

NOTICE

CHARLESTON DRAINAGE DISTRICT
52027 WEST ALTHEA AVENUE
FIREBAUGH, CA 93622

TO: Board of Directors
FROM: Tom Teixeira, President
RE: Special Meeting of the Board of Directors

A special meeting of the Board of Directors of the Charleston Drainage District is scheduled for 11:00 a.m., June 24, 2021, to address the items listed on the attached agenda. In accordance with Governor Newsom's Executive Order N-09-21, the meeting will be held by web and teleconference, and accessible to the public electronically, through the following means.

**IN ACCORDANCE WITH EXECUTIVE ORDER N-09-21,
DIRECTORS AND THE PUBLIC MAY CHOOSE TO PARTICIPATE FROM ANY LOCATION,
WITHIN OR WITHOUT THE BOUNDARIES OF THE DISTRICT.**

**DIRECTORS AND MEMBERS OF THE PUBLIC MAY CHOOSE TO PARTICIPATE
IN THE OPEN SESSION PORTION OF THE MEETING
FROM YOUR COMPUTER, TABLET OR SMARTPHONE
THROUGH THE FOLLOWING MEANS:**

<https://global.gotomeeting.com/join/831195285>

AND PLEASE DIAL

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

NOTE: Any member of the public may address the Board of Directors concerning any item on the Agenda before or during its consideration of that matter, as appropriate, by calling into the meeting and joining electronically via the GoToMeeting link above. The President may limit the total amount of time allocated for public comment on particular issues to 3 minutes for each individual speaker.

AGENDA

**CHARLESTON DRAINAGE DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING
June 24, 2021 – 11:00 a.m.**

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

<https://global.gotomeeting.com/join/831195285>

AND PLEASE DIAL

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

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

ACTION ITEMS

- 6. The Board to review and consider accepting recommendation to perform the fiscal-year ending 2021 financial audit (Azhderian/Delgado – Tab 2);**

7. The Board to review and consider adopting a Resolution requesting the Merced County Board of Supervisors approve replacing the District's annual financial audit with a biennial financial audit (Azhderian/Delgado – Tab 3);
8. The Board to review and consider adopting a Resolution calling for a general election on November 2, 2021, of representatives to serve on the District's Board of Directors (Azhderian/Delgado – handout Tab 4);
9. The Board to review and consider adopting a Resolution to implement a District Election Plan to hold all subsequent District elections on even years after November 2021 (Azhderian/Delgado – handout Tab 5);
10. Gubernatorial Executive Order and Brown Act Update (Delgado)
11. **CLOSED SESSION:** Conference with Legal Counsel.
 - A. Public Employee Performance Evaluation pursuant to Government Code Section 54957
Title: General Manager.
12. **REPORT FROM CLOSED SESSION**
13. **FUTURE MEETING DATES**
 - A. Board to Consider Action to Set Special Meeting Date(s): *No staff request.*
 - B. Next Regular Meeting Date: July 21, 2021
14. **ADJOURNMENT**
 - ❖ Items on the Agenda may be taken in any order.
 - ❖ Action may be taken on any item listed on the Agenda.
 - ❖ Writings relating to open session: Agenda items that are distributed to members of the Board of Directors will be available for inspection at the District office, excluding writings that are not public records or are exempt from disclosure under the California Public Records Acts.

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

CHARLESTON DRAINAGE DISTRICT

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



JUNE 24, 2021, SPECIAL BOARD MEETING MEMORANDUM

TO: BOARD OF DIRECTORS

FROM: ARA AZHDERIAN, GENERAL MANAGER

SUBJECT: AGENDA ITEM 6
FISCAL-YEAR ENDING 2021 FINANCIAL AUDIT

DATE: JUNE 23, 2021

CC: GABRIEL DELGADO, GENERAL COUNSEL
J.P. OTOLLO, TREASURER

Recommendation: The Board authorize execution of a proposed Bryant L. Jolley engagement letter to perform a financial audit of the District's fiscal-year ending February 28, 2021 and adopt a Resolution requesting the Merced County Board of Supervisors approve replacing the District's annual financial audit with a biennial financial audit.

