by consultants under funding through the Proposition 1 planning grant from DWR previously.

MONITORING SENSORS AND CONSULTING SERVICES

The Agency's actual expenses for monitoring sensors incurred by the District agreed to the budget.

ACCOMPLISHMENTS

On June 17, 2019, the Agency Board adopted an annual budget for fiscal years 2019-2020 and 2020-2021. This budget includes the addition of dues contributions from the new Reclamation District member agencies: 150, 307 and 999.

Yolo Subbasin Groundwater Agency
Management’s Discussion and Analysis
For the Year Ended June 30, 2021

As stated in the JPA Agreement Article 5.11, following the 2-year anniversary of the Agreement effective date (June 19, 2017), the Board of Directors shall consider whether to recommend to the Members that the voting structure and/or expense allocation provisions should be modified in any respect. On April 22, 2019 the Agency Board of Directors voted to postpone reconsideration of the voting structure and expense allocation until after the Groundwater Sustainability Plan (GSP) is completed and submitted to the California Department of Water Resources. The deadline for this submission was January 31, 2022, and the GSP was submitted prior to this deadline.

The YSGA launched a new website hosted by Streamline in January 2020. The new website design complies with all California Special District regulations and public transparency guidelines.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

During fiscal year 2021-2022, it is expected that the DWR Proposition 1 GSP Planning Grant funds will be fully expended, which will result in an increase in costs for GSP-related consultant services. The fiscal year 2021-2022 budget total revenue is estimated as \$1,412,082 with approximately \$924,240 expected as fund balance. The total expenses are estimated as \$446,064 with a projected net income estimated as \$966,018.

In fiscal years 2021-2022 and 2022-2023, the YSGA will be working towards merging the WRA’s efforts related to the Westside-Sacramento Integrated Regional Water Management (IRWM) Plan into the YSGA’s scope of work. The WRA has pre-paid membership dues to the Westside-Sacramento IRWM through fiscal year 2022-2023. If the YSGA Board of Directors approves of the WRA merging with the YSGA, the YSGA will enter into an MOU with the Westside-Sacramento IRWM Coordinating Committee and the YSGA will commit to an annual \$21,500 membership fee for participating in that process on behalf of the Yolo County water managers.

In fiscal year 2022-2023, the YSGA will work with member entities and project proponents to solicit, prioritize, and develop projects for grant funding opportunities. There will be an increase in consultant services related to this effort.

CONTACTING THE AGENCY’S FINANCIAL MANAGEMENT

This financial report is designed to provide our stakeholders with a general overview of the Agency’s finances and to demonstrate accountability for the revenues it receives. If you have any questions regarding this report or need additional information, contact the Yolo Subbasin Groundwater Agency, 34274 State Highway 16, Woodland, CA 95695 or at yologroundwater.org.

YOLO SUBBASIN GROUNDWATER AGENCY

STATEMENT OF NET POSITION AND
GOVERNMENTAL FUND BALANCE SHEET

June 30, 2021

	Special Revenue Fund	Adjustments	Statement of Net Position
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Current Assets			
Cash and investments	\$ 884,669		\$ 884,669
Prepaid insurance	492		492
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 885,161</u>		<u>885,161</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 23,969		23,969
Due to other governments	85,278		85,278
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>109,247</u>		<u>109,247</u>
FUND BALANCE			
Fund balance:			
Nonspendable	492	\$ (492)	
Restricted for groundwater sustainability activities	775,422	(775,422)	
	<u> </u>	<u> </u>	<u> </u>
TOTAL FUND BALANCE	<u>775,914</u>	<u>(775,914)</u>	
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 885,161</u>		
NET POSITION			
Restricted for groundwater sustainability activities		<u>775,914</u>	<u>775,914</u>
TOTAL NET POSITION		<u>\$ 775,914</u>	<u>\$ 775,914</u>

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

YOLO SUBBASIN GROUNDWATER AGENCY

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

For the Year Ended June 30, 2021

	Special Revenue Fund	Adjustments	Statement of Net Position
EXPENDITURES/EXPENSES			
Administration services:			
Water Resource Association	\$ 82,348		\$ 82,348
Yolo County groundwater monitoring program	42,064		42,064
Project management	138,759		138,759
Consultant services	159,221		159,221
Services and supplies	13,021		13,021
Legal	9,330		9,330
TOTAL EXPENDITURES/EXPENSES	<u>444,743</u>		<u>444,743</u>
NET PROGRAM EXPENSES	<u>444,743</u>		<u>444,743</u>
GENERAL REVENUES			
Member contributions:			
Rural	237,842		237,842
Municipal	160,000		160,000
Affiliates	65,000		65,000
Use of money and property	3,940		3,940
TOTAL REVENUES	<u>466,782</u>		<u>466,782</u>
EXCESS OF REVENUES OVER EXPENDITURES	22,039	\$ (22,039)	
CHANGE IN NET POSITION		22,039	22,039
Fund balance/net position, beginning of year	<u>753,875</u>		<u>753,875</u>
FUND BALANCE/NET POSITION, END OF YEAR	<u>\$ 775,914</u>	<u>\$ -</u>	<u>\$ 775,914</u>

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

YOLO SUBBASIN GROUNDWATER AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Yolo Subbasin Groundwater Agency (the Agency) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies of the Agency are described below.

