

CHARLESTON DRAINAGE DISTRICT

REGULAR BOARD OF DIRECTORS MEETING

November 20, 2024 at 9:00 a.m.

MEETING LOCATION:

52027 West Althea Ave.

Firebaugh, CA 93622

AGENDA

1. CALL TO ORDER

2. **REVIEW OF AGENDA:** The Board will consider corrections and/or additions to the Agenda of items requiring immediate action that came to the attention of the Board after the Agenda was posted.

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 Directors' meeting.

4. **POTENTIAL CONFLICTS OF INTEREST:** Any Board member who has a potential conflict of interest may now identify the 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 on 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. **BOARD TO REVIEW AND CONSIDER ACCEPTING AS FINAL THE BRYANT L. JOLLEY DRAFT AUDIT OF THE FINANCIAL STATEMENTS FOR THE FISCAL YEARS ENDING FEBRUARY 28, 2024, SUBJECT TO ANY FURTHER BOARD DIRECTION** (Lan Kimoto/Brazil) (Tab 2)

7. **BOARD TO REVIEW AND CONSIDER APPROVING THE AUGUST 21, 2024, REGULAR BOARD MEETING MINUTES** (McGowan) (Tab 3)

- 8. BOARD TO REVIEW AND DISCUSS DRAFT TILE LINE POLICY (McGowan) (Tab 6)**
- 9. THE BOARD TO DISCUSS AND CONSIDER NEW APPOINTMENTS FOR CHARLESTON DRAINAGE DISTRICT'S REPRESENTATIVE TO THE BOARD OF DIRECTORS FOR THE GRASSLAND BASIN DRAINERS STEERING COMMITTEE (McGowan)**
- 10. FINANCIAL REPORTS (Brazil) (Tab 7)**
 - A. Accounts Payable
 - B. Monthly Financials
 - C. FYE 2025 Budget to Actual Report
 - D. Other Financial Matters Affecting the District

REPORT ITEMS

- 11. DRAINAGE MANAGEMENT REPORT (Cadena) (Tab 8)**
 - A. Grassland Bypass Project Water Quality Monitoring;
 - B. Other Drainage Related Matters Affecting the District.
- 12. BOARD TO RECEIVE UPDATES FROM STAFF ON VARIOUS MATTERS AFFECTING THE DISTRICT (McGowan) (Tab 9)**
- 13. GENERAL MANAGER'S REPORT (McGowan)**
 - A. Prop 84 Grant
 - I. SCADA Communication Issues
 - II. OD Pump Station & Pipeline
 - III. SJRIP Field Consolidation & Rebordering Project
 - IV. Short Term Storage Basin Weather Guard Roadways Change Order
 - B. Grassland Basin Authority;
 - I. GBD Transition
 - C. CH2 Pump
 - D. Election Update
- 14. REPORTS ON OTHER ITEMS PURSUANT TO GOVERNMENT CODE SECTION 54954.2(a)(3)**
- 15. FUTURE MEETING DATES**
 - A. Next Regular Meeting Date: February 19, 2025 at 9:00 am
- 16. 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 may 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

MANAGEMENT REPORT

FOR THE TWENTY-FOUR MONTH PERIOD ENDED FEBRUARY 28, 2024

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Board of Directors
Charleston Drainage District
Firebaugh, California

We have audited the financial statements of the Charleston Drainage District (District) for the twenty-four month period ended February 28, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated November 2, 2022. Professional standards also require that we communicate to you 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 District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the twenty-four month period ended February 28, 2024. We noted no transactions entered into by the District during the year 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 estimate affecting the District's financial statements was:

Management has determined the economic useful lives of fixed assets based on past history of similar types of assets, future plans as to their use, and other factors that impact their economic value to the District. We evaluated the key factors and assumptions used by management in computing depreciation expense and believe that it is reasonable in relation to the financial statements taken as a whole.

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

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. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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 September 16, 2024.

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 District'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.

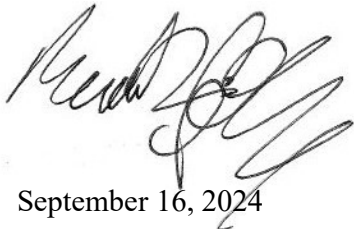
Other Audit Findings or Issues

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 District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

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

Very truly yours,

A handwritten signature in black ink, appearing to be "Michael J. [unclear]", is written over the typed name "Michael J. [unclear]". The signature is stylized and cursive.

September 16, 2024

CHARLESTON DRAINAGE DISTRICT

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS**

TWENTY-FOUR MONTH PERIOD ENDED FEBRUARY 28, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Charleston Drainage District
Firebaugh, California

Opinions

We have audited the accompanying financial statements of the Charleston Drainage District (the "District"), as of and for the twenty-four month period ended February 28, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the District as of February 28, 2024, and the respective changes in financial position and cash flows for the twenty-four month then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

A handwritten signature in black ink, appearing to be 'Kevin J. [unclear]', written in a cursive style.

September 16, 2024

CHARLESTON DRAINAGE DISTRICT

STATEMENT OF NET POSITION FEBRUARY 28, 2024

ASSETS

Current assets

Cash and investments	\$ 219,514
Prepaid expense	<u>65,520</u>
Total current assets	<u>285,034</u>

Non-current assets

Capital assets, net of allowance for depreciation	<u>188,549</u>
Total non-current assets	<u>188,549</u>

Total assets	<u>473,583</u>
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LIABILITIES

Current liabilities

Accounts payable and accrued expenses	<u>71,110</u>
Total current liabilities	<u>71,110</u>

NET POSITION

Net investment in capital assets	188,549
Unrestricted	<u>213,924</u>
Total net position	<u>\$ 402,473</u>

CHARLESTON DRAINAGE DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE TWENTY-FOUR MONTH PERIOD ENDED FEBRUARY 28, 2024