Discussion: At the Board's April 21, 2021, regular meeting, consideration of a proposed Bryant L. Jolley engagement letter was tabled and staff was directed to explore the potential of performing a biennial financial audit. Government Code Section 26909(b) provides, "A special district may, by **unanimous request** of the governing board of the special district **and with unanimous approval** of the board of supervisors, replace the annual audit required by this section with ... the following, performed in accordance with professional standards, as determined by the county auditor: (1) A biennial audit covering a two-year period."

General Counsel Delgado has prepared a Resolution for the Board to consider adopting to request a biennial financial audit. If the Board adopts the Resolution, staff will forward the request to the Merced County Board of Supervisors for their consideration. Given the time it may take for the Board of Supervisors to consider approval, staff is recommending the District engage Bryant L. Jolley so that the FYE 2021 financial audit may be completed timely.

BRYANT L. JOLLEY

CERTIFIED PUBLIC ACCOUNTANTS

Bryant L. Jolley, C.P.A.
Ryan P. Jolley C.P.A.
Darryl L. Smith C.P.A.
Luis A. Perez C.P.A.
Lan T. Kimoto
John P. Burt

March 15, 2021

Board of Directors

Charleston Drainage District
52027 W. Althea Ave.
Firebaugh, CA 93622

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

Audit Scope and Objectives

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

- 1) Management's Discussion and Analysis.

Audit Objectives

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

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

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

Audit Procedures—General

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

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

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

Audit Procedures—Internal Control

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

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

Audit Procedures—Compliance

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

Other Services

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

Management Responsibilities

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

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

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

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

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

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

Engagement Administration, Fees, and Other

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

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

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

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

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

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

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

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

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

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

Very truly yours,

BACK



Bryant L. Jolley, CPA

RESPONSE:

This letter correctly sets forth the understanding of Charleston Drainage District.

General Manager

CHARLESTON DRAINAGE DISTRICT

RESOLUTION NO. _____

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

RECITALS

WHEREAS, the Charleston Drainage District (the “District”) is a California drainage district, formed pursuant to the Drainage District Act of 1903; and

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

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

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

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

NOW THEREFORE, BE IT RESOLVED that the Board of Directors of the Charleston Drainage District finds as follows:

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

PASSED, APPROVED, AND ADOPTED this 24th day of June, 2021 by the following vote:

Ayes:

BACK

Noes:

Absent:

Abstain:

Tom Teixeira, President
Charleston Drainage District

Attest: _____

Ara Azhderian, Secretary
Charleston Drainage District

DRAFT

**CERTIFICATE OF SECRETARY
OF
CHARLESTON DRAINAGE DISTRICT,
A California Drainage District**

I, Ara Azhderian, do hereby certify that I am the duly authorized and appointed Secretary of the Charleston Drainage District, a California drainage district (the “District”); that the following is a true and correct copy of that certain resolution duly and unanimously adopted and approved by the Board of Directors of the District on the 24th day of June, 2021; and that said resolution has not been modified or rescinded and remains in full force and effect as the date hereof:

IN WITNESS WHEREOF, I have executed this Certificate on this 24th day of June, 2021.

Ara Azhderian
Secretary of Charleston Drainage District

DRAFT

CHARLESTON DRAINAGE DISTRICT

RESOLUTION NO. _____

**RESOLUTION CALLING THE 2021 DISTRICT GENERAL ELECTION
AND AUTHORIZING REQUIRED ACTIONS**

A. **WHEREAS**, the Charleston Drainage District (the “District”) is a California drainage district duly organized and existing under and pursuant to the Drainage District Act of 1903; and

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

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

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

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

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

NOW, THEREFORE, it is hereby resolved by the Board of Directors of the Charleston Drainage District that:

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

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

3. Forms for declarations of candidacy shall be available from the Secretary of the District at the District office on and after July 12th, 2021, and shall be filed not later than 5:00 p.m.

on August 6th, 2021, in the same office; *provided*, however, that forms may be filed by certified mail so that the forms reach the District office no later than 5:00 p.m. on August 6th, 2021.