Nature of Activities: The Agency was formed under a Joint Exercise of Powers Agreement on June 19, 2017 pursuant to the Joint Exercise of Powers Act, California Government Code §§ 6500 *et seq* for the purpose of acting as the Groundwater Sustainability Agency (GSA) for the Yolo Subbasin. The California Legislature enacted the 2014 Sustainable Groundwater Management Act (SGMA), effective January 1, 2015, requiring the formation of a Groundwater Sustainability Agency for the each of the regional subbasins in the State.

The Agency was formed for the purpose of acting as the Groundwater Sustainability Agency (GSA) for the Yolo Subbasin. The Agency is considered the exclusive GSA for the Yolo Subbasin.

The Agency’s mission is to provide a dynamic, cost-effective, flexible collegial organization to ensure compliance with SGMA within the Yolo Subbasin. Each of the member agencies and affiliated parties will have initial responsibility for groundwater management within their respective jurisdictional boundaries and the Agency served in a coordinating and administrative role for developing the Groundwater Sustainability Plan (GSP). The Yolo Subbasin GSP was adopted by the Board of Directors on January 24, 2022.

The Agency’s members and affiliated parties cited in the Agency’s JPA agreement include:

Member agencies:

- City of Davis
- City of Winters
- Dunnigan Water District
- Madison Community Services District
- Reclamation District 150
- Reclamation District 307
- Reclamation District 537
- Reclamation District 765
- Reclamation District 787
- Reclamation District 1600
- Yocha Dehe Wintun Nation
- Yolo County Flood Control and Water Conservation District
- City of West Sacramento
- City of Woodland
- Esparto Community Services District
- Reclamation District 108
- Reclamation District 730
- Reclamation District 785
- Reclamation District 827
- Reclamation District 999
- Reclamation District 2035
- Yolo County

Affiliated parties:

- California American Water Company – Dunnigan
- Environmental Party Representative
- Private Pumper Representative as appointed by the Yolo County Farm Bureau
- Colusa Drain Mutual Water Company
- University of California, Davis
- Rumsey Water Users Association (Joined Agency in September 2021)

YOLO SUBBASIN GROUNDWATER AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to the agencies above, as described in Note D, the Agency and the Water Resources Association of Yolo County (WRA) have common board members and management. The Agency had no employees or capital assets as of June 30, 2021. The WRA and Yolo County Flood Control and Water Conservation District provide administration and technical support to the Agency.

Basis of Presentation - Government-wide Financial Statements: The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Revenues that are not classified as program revenues, including interest income, are presented as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions in which the Agency gives or receives value without directly receiving or giving equal value in exchange, include grants, entitlements and contributions. These revenues are recognized when all eligibility requirements have been met. When nonexchange revenues are received before eligibility requirements are met, they are reported as unearned revenues until earned.

The Agency had no noncurrent assets or liabilities and, therefore, the activities reported in the Special Revenue Fund also represent the amounts reported in the government-wide financial statements.

Basis of Presentation – Fund Financial Statements: The accounts of the Agency are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. Major individual funds are reported as separate columns in the fund financial statements. The Agency reports its activities in a Special Revenue Fund.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Grant funds and exchange revenue earned but not received are recorded as a receivable. Grant funds and exchange revenue received before the revenue recognition criteria have been met or not received within the availability period are reported as deferred inflows or unearned revenues, respectively.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term liabilities, expenditures related to claims and judgments and expenditures related to compensated absences are recognized to the extent they have matured and are payable from current financial resources. General capital asset purchases are reported as capital outlay expenditures and proceeds of debt are reported as other financing sources in governmental funds.

YOLO SUBBASIN GROUNDWATER AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When both restricted and unrestricted resources are available, it is the Agency’s policy to use restricted resources first, then unrestricted resources as they are needed.

The Agency’s only major governmental fund is the Special Revenue Fund. The Special Revenue Fund is the general operating fund of the Agency and accounts for revenues restricted to providing groundwater sustainability activities of the Agency. The fund is charged with all costs of operations.

Revenue Recognition: The major source of revenue for the Agency is member contributions. The contributions from municipal members and affiliated parties is a flat amount approved by the Board, while the contributions by rural agencies is \$.50 per acre. The Board of Directors approved budgeted contributions from “white areas” not included in the boundaries of member agencies, but no contributions were billed for these areas during the year ended June 30, 2021.

Fund Balance: Governmental funds report nonspendable, restricted, committed, assigned and unassigned balances.

Nonspendable Funds – Fund balance should be reported as nonspendable when the amounts cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Nonspendable balances are not expected to be converted to cash within the next operating cycle, which include prepaid expenses and long-term receivables. The Agency’s nonspendable fund balance as of June 30, 2021 is related to prepaid insurance.

Restricted Funds – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. All of the Agency’s fund balance was restricted under the JPA agreement as of June 30, 2021. The Agency’s restricted fund balance includes a Board designated cash reserve of \$24,000 set aside to cover approximately three months of estimated expenditures. The reserve may go below this level if expenditures are approved by the Board in excess of revenues. The Board may allocate funds in excess of the policy in the following fiscal year.

Committed Funds – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, which is a Resolution of Board of Directors. These amounts cannot be used for any other purpose unless the governing body modifies or removes the fund commitment with another Resolution. The Agency had no committed fund balance at June 30, 2021.

Assigned Funds – Fund balance should be reported as assigned when the amounts are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed. The Agency had no assigned fund balance at June 30, 2021.

Unassigned Funds – Unassigned fund balance is the residual classification of the Agency’s funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes. The Agency had no unassigned fund balance at June 30, 2021.