	12 Month Period Ended February 28, 2023	12 Month Period Ended February 28, 2024	Total
Operating Revenues			
Standby charges	\$ 271,937	\$ 214,126	\$ 486,063
Total operating revenues	<u>271,937</u>	<u>214,126</u>	<u>486,063</u>
Operating Expenses			
San Luis drain costs	81,316	55,297	136,613
Depreciation	18,448	18,264	36,712
San Joaquin River Improvement Project	116,478	99,222	215,700
Repairs and maintenance	20,635	5,676	26,311
Power - pumps	9,362	10,477	19,839
Legal and professional	5,381	3,370	8,751
Accounting services	10,000	-	10,000
Insurance	2,094	2,110	4,204
Outside labor and related costs	21,594	12,546	34,140
Water testing and monitoring	76	-	76
General and administrative	5,088	4,292	9,380
Total operating expenses	<u>290,472</u>	<u>211,254</u>	<u>501,726</u>
Operating income/(loss)	<u>(18,535)</u>	<u>2,872</u>	<u>(15,663)</u>
Nonoperating Revenues/(Expenses)			
Interest income	1,080	4,572	5,652
Total nonoperating revenues/(expenses)	<u>1,080</u>	<u>4,572</u>	<u>5,652</u>
Change in Net Position	<u>(17,455)</u>	<u>7,444</u>	<u>(10,011)</u>
Net Position			
Beginning of year			412,484
End of year			<u>\$ 402,473</u>

CHARLESTON DRAINAGE DISTRICT

STATEMENT OF CASH FLOWS FOR THE TWENTY-FOUR MONTH PERIOD ENDED FEBRUARY 28, 2024

Operating Activities

Receipts from landowners and other districts	\$ 491,747
Payments to suppliers for goods and services	<u>(460,138)</u>
Net cash provided by (used in) operating activities	<u>31,609</u>

Investing Activities

Interest received	<u>5,652</u>
Net cash provided by (used in) investing activities	<u>5,652</u>

Net Increase (Decrease) in Cash

37,261

Cash and Investments

Beginning of year	<u>182,253</u>
End of year	<u>\$ 219,514</u>

Cash Flows from Operating Activities

Operating income (loss)	\$ (15,663)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Depreciation	36,712
(Increase) Decrease in accounts receivable	5,684
(Increase) Decrease in prepaid expense	(64,692)
Increase (Decrease) in accounts payable and accrued expenses	<u>69,568</u>

Net Cash Provided by (Used in) Operating Activities

\$ 31,609

CHARLESTON DRAINAGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE TWENTY-FOUR MONTH PERIOD ENDED FEBRUARY 28, 2024

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Charleston Drainage District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to enterprise funds of governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the District are described below:

Reporting Entity

The Charleston Drainage District was organized on May 19, 1978 under the provisions of the Drainage District Act of 1903, Chapter 8, Appendix to the Water Code of the State of California, for the management of agriculture drain water. The District is located approximately 12 miles southeast of Los Banos, Merced County, California. The District is comprised of approximately 4,306 acres. Of the entire 4,306 acres, 3,746 acres use the drainage systems and 560 acres are untiled. The governing board of the District consists of five members who elect from their membership a president, vice-president, secretary, and treasurer.

Charleston Drainage District does not have a relationship with any other related activities, organizations or functions of government which should be included in the financial reporting entity of the District as required by GASB Statement No. 14, *The Financial Reporting Entity*. In addition, the District is not a component unit of any other governmental entity.

Basis of Accounting and Measurement Focus

The District accounts for its operations in an enterprise fund using the economic resources measurement focus and the accrual basis of accounting. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific government activity. The activities of enterprise funds closely resemble those of ongoing businesses in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

An enterprise fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. The principle operating revenues of the District are standby charges (drainage service fees). Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

CHARLESTON DRAINAGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE TWENTY-FOUR MONTH PERIOD ENDED FEBRUARY 28, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

Financial Statement Amounts

Cash and Investments – Cash and investments represent the District's cash bank accounts including, but not limited to, certificates of deposit, money market funds and cash management pools for reporting purposes in the Statement of Cash Flows. Additionally, investments with maturities of three months or less when purchased are included as cash equivalents in the Statement of Cash Flows.

Investments primarily consist of investments pooled in Local Agency Investment Fund. Investments are stated at fair value.

Accounts Receivable – Billed, but unpaid, services provided to individuals or non-governmental entities are recorded as accounts receivable. The Proprietary Funds include a period-end accrual for services through the end of the year which have not yet been billed. All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Prepays – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Capital Assets – Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of fixed assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant, and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Drainworks	10 - 40
Recovery/recirculation project - 1996	30
Pipeline project - 2002	30

CHARLESTON DRAINAGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE TWENTY-FOUR MONTH PERIOD ENDED FEBRUARY 28, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

Net Position/Fund Equity – The financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- Restricted Net Position – This category presents external restrictions on net position imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – This category represents net position of the District not restricted for any project or other purpose.

When an expense is incurred for the purposes for which there are both restricted and unrestricted net position available, it is the District's policy to apply those expenses to restricted net position to the extent such are available and then to unrestricted net position.

Revenues and Expenses – The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principle ongoing operations. The principle operating revenues of the District are standby charges (drainage service fees). Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period.

CHARLESTON DRAINAGE DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE TWENTY-FOUR MONTH PERIOD ENDED FEBRUARY 28, 2024

Note 2 – Cash and Investments

Cash and investments are reported in the financial statements as follows:

Statement of Net Position

Cash and investments	\$ 219,514
	<u>\$ 219,514</u>

Cash and investments as of February 28, 2024 consist of the following:

Deposits with financial institutions	\$ 21,697
Local Agency Investment Fund	<u>197,817</u>
Total Cash and Investments	<u>\$ 219,514</u>

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that categorizes the inputs to valuation techniques used to measure fair value into three levels. The fair value hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2: Inputs to valuation methodology include inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within a fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

LAIF is valued based on the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (Level 2 input).