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

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

PASSED, APPROVED, AND ADOPTED this 24th day of June, 2021 by the following vote:

Ayes:

BACK

Noes:

Absent:

Abstain:

Tom Teixeira, President
Charleston Drainage District

Attest: _____
Ara Azhderian, Secretary
Charleston Drainage District

**CERTIFICATE OF SECRETARY
OF
CHARLESTON DRAINAGE DISTRICT,
A California Drainage District**

I, Ara Azhderian, do hereby certify that I am the duly authorized and appointed Secretary of the Charleston Drainage District, a California drainage district (the “District”); that the following is a true and correct copy of that certain resolution duly and unanimously adopted and approved by the Board of Directors of the District on the 24th day of June, 2021; and that said resolution has not been modified or rescinded and remains in full force and effect as the date hereof:

IN WITNESS WHEREOF, I have executed this Certificate on this 24th day of June, 2021.

Ara Azhderian
Secretary of Charleston Drainage District

State of California

GOVERNMENT CODE

Section 26909

26909. (a) (1) The county auditor shall either make or contract with a certified public accountant or public accountant to make an annual audit of the accounts and records of every special district within the county for which an audit by a certified public accountant or public accountant is not otherwise provided. In each case, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

(2) (A) If an audit of a special district's accounts and records is made by a certified public accountant or public accountant, the minimum requirements of the audit shall be prescribed by the Controller and shall conform to generally accepted auditing standards.

(B) A report of the audit required pursuant to subparagraph (A) shall be filed within 12 months of the end of the fiscal year or years under examination as follows:

(i) For a special district defined in paragraph (2) of subdivision (d) of Section 12463, with the Controller.

(ii) For a special district defined in Section 56036, with the Controller, the county auditor, and the local agency formation commission of the county in which the special district is located, unless the special district is located in two or more counties, then with each local agency formation commission within each county in which the district is located.

(3) Any costs incurred by the county auditor, including contracts with, or employment of, certified public accountants or public accountants, in making an audit of every special district pursuant to this section shall be borne by the special district and shall be a charge against any unencumbered funds of the district available for the purpose.

(4) For a special district that is located in two or more counties, this subdivision shall apply to the auditor of the county in which the treasury is located.

(5) The county controller, or ex officio county controller, shall effect this section in those counties having a county controller or ex officio county controller.

(b) A special district may, by unanimous request of the governing board of the special district and with unanimous approval of the board of supervisors, replace the annual audit required by this section with one of the following, performed in accordance with professional standards, as determined by the county auditor:

(1) A biennial audit covering a two-year period.

(2) An audit covering a five-year period if the special district's annual revenues do not exceed an amount specified by the board of supervisors.

(3) An audit conducted at specific intervals, as recommended by the county auditor, that shall be completed at least once every five years.

(c) (1) A special district may, by unanimous request of the governing board of the special district and with unanimous approval of the board of supervisors, replace the annual audit required by this section with a financial review, in accordance with the appropriate professional standards, as determined by the county auditor, if the following conditions are met:

(A) All of the special district's revenues and expenditures are transacted through the county's financial system.

(B) The special district's annual revenues do not exceed one hundred fifty thousand dollars (\$150,000).

(2) If the board of supervisors is the governing board of the special district, it may, upon unanimous approval, replace the annual audit of the special district required by this section with a financial review in accordance with the appropriate professional standards, as determined by the county auditor, if the special district satisfies the requirements of subparagraphs (A) and (B) of paragraph (1).

(d) Notwithstanding this section, a special district shall be exempt from the requirement of an annual audit if the financial statements are audited by the Controller to satisfy federal audit requirements.

(e) This section shall become operative on January 1, 2027.

(Amended (as amended by Stats. 2017, Ch. 334, Sec. 3) by Stats. 2019, Ch. 329, Sec. 10. (SB 780) Effective January 1, 2020. Section operative January 1, 2027, by its own provisions.)