Budget: The Board approves all budgeted revenues and expenditures for the Special Revenue Fund.

YOLO SUBBASIN GROUNDWATER AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgeted revenues and expenditures represent the original budget as approved by the Board and the final budget, which includes modifications of the original budget through amendments approved by the Board of Directors during the year. Budgetary control is maintained at the fund level. The budget may only be amended by the Board of Directors. The budget is presented on a basis consistent with generally accepted accounting principles. Appropriations lapse at the end of each fiscal year.

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

NOTE B – CASH AND INVESTMENTS

The following is a summary of cash and investments at June 30, 2021:

Cash and investments:	
Bank deposits	\$ 15,959
Investment in the County of Yolo investment pool	<u>868,710</u>
Total cash and investments	<u>\$ 884,669</u>

Investment Policy: All investments are made in accordance with Government Code, Section 53600, Chapter 4 – Financial Affairs. The Agency has contracted with the County of Yolo Chief Financial Officer to be the Auditor and Treasurer of the Agency. The Agency has no investment policy and currently only allows investment of excess funds in the County of Yolo investment pool.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2021 the weighted average maturity of the investments contained in the County of Yolo investment pool was approximately 408 days.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County of Yolo investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the Agency's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. State law contains limitations on the amount that can be invested in any one issuer. All investments of the Agency are in the County pool, which contains a diversification of investments.

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

YOLO SUBBASIN GROUNDWATER AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021

NOTE B – CASH AND INVESTMENTS (Continued)

investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2021, the carrying amount of the deposits was \$15,959 and the balance in financial institutions was \$29,598, all of which was covered by federal depository insurance.

Investment in County of Yolo Investment Pool: The Agency participates in the County of Yolo investment pool, which is managed by the Yolo County Treasurer. Funds deposited in the County pool are invested in accordance with the California State Government Code and the County investment policy. The County has established a financial oversight committee to monitor and review the management of funds maintained in the investment pool in accordance with Article 6, Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually. On a quarterly basis, interest is allocated to participants based on average daily balances. Investments held in the County's investment pool are available on demand and are stated at fair value. The investments are available for withdraw on an amortized cost basis. Information regarding categorization of investments and other deposit and investment risk disclosures can be found in Yolo County's financial statements. The County of Yolo financial statements may be obtained by contacting the County Auditor Controller's office at 625 Court Street, Room 102, Woodland, CA 95695 or at yolocounty.org on the General Governments, Budget and Finance page.

NOTE C – INSURANCE

The Agency participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) a public entity risk pool of California water agencies, for general and auto liability, public officials liability, and cybercrime liability. ACWA/JPIA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained. The Agency pays an annual premium to ACWA/JPIA that includes its pro-rata share of excess insurance premiums, charges for the pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the ACWA/JPIA. The Agency's deductibles and maximum coverage are as follows:

Coverage	ACWA/JPIA	Commercial Insurance	Deductible
General and auto liability (includes public officials liability)	\$ 5,000,000	\$ 50,000,000	None
Cyber liability		\$5,000,000 per occurrence 5,000,000 in aggregate	\$10,000 - \$25,000

The Agency continues to carry commercial insurance for all other risks of loss to cover all claims for risk of loss to which the Agency is exposed. Settled claims resulting from these risks have not exceeded commercial insurance coverage and there have been no reductions in insurance coverage.

YOLO SUBBASIN GROUNDWATER AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

June 30, 2021

NOTE D – RELATED PARTY TRANSACTIONS

As discussed in Note A, the Agency is composed of various member agencies that share common Board Members with the Yolo County Flood Control and Water Conservation District (the District) and Water Resources Association of Yolo County (WRA).

The District is a member agency that provided various administrative and technical services to the Agency under an administrative and technical services agreement. For the year ended June 30, 2021, the Agency reimbursed the District \$42,064 for the groundwater monitoring program and \$233,820 for administration and technical support, of which \$85,278 was reported as due to other governments at June 30, 2021.

The Water Resources Association of Yolo County (WRA) provides administrative services to the Agency under an administrative services agreement. For the year ended June 30, 2021, the Agency reimbursed the WRA \$60,848 for administrative services, of which \$143 was reported as accounts payable at June 30, 2021, and \$21,500 for the Westside-Sacramento Integrated Regional Water Management Plan. The District provides office space free of charge to the WRA staff performing accounting services for the Agency. The WRA provides computer technology to the Agency under the agreement.

NOTE E – COMMITMENTS AND CONTINGENCIES

The Agency had the following contractual commitments outstanding as of June 30, 2021:

Yolo County Flood Control & Water Conservation District	\$ 255,000
GEI Consultants	72,218
SEI Consultants	<u>16,912</u>
	<u>\$ 344,130</u>

The Agency is eligible for the 2017 Proposition 1 Sustainable Groundwater Planning (SGWP) Grant from the California Department of Water Resources (DWR) for the purpose of developing a Groundwater Sustainability Plan (GSP). However, the Agency deferred administration of this grant to the District. The grant agreement amount will not exceed \$1,000,000. Costs charged to the grant program are subject to audit and potential adjustment by the DWR. Therefore, to the extent that District has not complied with rules and regulation governing the grant could ultimately result in the Agency incurring direct costs to develop the GSP. In the opinion of the Agency management, the ultimate liability, if any, from any such audits are not expected to have a significant impact on the Agency's operations.