CHARLESTON DRAINAGE DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE TWENTY-FOUR MONTH PERIOD ENDED FEBRUARY 28, 2024

Note 2 – Cash and Investments (Continued)

Authorized Investments by the District

The District’s Investment Policy and the California Government Code allow the District to invest in the following, provided the credit ratings of the issuers are acceptable to the District. The following also identifies certain provisions of the District and California Government Code that address interest rate risk, credit risk, and concentration of credit risk. The District’s Investment Policy authorizes the following:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Minimum Credit Quality
Local District Bonds	5 Years	50%	AA
U.S. Treasury Obligations	5 Years	100%	N/A
State of California Obligations	5 Years	100%	A
California Local District Obligations	5 Years	50%	AA
U.S. Agencies	5 Years	100%	AAA
Bankers Acceptances	180 Days	40%	A
Commercial Paper	270 Days	25%	AA
Negotiable Certificates of Deposit	5 Years	30%	N/A
Repurchase Agreements	92 Days	20% of Base	A
Reverse Repurchase Agreements	5 Years	30%	A or >
Medium Term Notes	N/A	20%	N/A
Money Market Mutual Funds	5 Years	20%	AA
Collateralized Bank Deposits	2 Years	20%	None
Mortgage Pass-Through Securities	2 Years	20%	N/A
Time Deposits	N/A	No limit	None
Local Agency Investment Fund (LAIF)	N/A	30%	N/A
Non-Negotiable Certificates of Deposit	1 Year	20%	None

Disclosures Relating to 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 February 28, 2022 the District had the following investments.

Investment Type		Maturity Date
Local Agency Investment Fund (LAIF)	\$ 197,817	N/A
Total	<u>\$ 197,817</u>	

CHARLESTON DRAINAGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE TWENTY-FOUR MONTH PERIOD ENDED FEBRUARY 28, 2024

Note 2 – Cash and Investments (Continued)

Disclosures Relating to 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. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer, other than U.S. Treasury securities, mutual funds, and external investment pools, there are no investments in any one issuer, other than U.S. Treasury securities, mutual funds, time deposits, and external investment pools that represent 5% or more of total District investments.

Custodial Credit Risk

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 California Government Code and the District's 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 District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool – The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

CHARLESTON DRAINAGE DISTRICT

NOTES TO FINANCIAL STATEMENTS

FOR THE TWENTY-FOUR MONTH PERIOD ENDED FEBRUARY 28, 2024

Note 3 – Capital Assets

Capital asset activity for the year ended February 28, 2024, was as follows:

	Balance			Balance
	March 1, 2022	Additions	Retirements	February 28, 2024
Capital assets, being depreciated				
Drainworks	\$ 210,823	\$ -	\$ -	\$ 210,823
Recovery/recirculation project - 1996	399,467	-	-	399,467
Pipeline project - 2002	73,098	-	-	73,098
Total capital assets, being depreciated	<u>683,388</u>	<u>-</u>	<u>-</u>	<u>683,388</u>
Less accumulated depreciation	<u>(458,127)</u>	<u>(36,712)</u>	<u>-</u>	<u>(494,839)</u>
Total capital assets, being depreciated, net	<u>\$ 225,261</u>	<u>\$ (36,712)</u>	<u>\$ -</u>	<u>\$ 188,549</u>

Note 4 – Related Party Transactions

Charleston Drainage District has an agreement with Panoche Water District to provide management and administrative services, as well as other services that may, from time-to-time, be required by Charleston Drainage District. As of February 28, 2024, Charleston Drainage District owed \$3,419 to Panoche Water District. The amount is included in accounts payable and accrued expense. Payments to Panoche Water District and Panoche Drainage District for the twenty-four month period ended February 28, 2024 amounted to \$65,222.

Note 5 – Risk Management

Claims and judgements, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed above, the District has coverage for such claims.

Note 6 – Subsequent Events

The District evaluated subsequent events for recognition and disclosure through September 16, 2024, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since February 28, 2024 that required recognition or disclosure in such financial statements.

**CHARLESTON DRAINAGE DISTRICT MEETING MINUTES
REGULAR MEETING OF THE BOARD OF DIRECTORS
August 21, 2024**

A regular meeting of the Board of Directors was held on August 21, 2024, at 9:00 am. Those present at the meeting were:

Directors: Jake Barcellos, President
Will Teixeira, Vice-President
Alec Barcellos, Incoming Director
Branden Teicheira, Director

District Staff: Patrick McGowan, General Manager
Marlene Brazil, Accounting Supervisor
Juan Cadena, Water Resources Manager
Sandra Reyes, Water Master

Others: Gabriel Delgado, General Counsel
Palmer McCoy, Grassland Basin Authority

CALL TO ORDER

President Barcellos called the meeting to order at 9:02 am.

REVIEW OF AGENDA

General Manager Patrick McGowan asked that the Agenda be revised to include Item # 8 requesting the Board to consider adopting Resolution # 06-24, the appointment of Alec Barcellos to the Charleston Drainage District (CDD) Board of Directors to fill the vacant seat. Upon a motion by Vice-President Will Teixeira, and seconded by Director Branden Teicheira, the Board of Directors agreed to add Agenda Item 8.

The vote on the matter was as follows:

Ayes:	J. Barcellos, W. Teixeira, B. Teicheira
Nays:	None
Absent:	T. Teixeira
Abstain:	None

ROLL CALL

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

POTENTIAL CONFLICTS OF INTEREST

There were no conflicts of interest disclosed.

PUBLIC COMMENT

There was no public comment.

ACTION ITEMS

THE BOARD TO REVIEW AND CONSIDER APPROVING THE MAY 15, 2024, REGULAR BOARD MEETING MINUTES AND THE JUNE 25, 2024, SPECIAL BOARD MEETING MINUTES

After discussion by the Board, a correction was needed on Page 3 to change the time from 10:00 am to 9:00 am. Upon a motion by Vice-President Will Teixeira and seconded by Director B. Teicheira, the May 15, 2024, Regular Board Meeting Minutes and the June 25, 2024, Special Board Meeting Minutes were approved with the time change.