CHARLESTON DRAINAGE DISTRICT

RESOLUTION NO. _____

**RESOLUTION TO IMPLEMENT A DISTRICT ELECTION PLAN
TO HOLD ALL SUBSEQUENT DISTRICT ELECTIONS DURING
EVEN-NUMBERED YEARS AFTER NOVEMBER 2021**

RECITALS

WHEREAS, the Charleston Drainage District (the “District”) is a California drainage district located in Merced County established under California Water Code Appendix § 8-17; and

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

WHEREAS, the District currently has odd-numbered year elections, with the next scheduled elections being November, 2021 and November, 2023; and

WHEREAS, the State’s enactment of Senate Bill 415 (Elections Code §§ 14050-14057) requires special districts to consolidate future Board elections with statewide general elections on even-numbered years no later than the November 8, 2022, statewide general election; and

WHEREAS, many special districts in Merced County have changed their elections to coincide with statewide general elections (even-numbered year elections); and

WHEREAS, it could be more cost effective to hold the District’s elections in even-numbered years, when the County of Merced is already conducting other elections; and

WHEREAS, generally, voter participation is greater for statewide general elections than for special local elections; and

WHEREAS, Elections Code Sections 1303, subdivision (b), and 10404, subdivision (b), authorizes the Board to adopt a resolution requiring elections of its Board to occur on the same day as the statewide general elections, and submit that resolution to the Merced County Board of Supervisors not later than 240 days before the date of the currently scheduled Board election, which resolution becomes operative upon approval by the Merced County Board of Supervisors; and

WHEREAS, the deadline to submit the resolution to the Merced County Board of Supervisors has passed for the November 2, 2021, election, therefore the District will conduct an election in 2021, but wishes to change the election date for all future elections; and

WHEREAS, if the change in election date is approved by the Merced County Board of Supervisors, the Board intends that the future election date be moved from 2023 to November, 2024, and the election date scheduled for 2025 be moved to November, 2026; with Board members

whose terms would have expired in 2023 being extended to 2024, and Board members elected in 2021 whose terms would have expired in 2025 being extended to 2026, as required by Elections Code Section 10404, subdivision (i), and as more particularly described in Exhibit “A” to this Resolution; and

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

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Charleston Drainage District hereby finds as follows:

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

PASSED AND ADOPTED by the Board of Directors of the Charleston Drainage District at a special meeting thereof held on the 24th day of June, 2021, by the following vote:

Ayes:

Noes:

Absent:

Abstain:

Tom Teixeira, President
Charleston Drainage District

Attest: _____
Ara Azhderian, Secretary
Charleston Drainage District

DRAFT

**CERTIFICATE OF SECRETARY
OF
CHARLESTON DRAINAGE DISTRICT,
A California Drainage District**

I, Ara Azhderian, do hereby certify that I am the duly authorized and appointed Secretary of the Charleston Drainage District, a California Drainage District (the “District”); that the following is a true and correct copy of that certain resolution duly and unanimously adopted and approved by the Board of Directors of the District on the 24th day of June, 2021; and that said resolution has not been modified or rescinded and remains in full force and effect as the date hereof:

IN WITNESS WHEREOF, I have executed this Certificate on this 24th day of June, 2021.

Ara Azhderian
Secretary of Charleston Drainage District

EXHIBIT “A”
CHARLESTON DRAINAGE DISTRICT
BOARD OF DIRECTORS

Board Member	Current Election Year	Proposed Election Year
Jake Barcellos*	2021	2026, if re-elected
Vacant*	2021	2026, if filled
Tom Teixeira	2023	2024
Bob Teicheira	2023	2024
Dominic Mercurio	2023	2024

* District will issue a Notice of Election and conduct an election in 2021 for two director positions if any candidates declare an interest to run for Director. Upon approval of this resolution by the Merced County Board of Supervisors, those positions shall be up for election in 2026.

EXHIBIT “B”

Dates and Procedures for the Election of Board Members

(All section references are to the Elections Code.)

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

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

BACK