The Agency is responsible for developing a GSP for the Yolo Subbasin under the 2014 Groundwater Sustainability Act. The GSP is subject to continuing review and approval by the State of California, which could result in additional unanticipated costs to comply with State requirements.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the Agency's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, and the impact on citizens, employees, vendors, and members, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain. One possible effect could be lack of the ability of certain members to pay member contributions if the pandemic were to continue for an extended period.

REQUIRED SUPPLEMENTARY INFORMATION

YOLO SUBBASIN GROUNDWATER AGENCY
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - SPECIAL REVENUE FUND

For the Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance
	Original	Final	Amounts	With Final Budget Positive (Negative)
REVENUES				
Member contributions:				
Rural	\$ 257,842	\$ 257,842	\$ 237,842	\$ (20,000)
Municipal	160,000	160,000	160,000	
Affiliates	65,000	65,000	65,000	
Use of money and property	5,000	5,000	3,940	(1,060)
TOTAL REVENUES	487,842	487,842	466,782	(21,060)
EXPENDITURES				
Current:				
Administration services:				
Water Resource Association	121,500	85,000	82,348	2,652
Yolo County groundwater monitoring program	42,064	42,064	42,064	
Project management	110,000	149,939	138,759	11,180
Services and supplies	12,550	12,550	13,021	(471)
Legal	20,000	20,000	9,330	10,670
Consulting services	100,000	205,061	159,221	45,840
TOTAL EXPENDITURES	406,114	514,614	444,743	69,871
NET CHANGE IN FUND BALANCE	\$ 81,728	\$ (26,772)	22,039	\$ 48,811
Fund balance, beginning of year			753,875	
FUND BALANCE, END OF YEAR			\$ 775,914	

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

COMPLIANCE REPORT

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
Yolo Subbasin Groundwater Agency
Woodland, California

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 and the major Special Revenue Fund of the Yolo Subbasin Groundwater Agency (the Agency), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated July 12, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of 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 compliance and the results of that testing, and not to provide on the effectiveness of the Agency'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.

Richardson & Company, LLP

July 12, 2022

GOVERNANCE LETTER

To the Board of Directors
Yolo Subbasin Groundwater Agency
Woodland, California

We have audited the financial statements of the governmental activities and major Special Revenue Fund of the Yolo Subbasin Groundwater Agency (the Agency) for the year ended June 30, 2021, and have issued our report thereon dated July 12, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as information related to the planned scope and timing of the audit. We communicated such information to you in our engagement letter dated September 22, 2021 and to a member of the Board of Directors during the audit. Professional standards also require that we provide you with the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

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

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive accounting estimate affecting the financial statements is used in determining the amount of liabilities recorded. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures related to the related party transactions and contingencies disclosed in Notes D and E to the financial statements, respectively.

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

To the Board of Directors
Yolo Subbasin Groundwater Agency

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Five adjustments were proposed during the audit, including entries to repost the prior year fair value adjustment on the County of Yolo (County) investment pool so fund balance rolled forward, to reclassify amounts due to other governments for reporting purposes, reclassify fund balance as non-spendable, to reclassify cash from the account used for 1st Northern Checking to the account used for the County investment pool and an entry to record the current year change in fair value of the County investment pool.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 12, 2022.

Management Consultations with Other Independent Accountants

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

Other Audit findings or Issues

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

Other Matters

We applied certain limited procedures to the management's discussion and analysis and the budgetary comparison schedule, which is RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

To the Board of Directors
Yolo Subbasin Groundwater Agency

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Restriction on Use

This information is intended solely for the use of the Board of Directors and management of the Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Richardson & Company, LLP

July 12, 2022



550 Howe Avenue, Suite 210
Sacramento, California 95825
Telephone: (916) 564-8727
FAX: (916) 564-8728

MANAGEMENT LETTER

To the Board of Directors and Management
Yolo Subbasin Groundwater Agency
Woodland, CA

In planning and performing our audit of the financial statements of the governmental activities and major Special Revenue Fund of the Yolo Subbasin Groundwater Agency (the Agency) as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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.

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

During our audit, we became aware of the following matter that has been included for your consideration:

Form 700's

We noted the Agency was unable to verify all board members filed their Form 700's with their respective member agency. It is the Agency's responsibility to ensure all Form 700's were filed by Board members so we recommend each board member submit their form 700 to the Agency when they are filed.

* * * * *

This communication is intended solely for the information and use of the Board of Directors, management, and others within the Agency, and is not intended to be, and should not be, used by anyone other than these specified parties.

Richardson & Company, LLP

July 12, 2022

Yolo Subbasin Groundwater Agency
MINUTES of Executive Committee (EC) Meeting
July 25, 2022, 12:15 p.m. – 1:00 p.m.
34274 State Hwy 16, Woodland CA

Present: Kristin Sicke, Roger Cornwell, Lynnel Pollock, Kurt Balasek, Elisa Sabatini, Jesse Loren, Sarah Leicht

Absent:

1. **Call to Order:** Meeting was called to order by Roger Cornwell, Chair at 12:31 pm.
2. **Adding Items to the Posted Agenda:** Nothing to add.
3. **Public Comment:** No comments.
4. **Administrative Items (Sicke):**
 - a) June 13, 2022 meeting minutes were approved.
 - b) Reviewed financials: FY2021-22: 6/9– 7/22/22: Financials were provided with the agenda packet.
 - c) Payments to approve: Payments were approved with corrections: Addition of YCFCWCD Invoices for expenses 4/1/22 to 6/30/2022 - \$70,820.57 and \$614.94, which was included in page 13 of the financials, but was not listed in the front table of the agenda.
 - d) Update on FY 2021/22 Audit: The auditors will make a presentation at the August Executive Committee meeting.
 - e) Year-end closing documents to Yolo County: Kristin will work to submit the necessary documents to Yolo County.