The vote on the matter was as follows:

Ayes:	J. Barcellos, W. Teixeira, B. Teicheira
Nays:	None
Absent:	T. Teixeira
Abstain:	None

THE BOARD TO REVIEW AND DISCUSS GRASSLAND BASIN AUTHORITY DRAFT DRAINAGE TILE LINE POLICY

General Manager of the GBA, Palmer McCoy explained to the CDD Board that there has been a moratorium in place since 1993 not allowing additional tile lines to be installed. Mr. McCoy expressed the GBA’s ability to accept additional tile water. McCoy reported that tile water has been reduced substantially by 15,000 AF a year over a 10-year period. Mr. McGowan mentioned the willingness to follow up in any way to assist the growers in CDD with utilizing this potential land benefit. McGowan stated concerns that there be unifying standards set by the GBA regarding SCADA, metering, and construction. Mr. McGowan also stated that he believed the decision to accept new tile systems should be made by the individual home district. The GBA Board has given Mr. McCoy the direction to talk to the different Districts to begin drafting a policy that fits for all districts. McGowan also noted that approximately 10% of CDD land is non-tiled. Legal Counsel Mr. George Delgado asked how much water the GBA could potentially handle, and Mr. McCoy explained that during the winter there are no issues unless dealing with a unique significant storm in the southern portion of our area with no precipitation in the north. Mr. McCoy also stated that the additional water to the GBA would benefit all growers within the area. Mr. McCoy re-iterated that it not the intent of the GBA to dictate how individual Districts manage their tile lines, but rather to facilitate the process. Mr. McGowan suggested that we take these next couple of months to review the GBA’s draft policy concepts and asked the directors to contact him directly with any suggestions prior to November’s CDD board meeting.

BOARD TO CONSIDER ADOPTING RESOLUTION # 06-24 REQUESTING THE APPOINTMENT OF ALEC BARCELLOS TO THE CHARLESTON DRAINAGE DISTRICT BOARD OF DIRECTORS TO FILL THE VACANT SEAT

Mr. McGowan presented the Board with Resolution # 06-24 and explained that the seat has been vacant for several years now and a request would be submitted to the Merced County Board of Supervisors requesting the appointment of Mr. Alec Barcellos to the CDD Board. Upon a motion by Vice-President W. Teixeira and seconded by Director B. Teicheira, the Board adopted Resolution # 06-24 to appoint Mr. Alec Barcellos to the CDD Board of Directors.

The vote on the matter was as follows:

Ayes:	J. Barcellos, W. Teixeira, B. Teicheira
Nays:	None
Absent:	T. Teixeira
Abstain:	None

BOARD TO CONSIDER ADOPTING RESOLUTION # 07-24 REQUESTING THAT THE MERCED COUNTY BOARD OF SUPERVISORS APPOINT THREE (3) DIRECTORS TO THE CHARLESTON DRAINAGE DISTRICT BOARD OF DIRECTORS FOR A TERM COMMENCING DECEMBER 2024 THROUGH 2028

After discussion by the Board, a change was made to the Resolution listing the three individuals as Branden Teicheira, Will Teixeira, and Tom Teixeira. Upon a motion by Vice-President W. Teixeira and seconded by Director B. Teicheira, the Board adopted Resolution # 07-24 appointing the three Directors to the CDD

Board as noted with the changes to the individuals.

The vote on the matter was as follows:

Ayes:	J. Barcellos, W. Teixeira, B. Teixeira
Nays:	None
Absent:	T. Teixeira
Abstain:	None

BOARD TO DISCUSS AND CONSIDER ADOPTING RESOLUTION # 08-24 DESIGNATING AUTHORIZED SIGNATORIES TO THE DISTRICT’S MECHANIC BANK ACCOUNTS TO EXECUTE BANKING TRANSACTIONS SIGN CHECKS, MAKE ACCOUNT TRANSFERS, AND WIRE TRANSFERS AND AUTHORIZING EXECUTION OF RELATED DOCUMENTS

Upon a motion by Vice-President W. Teixeira and seconded by Director B. Teixeira, the Board adopted Resolution # 08-24 authorizing signatories to the District’s Mechanic Bank accounts.

The vote on the matter was as follows:

Ayes:	J. Barcellos, W. Teixeira, B. Teixeira
Nays:	None
Absent:	T. Teixeira
Abstain:	None

FINANCIAL REPORTS

- A. Accounts Payable
- B. Monthly Financials
- C. FYE 2025 Budget to Actual Report
- D. Other Financial Matters Affecting the District

Upon a motion by Vice-President W. Teixeira and seconded by Director B. Teixeira, the Board approved the financial reports as presented.

The vote on the matter was as follows:

Ayes:	J. Barcellos, W. Teixeira, B. Teixeira
Nays:	None
Absent:	T. Teixeira
Abstain:	None

REPORT ITEMS

DRAINAGE MANAGEMENT REPORT

- A. Grassland Bypass Project Water Quality Monitoring
- B. San Joaquin River Improvement Project
- C. Grassland Basin Storm Water Management Plan
- D. Other Drainage Related Matters Affecting the District

General Manager Patrick McGowan reported that there were no updates to report on drainage.

GENERAL MANAGER’S REPORT

A. Prop 84 Grant for Westside Regional Drainage Management Pan

General Manager Patrick McGowan discussed the ability to remove the CH-2 lift pump to minimize power expenses and assist in water quality spikes to the GBA. McGowan participated in the SJRIP re-bordering pre-bid job walk with the GBA and Engineer Chris Linneman. The entirety of the project is expected to cost approximately \$ 13.5 million and be completed within the next 18 months.

B. Grassland Basin Authority

The General Manager of the Grassland Basin Authority (GBA) Mr. Palmer McCoy reported on the following:

The GBA is currently working on taking over the water quality monitoring on the San Luis Drain and will be encompassing taking over the administration of the Grassland Bypass Project.

The ponds and graveling have been completed.

The switchgear is being connected and testing will be done in the middle of September.

The GBA is focusing on becoming more self-sufficient to minimize expenses.

The GBA plans on pulling from reserves to offset some projects, so as not to increase participation dues.

C. Other Matters Affecting the District.

General Manager Patrick McGowan noted there were no additional updates at this time.

REPORTS ON OTHER ITEMS PURSUANT TO GOVERNMENT CODE SECTION 54954.2(a)(3)

FUTURE MEETING DATES

A. Board to Consider Action to Set Special Meeting Date(s):

B. Next Regular Meeting Date: *November 20, 2024 at 9:00 am.*

ADJOURNMENT

With no further business on the agenda, President Barcellos adjourned the meeting at 10:03 am.

Jake Barcellos, President

Patrick McGowan, Secretary

New Drainage System Policy Issues

ADD DISCUSSION: Background, need, and limitations.

Since the beginning of the Grassland Bypass Project, new subsurface drainage (tile) systems have been prohibited within the Grassland Drainage Area (GDA). The development of the San Joaquin River Improvement Project (SJRIIP), along with wide-spread installation of high-efficiency irrigation systems throughout the GDA, have created some capacity of additional tiled area within the GDA. However, this capacity is limited by both location and volume of discharge, and a high level of management and oversight should be applied to any new tile systems. **All new systems shall be approved on a case by case basis. They must be approved by the district where the proposed system proposes to operate first and then submitted to the GBA by the drainage district only.**

Policy Topics for Review:

- Location Requirements
 - Discharge from new systems must be deliverable to **an approved site which is in the easterly portion of the SJRIIP.**
 - Inflow from Russell Drain, Firebaugh Main Drain, or Camp 13 Drain **are examples but not limited to.**
 - Question: allow westside systems with additional fee to cover pumping cost? **Set by GBA depending on cost to GBA.**
- System requirements
 - New tile systems must be pumped from an **(planned, may need to wait for PG&E for a year)** electric pump with a flow meter.
 - System must be tied into SCADA control system **Approved by GBA.**
 - Discharge must be entirely tile water – no tail water allowed.
 - Question: Require high-efficiency irrigation systems over drained fields?
- Submittals
 - System location map (T/R/S and Parcel No.)
 - System layout – Acreage served, tile coverage, size and spacing
 - Location of sump and discharge point.
 - Pump information, including HP and flow rate.
- Timing Limitations – QUESTION: Do we need to limit the acreage that can be brought in per year? **All subject to GBA approval, based on GBA operational capacity and cost.**
- Policy Issues
 - Buy-in Fee
 - Operations agreement **must be folded into the drainage district where the system lies. Once allowed in would be treated as part of the drainage district.**

**CONFIDENTIAL COMMUNICATION: Attorney-Client Privilege
CPRA Exemption: Gov. Code sections 7927.500 and 7927.705**

Panoche Drainage District
Drainage Tile Policy

The Drainage Districts’ Objectives

Through this Drainage Tile Policy (the “Drainage Tile Policy”), the Panoche Drainage District (the “Drainage District”) intends to ensure its Landowners are aware of what the Drainage District requires from them for them to develop Drainage Tile Facilities on their lands.

As the Ninth Circuit has held,¹ irrigation and drainage are inherently linked in the San Luis Unit of the Central Valley Project. Any water project that brings fresh water to an agricultural area must take the water remaining after the crops have been irrigated away from the service area. For this reason, the San Luis Act² expressly conditioned the construction of the San Luis Unit on the provision of drainage facilities. The Panoche Water District has a contract with the United States for Central Valley Project water service for the San Luis Unit and Delta Division.³ The Drainage District is the entity that provides drainage service to Landowners within the Drainage District. Accordingly, this Drainage Tile Policy is intended to effectuate the purposes of the San Luis Act by enabling the development of drainage facilities within the Drainage District, and therefore to reflect the Districts’ shared interests in sustaining irrigation within the Drainage District.

Scope

This Drainage Tile Policy applies to all Lands within the Drainage District that do not, as of the adoption of this Drainage Tile Policy, have Drainage Tile Facilities or some component thereof; and to all Landowners who intend to upgrade, modify, or otherwise alter existing Drainage Tile Facilities on their Lands within the Drainage District.

This Drainage Policy shall not apply to Lands that are also within Panoche Water District; *provided*, however, that Landowners of Lands that are also within Panoche Water District (“Joint Lands”) comply with the Panoche Water District’s Drainage Tile Policy for such Joint Lands.

The following definitions shall apply to this Drainage Tile Policy:

“Drainage Service” means the capture, removal, and treatment of subsurface water originating from Lands within the Drainage District.

“Drainage Service Fees” means those fees levied by the Drainage District on Lands within Drainage District’s boundaries for Drainage Service.

Commented [CL1]: Treatment has a very specific engineering meeting – one we are not committed to doing as it concerns drainage. I would recommend limited this to “capture and removal”.

¹ *Firebaugh Canal Co. v. United States*, 203 F.3d 568 (9th Cir. 1998).
² Pub. L. No. 86-488, 74 Stat. 156 (1960).
³ Contract No. 14-06-200-7864A-IR1-P.

CONFIDENTIAL COMMUNICATION: Attorney-Client Privilege
CPRA Exemption: Gov. Code sections 7927.500 and 7927.705

“Drainage District’s Drainage System” means the Drainage District’s facilities whose primary function is the management of subsurface drain water and stormwater.

Commented [CL2]: “conveyance”? unless you are referring to the SJRIP, the drainage system’s actions are limited to conveyance.

“Drainage Tile Facilities” means a series of underground perforated pipe lines buried below the root zone for the purpose of catching subsurface drain water and stormwater which are connected to a collector line that discharges to a tile sump.

Commented [CL3]: There are gravity drainage systems w/in PDD that discharge directly into a drain w/ no sump or collector line.

“Joint Lands” means those Lands that are within Panoche Drainage District and within Panoche Water District.

“Landowners” means any person(s) or entity(ies) that or who holds title to real property within the District.

“Lands” means those Lands that are within Panoche Drainage District.