Jesse Loren moved to approve administrative items a) and c), with corrections, which was seconded by Lynnel Pollock and approved unanimously.

5. **Update on YSGA GSP Activities (Sicke):**
 - a) Water Conditions Update -- Real-time Wells: Water levels are showing approximately the same drawdown rate as observed last year.
 - b) Stakeholder Meetings: The YSGA team has held a variety of recent stakeholder meetings:
 - Yolo County BOS Monthly Updates
 - Hungry Hollow Area Community Meeting: 6/22 at 5 p.m.
 - Yolo County Farm Bureau Meeting and Public Meeting – 6/9 and 6/28
 - Hungry Hollow Groundwater Committee Meeting 7/19
 - a) GSP Implementation:
 - Special Projects Advisor – Establishing a Framework for Forming the MA Advisory Committees and WRA/YSGA Merger
Kristin continues to work to form the committees and merge the entities. A brainstorming meeting will be held tomorrow, and an Ad Hoc Committee meeting will be held on August 8.
 - Ad Hoc Drought Contingency Planning Committee
The Committee’s next meeting will be on August 8. The Committee will review the draft Groundwater Communications Plan, discuss the well permitting procedures, and discuss the upcoming requirements of SB 552.
 - SGMA Implementation Grant
Kristin continues to work with Consero Solutions to prioritize projects and prepare for the upcoming grant solicitation. Two working group meetings on August 3 and

Yolo Subbasin Groundwater Agency
MINUTES of Executive Committee (EC) Meeting
July 25, 2022, 12:15 p.m. – 1:00 p.m.
34274 State Hwy 16, Woodland CA

August 31 will review the grant requirements and finalize the process for prioritizing projects.

6. **Other Updates & Future Executive Committee Agenda Items:** Nothing to report.
7. **Next Executive Committee Meeting Date:** August 16, 2022 at YCFCWCD Headquarters
8. **Adjourned** at 12:55 pm.

Respectfully submitted,



Kristin Sicke
Executive Officer

DRAFT

Yolo Subbasin Groundwater Agency
A/P Aging Summary
 As of August 9, 2022

	<u>Current</u>	<u>1 - 30</u>	<u>31 - 60</u>	<u>61 - 90</u>	<u>> 90</u>	<u>TOTAL</u>
ACWA/JPIA	112.50	0.00	0.00	0.00	0.00	112.50
Consero Solutions	5,577.50	0.00	0.00	0.00	0.00	5,577.50
LedgerPro Bookkeeping	300.00	0.00	0.00	0.00	0.00	300.00
Taryn Ravazzini	7,000.00	0.00	0.00	0.00	0.00	7,000.00
Yolo County Flood Control & WCD	14.69	0.00	0.00	0.00	0.00	14.69
TOTAL	13,004.69	0.00	0.00	0.00	0.00	13,004.69

Yolo Subbasin Groundwater Agency

Balance Sheet

As of August 9, 2022

	<u>Aug 9, 22</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · 1st Northern-Checking	35,522.36
1010 · 1st Northern-Savings	5,663.35
1020 · Yolo County Treasury	1,168,586.59
1025 · County Treasury FMV	3,968.00
Total Checking/Savings	<u>1,213,740.30</u>
Accounts Receivable	
1100 · Accounts Receivable	72,632.00
Total Accounts Receivable	<u>72,632.00</u>
Total Current Assets	<u>1,286,372.30</u>
TOTAL ASSETS	<u>1,286,372.30</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	13,004.69
Total Accounts Payable	<u>13,004.69</u>
Total Current Liabilities	<u>13,004.69</u>
Total Liabilities	13,004.69
Equity	
3000 · Unassigned Fund Balance	-24,000.00
3010 · Nonspendable Fund Balance	492.00
3300 · Assigned Fund Balance	24,000.00
3200 · Retained Earnings	823,253.55
Net Income	449,622.06
Total Equity	<u>1,273,367.61</u>
TOTAL LIABILITIES & EQUITY	<u>1,286,372.30</u>

Yolo Subbasin Groundwater Agency

Budget vs Actual

July 1 through August 9, 2022

	Jul 1 - Aug 9, 22	Budget	% of Budget
Ordinary Income/Expense			
Income			
4000 · Member Contributions-Municipal	160,000.00	160,000.00	100.0%
4100 · Member Contributions-Rural	235,249.00	237,842.00	98.9%
4200 · Member Contributions-Affiliates	60,170.00	65,170.00	92.3%
4300 · Direct Contribution-White Areas	0.00	20,000.00	0.0%
4700 · Well Permitting Regulatory Fees	700.00	24,000.00	2.9%
4900 · Interest Income	0.00	5,000.00	0.0%
Total Income	456,119.00	512,012.00	89.1%
Expense			
5100 · Bank & Other Fees	0.00	500.00	0.0%
5300 · Insurance-General & Auto	604.75	2,000.00	30.2%
5500 · Membership Dues	0.00	3,000.00	0.0%
7000 · Admin. Expenses	14.69	5,000.00	0.3%
7100 · Project Mgmt-SGMA Implementatio	0.00	251,000.00	0.0%
7125 · Buckeye Creek Recharge Project	0.00	9,000.00	0.0%
7200 · Consultant Services	5,877.50	200,000.00	2.9%
7300 · Legal Services	0.00	20,000.00	0.0%
7350 · Audit Services - Financial	0.00	8,500.00	0.0%
7400 · GSP - Related Consultant Costs	0.00	50,000.00	0.0%
7500 · GW Monitoring-Real-time Sensors	0.00	90,000.00	0.0%
7700 · GSP Verif in Well Permit Review	0.00	24,000.00	0.0%
Total Expense	6,496.94	663,000.00	1.0%
Net Ordinary Income	449,622.06	-150,988.00	-297.8%
Net Income	449,622.06	-150,988.00	-297.8%