Drainage Tile Policy

Commented [CL4]: This is missing 4 critical requirements and only hints at the fifth, which I think should be spelled out:

Consistent with the San Luis Act’s recognition of the connection between irrigation and drainage within the San Luis Unit, Landowners may develop, construct, and operate Drainage Tile Facilities on their Lands; *provided*, however, they comply with this Drainage Tile Policy.

- 1) All new tile systems need to be collected into a single drainage discharge point which is controlled by an electrically driven pump.
- 2) All tile pump manifolds must have a correctly installed flowmeter that indicates in cfs and totalizes in acre feet.
- 3) PDD staff shall have access to read the meter at any time without restraint.
- 4) The tile pump shall be integrated into the SCADA tile pump control system, which will allow PDD staff to de-energize the pump when necessary. The landowner shall not override or otherwise interfere with this.
- 5) The tile pump shall discharge into an existing regional drain that conveys drainage to the SJRIP.

The Drainage District shall not be responsible for any costs associated with a Landowner’s development, construction, operation, maintenance, etc., of Drainage Tile Facilities, including costs for engineering, construction, permitting, and environmental compliance.

Prior to developing or constructing Drainage Tile Facilities on Lands, the Landowner shall provide written application to the General Manager (the “Drainage Tile Application”). The Drainage Tile Application shall:

- Identify the APN of the Lands upon which Drainage Tile Facilities are to be developed or constructed;
- Identify the primary point of contact, including name, phone number, address, and email address;
- IDENTIFY SOME SORT OF SCHEMATIC AT A SUFFICIENTLY HIGH-LEVEL;
- Demonstrate, to the satisfaction of the General Manager, that Drainage Tile Facilities are capable of being, and shall upon approval by the Board of Directors, connected to the District’s Drainage System;
- Demonstrate, to the satisfaction of the General Manager, that Drainage Tile Facilities will be developed, constructed, and operated according to best practices within the industry and by licensed professionals who have demonstrated experience and expertise in the field;
- Demonstrate, to the satisfaction of the General Manager, that any drainage tile sump constructed, developed, or operated pursuant to this Drainage Tile Policy will be metered and meet the requirements for drainage tile sumps under Proposition 84, including the capability for SCADA communication;

Commented [PW5]: Policy Points: a) do we want some sort of schematic initially; and b) if so, how much detail?

Commented [CL6R5]: At a minimum, you will want the general layout of the tile system, the specific location (field as well as APN), the location of the tile sump, flow rate of the pump, the drain to which the pump discharges.

Commented [PW7]: Requires more clarity. -pw

Commented [CL8R7]: This part doesn’t make sense. Prop 84 has no tile sump requirements – it is simply a grant agreement.

CONFIDENTIAL COMMUNICATION: Attorney-Client Privilege
CPRA Exemption: Gov. Code sections 7927.500 and 7927.705

- Provide, to the satisfaction of the General Manager, written evidence of existing participation or acceptance into, or eligibility to participate in, either a) a District-approved program for drainage management, such as the San Joaquin River Improvement Program or the Long-Term Stormwater Management Plan, or b) compliance with a Central Valley Regional Water Quality Control Board program or permit;
- Provide evidence of good standing regarding payment of any and all Drainage District levies, including fees, charges, and assessments;
- Include a written acknowledgment by the Landowner that the development or construction of Drainage Tile Facilities will result in an increase in the Drainage Service Fees levied on the Lands in question due to the integration of the Lands' Drainage Tile Facilities with the Drainage District's Drainage System;
- Include, to the satisfaction of the Drainage District's General Counsel, a signed general release by the Landowner releasing the Drainage District of any and all known or unknown claims regarding the Drainage Tile Facilities; and
- Identify the expected start and completion dates with an agreement to update Drainage District staff every month on status of the project.

Commented [CL9]: This doesn't make sense – The SJRIP is a component of the Grassland Bypass Project as is the LTSMP – compliance with these programs is exclusively through the District – landowner's participate through the respective district.

Once the General Manager determines that the Drainage Tile Application meets the above requirements, it shall be presented to the Drainage District Board of Directors for approval. The Landowner is strongly encouraged to participate in the presentation of the Drainage Tile Application to the Board of Directors. While the Board of Directors must ensure its own compliance with various laws implicated by any such approval, including the California Environmental Quality Act, any such approval by the Board of Directors shall in no way affect the general release required in the Drainage Tile Application.

Commented [PW10]: Note: hence reference above to demonstrated compliance with SJRIP or LTSWMP. -pw

Upon approval by the Drainage District Board of Directors, the Drainage Tile Application shall be forward to the Grassland Basin Authority Board of Directors attended by the Drainage District Board of Directors' recommendation that the Grassland Basin Authority consent to the Drainage District Board of Directors' approval; *provided*, however, that the Grassland Basin Authority's consent shall not be unreasonably withheld.

CHARLESTON DRAINAGE DISTRICT

ACCOUNTS PAYABLE LIST

8/22/2024 TO 11/20/2024

Check Date	Check Number	Name	Check Amount	Memo
8/22/2024	3041	WATER RECLAMATION EQUIPMENT	\$ 664.74	CHECK ELECTRICAL/PULL PUMP CH-2
9/24/2024	3042	LAW OFFICES OF GABRIEL A. DELGADO	\$ 3,703.13	MARCH - SEPTEMBER 2024 LEGAL SERVICES
9/24/2024	3043	PACIFIC GAS & ELECTRIC	\$ 2,292.91	SEPTEMBER 2024 ELECTRICAL POWER
9/24/2024	3044	PANOUCHE WATER DISTRICT	\$ 776.90	JULY 24 LABOR \$ 671.42, BANK FEES \$ 63.30 & ADMIN ALLOCATION \$ 42.18
10/24/2024	3045	BRYANT L. JOLLEY CPA	\$ 9,500.00	BIENNIAL AUDIT FYE23 & FY24 & STATE CONTROLLER'S REPORT
10/24/2024	3046	PACIFIC GAS & ELECTRIC	\$ 1,236.73	OCTOBER 2024 ELECTRICAL POWER
10/24/2024	3047	PANOUCHE WATER DISTRICT	\$ 2,333.71	AUGUST 24 LABOR \$ 1,470.93, EQUIP USE \$ 37.00 BANK FEE \$ 54.97, ADMIN ALLOCATION \$ 32.83 & SEPTEMBER 24 LABOR \$ 502.47, EQUIP USE \$ 101.75, BANK FEE \$ 42.55 & ADMIN ALLOCATION \$ 91.21
11/20/2024	3048	PACIFIC GAS & ELECTRIC	\$ 1,899.55	NOVEMBER 2024 ELECTRICAL POWER
11/20/2024	3049	WATER RECLAMATION EQUIPMENT	\$ 1,627.95	PULL & INSPECT PUMP, CLEAN & REINSTALL WITH NEW BASKET STRAINER PUMP CH-2
			\$ 24,035.62	

**CHARLESTON DRAINAGE DISTRICT
TREASURER'S MONTHLY FINANCIAL REPORT
BALANCE SHEET-CURRENT ASSETS & LIABILITIES**

DATE AS OF	AUGUST INTEREST RATE	SEPTEMBER INTEREST RATE	OCTOBER INTEREST RATE	<u>October 31, 2024</u>	<u>September 30, 2024</u>
<u>CURRENT LIABILITIES</u>					
ACCOUNTS PAYABLE				-	\$1,983
TOTAL CURRENT LIABILITIES				\$0	\$1,983
<u>CASH ACCOUNTS</u>					
O&M CHECKING				\$16,281	\$8,473
LAIF	4.55%	4.71%	4.52%	\$83,029	\$206,304
TOTAL UNRESTRICTED CASH				\$99,310	\$214,777
<u>ACCOUNTS RECEIVABLES</u>					
DRAINAGE				\$107,018	\$4,594
TOTAL ACCOUNTS RECEIVABLES				\$107,018	\$4,594
TOTAL CURRENT UNAUDITED ASSETS				\$206,328	\$219,371
NET CURRENT UNAUDITED ASSETS (NET CASH POSITION)				\$206,328	\$217,389

General Ledger Detail Report
Summary Report for Period 01 Thru 08 Ending 10/31/2024

CHARLESTON DRAINAGE DISTRICT (CDD)

Account Number/Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
1001					
MECHANIC-CKNG ACCT#*****6298	21,697.04	322,063.28	327,479.54	5,416.26-	16,280.78
1007					
CASH-LAIF	197,817.44	100,211.52	215,000.00	114,788.48-	83,028.96
Report Total:	<u>219,514.48</u>	<u>422,274.80</u>	<u>542,479.54</u>	<u>120,204.74-</u>	<u>99,309.74</u>

CHARLESTON DRAINAGE DISTRICT QUARTERLY FINANCIAL STATUS

CASH BOOK ACCOUNTS AS OF 9/30/2024

CHARLESTON DRAINAGE DISTRICT CHECKING ACCOUNT	INTEREST RATE	
Balance as per bank statement		\$33,054
<u>Reconciling items</u>		
Add: Outstanding deposits		-
Deduct: Outstanding checks		(\$3,703)
Balance as reported in the general ledger account		\$29,351
CHARLESTON DRAINAGE DISTRICT LAIF ACCOUNT		
LAIF Account balance as of 9/30/2024	4.71%	\$83,029
TOTAL OF GENERAL LEDGER ACCOUNT BALANCES AND LAIF		\$112,380

CHARLESTON DRAINAGE DISTRICT

2024 Quarterly Investment Report
For Quarter Ending September 30, 2024

DATE: November 20, 2024

TO: Board of Directors

FROM: Marlene Brazil

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

	MECHANICS BANK ACCT	LAIF	TOTAL
INVESTMENT BALANCES September 30, 2024	\$ 29,351.22	\$ 83,028.96	\$ 112,380.18

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

General Ledger Detail Report
Summary Report for Period 01 Thru 07 Ending 9/30/2024




CHARLESTON DRAINAGE DISTRICT (CDD)

Account Number/Description	Beginning Balance	Debit	Credit	Net Change	Ending Balance
1001					
MECHANIC-CKNG ACCT#*****6298	21,697.04	322,063.28	314,409.10	7,654.18	29,351.22
1007					
CASH-LAIF	197,817.44	100,211.52	215,000.00	114,788.48-	83,028.96
Report Total:	<u>219,514.48</u>	<u>422,274.80</u>	<u>529,409.10</u>	<u>107,134.30-</u>	<u>112,380.18</u>

RETURN SERVICE REQUESTED

CHARLESTON DRAINAGE DISTRICT
 O & M CHECKING
 52027 W ALTHEA AVE
 FIREBAUGH CA 93622-9401

Managing Your Accounts

-  Client Services 800.797.6324
-  Online www.mechanicsbank.com
-  Mobile Download Our Mobile Apps

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 CREDIT**
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 \$250,000²

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A great rate to grow on!

- Buy extra material or inventory for your busy season
- Hire new employees or promote your business
- Renovate/refresh your location
- Be prepared for unexpected expenses
- Improve cash flow management



All loans and credit products subject to program eligibility, collateral, underwriting approval and credit approval. Offer is for new lines of credit and does not apply to renewing lines of credit. Must have automatic payments from a Mechanics Bank non-interest bearing business checking account. 1) Offer is effective as of 7/1/2024 and is subject to change or cancellation without notice. Prime Rate is defined as "the Prime Rate as published daily in the Money Rates section of the Wall Street Journal." For the current Prime Rate, talk to a banker or visit <https://www.wsj.com/market-data/bonds>. 2) Represents borrower's new aggregated business credit exposure limits to qualify for advertised pricing.