**Yolo Subbasin Groundwater Agency
Open Invoices
As of August 9, 2022**

<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>P. O. #</u>	<u>Name</u>	<u>Terms</u>	<u>Due Date</u>	<u>Aging</u>	<u>Open Balance</u>
County of Yolo								
Invoice	07/07/2022	2022-51		County of Yolo	Net 30	08/06/2022	3	40,000.00
Total County of Yolo								40,000.00
Reclamation District 1600								
Invoice	07/07/2022	2022-47		Reclamation District 1600	Net 30	08/06/2022	3	3,462.00
Total Reclamation District 1600								3,462.00
Reclamation District 2035								
Invoice	07/07/2022	2022-48		Reclamation District 2035	Net 30	08/06/2022	3	19,000.00
Total Reclamation District 2035								19,000.00
Rumsey Water Users Association								
Invoice	07/07/2022	2022-49		Rumsey Water Users Association	Net 30	08/06/2022	3	170.00
Total Rumsey Water Users Association								170.00
Yolo County Farm Bureau								
Invoice	07/07/2022	2022-56		Yolo County Farm Bureau	Net 30	08/06/2022	3	10,000.00
Total Yolo County Farm Bureau								10,000.00
TOTAL								72,632.00

Yolo Subbasin Groundwater Agency

Profit & Loss

July 1 through August 9, 2022

	Jul 22	Aug 1 - 9, 22	TOTAL
Ordinary Income/Expense			
Income			
4000 · Member Contributions-Municipal	160,000.00	0.00	160,000.00
4100 · Member Contributions-Rural	235,249.00	0.00	235,249.00
4200 · Member Contributions-Affiliates	60,170.00	0.00	60,170.00
4700 · Well Permitting Regulatory Fees	700.00	0.00	700.00
Total Income	456,119.00	0.00	456,119.00
Expense			
5300 · Insurance-General & Auto	604.75	0.00	604.75
7000 · Admin. Expenses	14.69	0.00	14.69
7200 · Consultant Services	5,877.50	0.00	5,877.50
Total Expense	6,496.94	0.00	6,496.94
Net Ordinary Income	449,622.06	0.00	449,622.06
Net Income	449,622.06	0.00	449,622.06

Yolo Subbasin Groundwater Agency
Statement of Cash Flows
 July 1 through August 9, 2022

	Jul 1 - Aug 9, 22
OPERATING ACTIVITIES	
Net Income	449,622.06
Adjustments to reconcile Net Income to net cash provided by operations:	
1100 · Accounts Receivable	-71,932.00
1150 · Prepaid Insurance	492.25
2000 · Accounts Payable	-77,672.63
Net cash provided by Operating Activities	300,509.68
Net cash increase for period	300,509.68
Cash at beginning of period	913,230.62
Cash at end of period	1,213,740.30

**Yolo Subbasin Groundwater Agency
Transaction List by Date
July 26 through August 9, 2022**

Type	Date	Num	Name	Memo	Account	Cir	Split	Amount
Jul 26 - Aug 9, 22								
Payment	07/26/2022		Reclamation District 307		1200 · Undeposited Funds	X	1100 · Accounts Receivable	2,970.50
Payment	07/26/2022		Reclamation District 150		1200 · Undeposited Funds	X	1100 · Accounts Receivable	1,073.25
Payment	07/26/2022		Reclamation District 730		1200 · Undeposited Funds	X	1100 · Accounts Receivable	2,249.00
Payment	07/26/2022		Madison Community Service District		1200 · Undeposited Funds	X	1100 · Accounts Receivable	5,000.00
Deposit	07/26/2022			Deposit	1020 · Yolo County Treasury	X	4700 · Well Permitting Regulatory Fees	350.00
Deposit	07/26/2022			Deposit	1020 · Yolo County Treasury	X	4700 · Well Permitting Regulatory Fees	350.00
Deposit	07/26/2022			Deposit	1000 · 1st Northern-Checking	X	1200 · Undeposited Funds	5,000.00
Deposit	07/26/2022			Deposit	1000 · 1st Northern-Checking	X	-SPLIT-	4,043.75
Deposit	07/26/2022			Deposit	1000 · 1st Northern-Checking	X	1200 · Undeposited Funds	2,249.00
Payment	07/27/2022	1287	Reclamation District 537		1200 · Undeposited Funds	X	1100 · Accounts Receivable	1,519.25
Payment	07/27/2022	10970	Reclamation District 787	RRG Garden Farming Operations LLC	1200 · Undeposited Funds	X	1100 · Accounts Receivable	14,700.00
Payment	07/27/2022	11484867	University of California Davis		1200 · Undeposited Funds	X	1100 · Accounts Receivable	40,000.00
Payment	07/27/2022	1015	Reclamation District 765		1200 · Undeposited Funds	X	1100 · Accounts Receivable	1,400.00
Payment	07/27/2022	304860	City of West Sacramento		1200 · Undeposited Funds	X	1100 · Accounts Receivable	40,000.00
Deposit	07/29/2022			Deposit	1020 · Yolo County Treasury	X	-SPLIT-	10,000.00
Deposit	07/29/2022			Deposit	1020 · Yolo County Treasury	X	-SPLIT-	97,619.25
Bill	07/31/2022	YSGA Expenses	Yolo County Flood Control & WCD	Expenses through July 31, 2022	2000 · Accounts Payable		7000 · Admin. Expenses	-14.69
Bill	07/31/2022	1798	Consero Solutions	July services	2000 · Accounts Payable		7200 · Consultant Services	-5,577.50
Bill	07/31/2022	Cyber Liability	ACWA/JPIA	FY 7/1/22 to 6/30/23 Cyber Liability	2000 · Accounts Payable		5300 · Insurance-General & Auto	-112.50
Bill	07/31/2022	2503	LedgerPro Bookkeeping	July Bookkeeping Services	2000 · Accounts Payable		7200 · Consultant Services	-300.00
Payment	08/01/2022	31084	Reclamation District 108		1200 · Undeposited Funds	X	1100 · Accounts Receivable	21,600.00
Payment	08/01/2022	450371	City of Davis		1200 · Undeposited Funds	X	1100 · Accounts Receivable	40,000.00
Payment	08/01/2022	058381	City of Winters		1200 · Undeposited Funds	X	1100 · Accounts Receivable	20,000.00
Deposit	08/01/2022			Deposit	1020 · Yolo County Treasury		-SPLIT-	81,600.00
Bill Pmt	08/02/2022	230	CA State University, Sacramento	Services for April 2022	1000 · 1st Northern-Checking		2000 · Accounts Payable	-920.31
Bill Pmt	08/02/2022	231	Downey Brand LLP		1000 · 1st Northern-Checking		2000 · Accounts Payable	-3,361.50
Bill Pmt	08/02/2022	232	LedgerPro Bookkeeping	June Bookkeeping Services	1000 · 1st Northern-Checking		2000 · Accounts Payable	-225.00
Bill Pmt	08/02/2022	233	RDM Audio Visual Rentals	VOID: PA System Rental SGMA Meeting 6-28 YC Fairgroun...	1000 · 1st Northern-Checking		2000 · Accounts Payable	0.00
Bill Pmt	08/02/2022	234	Richardson & Company LLP	Audit services 06/30/21 FYE	1000 · 1st Northern-Checking		2000 · Accounts Payable	-7,000.00
Bill Pmt	08/02/2022	235	Yolo County Flood Control & WCD		1000 · 1st Northern-Checking		2000 · Accounts Payable	-71,435.51
Bill Pmt	08/02/2022	236	Yolo County Farm Bureau (Vendor)	PA System Rental SGMA Meeting 6-28 YC Fairgrounds	1000 · 1st Northern-Checking		2000 · Accounts Payable	-735.00
Payment	08/08/2022		YCFC&WCD		1200 · Undeposited Funds	X	1100 · Accounts Receivable	110,000.00
Payment	08/08/2022		City of Woodland		1200 · Undeposited Funds	X	1100 · Accounts Receivable	40,000.00
Payment	08/08/2022		Yocha Dehe Wintun Nation		1200 · Undeposited Funds	X	1100 · Accounts Receivable	10,000.00
Deposit	08/09/2022			Deposit	1020 · Yolo County Treasury		-SPLIT-	160,000.00
Jul 26 - Aug 9, 22								

Yolo Subbasin Groundwater Agency Upcoming Cash Requirements As of August 9, 2022

	<u>Type</u>	<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Memo</u>	<u>Due Date</u>	<u>Aging</u>	<u>Open Balance</u>
Current								
	Bill	07/31/2022	1798	Consero Solutions	July services	08/10/2022		5,577.50
	Bill	07/31/2022	Cyber Liability	ACWA/JPIA	FY 7/1/22 to 6/30/23 Cyber Liability	08/10/2022		112.50
	Bill	07/31/2022	YSGA Expenses	Yolo County Flood Control & WCD	Expenses through July 31, 2022	08/30/2022		14.69
	Bill	07/31/2022	2503	LedgerPro Bookkeeping	July Bookkeeping Services	08/30/2022		300.00
	Bill	06/30/2022	0000003	Taryn Ravazzini	June services	09/04/2022		7,000.00
Total Current								13,004.69
1 - 30								
Total 1 - 30								
31 - 60								
Total 31 - 60								
61 - 90								
Total 61 - 90								
> 90								
Total > 90								
TOTAL								13,004.69

Current Cash Balance {Checking & Savings}	41,185.71
Ending Cash Balance After Paying All Bills	28,181.02
Desired Reserve in Checking/Savings	30,000.00
Ending Cash Reserve or (Transfer Needed)	(1,818.98)

DRAFT 7/26/22

**RESOLUTION NO. 22-03
OF THE
BOARD OF DIRECTORS OF THE
YOLO SUBBASIN GROUNDWATER AGENCY**

***IN THE MATTER OF:* APPROVAL AND ADOPTION OF AMENDMENT NO. 1 TO
JOINT EXERCISE OF POWERS AGREEMENT
ESTABLISHING THE YOLO SUBBASIN GROUNDWATER
AGENCY**

WHEREAS, the Yolo Subbasin Groundwater Agency (“YSGA”) is a joint powers authority established and existing pursuant to that certain Joint Exercise of Powers Agreement Establishing the Yolo Subbasin Groundwater Agency dated and effective June 19, 2017 (“Joint Powers Agreement”); and

WHEREAS, on August 29, 2014, the California Legislature passed comprehensive groundwater legislation contained in SB 1168, SB 1319 and AB 1739. Collectively, those bills, as subsequently amended, enacted the Sustainable Groundwater Management Act (“SGMA”) and SGMA became effective on January 1, 2015; and

WHEREAS, YSGA is the Groundwater Sustainability Agency for the Yolo Subbasin of the Sacramento Valley Groundwater Basin, California Department of Water Resources Basin No. 5-21.67 (“Subbasin”); and

WHEREAS, the Water Resources Association of Yolo County (“WRA”) was established in 1993 for the principal purpose of water management through its regional planning activities related to urban and agricultural water supply, water quality, water treatment, flood/stormwater management, natural resource management, environmental uses, and related matters; and

WHEREAS, in 2002, the California Legislature enacted Division 6, Part 2.2 of the California Water Code, known as the Integrated Regional Water Management Planning Act of 2002 (“Act”) for, among other things, the purpose of encouraging local agencies to work together to manage their available water supplies and to improve the quality, quantity, and availability of those supplies; and

WHEREAS, the Act encourages local agencies of different types to join together to form a Regional Water Management Group (RWMG) to address water supply, quantity, and quality areas in their areas; and

WHEREAS, in 2013 the WRA entered into an Memorandum of Understanding (“MOU”) to form the Westside Sacramento RWMG, the members of which are Lake County Watershed Protection District, Napa County Flood Control and Water Conservation District, Solano County Water Agency and WRA; and

WHEREAS, the primary goals of the MOU are to foster coordination, collaboration, and communication between RWMG and other agencies responsible for water resources-related issues and interested stakeholders to achieve greater efficiencies, provide for integration of projects, enhance public services, and build broad public support for vital projects; these goals align well with the goals and ethos of YSGA; and

WHEREAS, the Westside Sacramento RWMG is responsible for implementing the Westside Sacramento Integrated Regional Water Management Plan (IRWMP) to facilitate regional cooperation relating to the challenges and opportunities in water supply reliability, water recycling, water conservation, water quality improvement, storm water capture and management, flood management, wetlands enhancement and creation, and environmental and habitat protection and improvements; and

WHEREAS, Section 4.7.i of the Joint Powers Agreement authorizes amendment of the Joint Powers Agreement upon a supermajority (2/3) vote of the YSGA Board of Directors; and

WHEREAS, the YSGA Board of Directors has carefully considered the feasibility and desirability of merging the functions of WRA into YSGA; and

WHEREAS, all of the members of WRA are also “Members” or “Affiliated Parties” of YSGA as such terms are defined in the Joint Powers Agreement; and

WHEREAS, the YSGA Board of Directors finds and determines that merging the functions and operations of WRA into YSGA will result in increased efficiencies and more effective water management; and

WHEREAS, the YSGA Board of Directors has reviewed and considered the proposed Amendment No. 1 to the Joint Powers Agreement, attached to this Resolution as Attachment 1 (“Amendment No. 1”) and finds and determines that approval and adoption of Amendment No. 1 is appropriate and in the best interest of YSGA.

NOW, THEREFORE, BE IT RESOLVED:

1. The YSGA Board of Directors hereby approves and adopts Amendment No. 1 to the Joint Powers Agreement attached to this Resolution as Attachment 1 (“Amendment No. 1”). Amendment No. 1 shall be effective as of the date of adoption of this Resolution.
2. The Executive Officer of YSGA is authorized and directed to add Amendment No. 1 to the Joint Powers Agreement and to execute the expanded powers of YSGA in accordance with the Joint Powers Agreement, as amended.

Certification of Secretary

The undersigned hereby certifies that the foregoing resolution was duly adopted by the Board of Directors of YSGA at a special meeting held on September X, 2022, by the following vote:

AYES: _____

NOES: _____

Secretary

Dated: _____

DRAFT

ATTACHMENT 1

AMENDMENT NO. 1 TO JOINT EXERCISE OF POWERS AGREEMENT ESTABLISHING THE YOLO SUBBASIN GROUNDWATER AGENCY

Section 3.5 of the Joint Exercise of Powers Agreement Establishing the Yolo Subbasin Groundwater Agency dated and effective June 19, 2017 (“Joint Powers Agreement”) is amended to add a new subsection e that will read as follows:

e. To implement Division 6, Part 2.2 of the California Water Code, known as the Integrated Regional Water Management Planning Act of 2002.

Section 3.6 of the Joint Powers Agreement is amended to add a new subsection h, which shall read as follows:

h. To implement Division 6, Part 2.2 of the California Water Code, known as the Integrated Regional Water Management Planning Act of 2002, including, without limitation, the power to join and participate in the Westside Sacramento Regional Water Management Groups (RWMG) in order to foster coordination, collaboration, and communication in addressing water supply, quantity, and quality issues in Yolo County, and the power to pursue funding for qualified projects and programs.

All other provisions of the Joint Powers Agreement shall remain in full force and effect.