Apply today!

www.MechanicsBank.com/BizBoost

Summary of Accounts

Account Type	Account Number	Ending Balance
PUBLIC CHECKING	XXXXXXXXX6298	\$33,054.35

PUBLIC CHECKING - XXXXXXXXX6298

Account Summary

Date	Description	Amount
08/31/2024	Beginning Balance	\$36,124.16
	0 Credit(s) This Period	\$0.00
	2 Debit(s) This Period	\$3,069.81
09/30/2024	Ending Balance	\$33,054.35

Checks Cleared

Check Nbr	Date	Amount	Check Nbr	Date	Amount
3043	09/30/2024	\$2,292.91	3044	09/26/2024	\$776.90

* Indicates skipped check number





MALIA M. COHEN
California State Controller

LOCAL AGENCY INVESTMENT FUND
REMITTANCE ADVICE

Agency Name CHARLESTON DRAINAGE DISTRICT
Account Number 90-24-010

As of 10/15/2024, your Local Agency Investment Fund account has been directly credited with the interest earned on your deposits for the quarter ending 09/30/2024.

Earnings Ratio		.00012912073474208
Interest Rate		4.71%
Dollar Day Total	\$	13,360,416.08
Quarter End Principal Balance	\$	81,303.85
Quarterly Interest Earned	\$	1,725.11

CHARLESTON DRAINAGE DISTRICT
FYE 2025 BUDGET (March 1, 2024 - February 28, 2025)

BOD Approved February 26, 2024 -67%	2024-2025 Budget	Actual Thru 10/31/2024	\$ Difference (Over)/Under	% of Budget Used To Date
OPERATING REVENUES				
Drainage Service Fees	\$ 239,448	\$ 214,125	\$ 25,323	89%
Interest	\$ 3,000	\$ 5,212	\$ (2,212)	174%
TOTAL REVENUES	\$ 242,448	\$ 219,337	\$ 23,111	10%
OPERATING EXPENSES				
Grassland Basin Authority	\$ 129,420	\$ 129,420	\$ -	100%
Grassland Bypass Project	\$ 34,292	\$ 34,292	\$ -	100%
Irrigated Lands Program	\$ 24,436	\$ 24,436	\$ -	100%
Professional Fees	\$ 13,000	\$ 13,203	\$ (203)	102%
Labor - Field	\$ 8,500	\$ 1,719	\$ 6,781	20%
Labor - Admin	\$ 6,000	\$ 4,464	\$ 1,536	74%
General Overhead	\$ 4,100	\$ 2,805	\$ 1,295	68%
Energy	\$ 12,000	\$ 11,452	\$ 548	95%
Herbicides	\$ 2,700	\$ 1,696	\$ 1,004	63%
Water Quality Monitoring	\$ 500	\$ -	\$ 500	-
Repairs & Maintenance	\$ 7,500	\$ 2,608	\$ 4,892	35%
TOTAL EXPENSES	\$ 242,448	\$ 226,095	\$ 16,353	7%
INCOME/(LOSS)	\$ -	\$ (6,758)	\$ 6,758	
Drainage Service Fee - Tiled	\$ 55.50			
Drainage Service Fee - Non-Tiled	\$ 11.50			
Grassland Basin Authority	\$ 129,420			
	53%			
Grassland Bypass Project	\$ 34,292			
	14%			
Irrigated Lands Program	\$ 24,436			
	10%			
Sub-Total	\$ 188,148			
Panoche Drainage District	\$ 54,300			
	22%			

CDD Administration \$ 23,100
CDD O&M \$ 31,200

CDD
August 21st, 2024
BOARD MEETING ACTION ITEMS

1. Tile line policy development. PATRICK
IN PROGRESS
2. Appoint alternate for GBD Board of Directors. PATRICK & GABRIEL
IN PROGRESS
3. Officer position reorganization. PATRICK & GABRIEL
IN PROGRESS
4. The appointment of Alec Barcellos to Board of Directors. JOSH
IN PROGRESS
5. Remove CH2 pump. CHRIS
ON HOLD
6. Begin Staff Action Item list. PATRICK
COMPLETE
7. Bring Panoche administration staff in for all board meetings. PATRICK
COMPLETE
8. Cost of CH2 pump motor rebuild. CHRIS
COMPLETE



WATER RECLAMATION EQUIPMENT, INC.
 10500 N. Russell Ave Firebaugh, CA 93622
 209.364.6146 phone
 209.364.6395 fax

QUOTE

Date	Estimate #
11/14/2024	4776

Proposal for:

*CHARLESTON DRAINAGE DISTRICT
 C/O PANOCHÉ WATER DISTRICT
 52027 WEST ALTHEA AVE
 FIREBAUGH, CA 93622*

Qty	Description	Price Each	Total
1	CLEAN & INSPECT ALL PARTS, REMOVE OLD BEARING(S), CHECK ALL BEARING FITS, INSTALL NEW PARTS AS REQUIRED, DETAIL TO SPEC, ASSEMBLE, TEST & DETAIL. DOES NOT INCLUDE MACHINE WORK IF NEEDED.	4,392.74	4,392.74
4	BOOM TRUCK (2 MEN) TO INSTALL MOTOR AND CHECK ROTATION.	202.50	810.00
1	SET OF ELECTRICAL TAPES 0-100 HP	33.72	33.72
	CH2		
		Subtotal	\$5,236.46
		Sales Tax (7.975%)	\$2.69
		Total	\$5,239.15

CHARLESTON DRAINAGE DISTRICT

RESOLUTION NO. 06-24

A RESOLUTION TO REQUEST APPOINTMENT OF ALEC BARCELLOS THE CHARLESTON DRAINAGE DISTRICT BOARD OF DIRECTORS TO FILL THE VACANT SEAT

WHEREAS, the Charleston Drainage District (the "District") is a California drainage district, located in the County of Merced, formed under the Drainage District Act of 1903, codified in Appendix 8 of the California Water Code; and

WHEREAS, there is currently a vacant director position on the District's Board of Directors ("Board") that has remained unfilled for several years, and the Board was unable to fill such vacancy within the time prescribed by California Government Code section 1780(d)(1); and

WHEREAS, pursuant to Government Code section 1780(f)(1), the Merced County Board of Supervisors may appoint a person to fill the vacancy; and

WHEREAS, the Board wishes to appoint Alec Barcellos to fill the vacant director seat, and to hold such office for the remainder of the unexpired term for that seat through December 2026 pursuant to Government Code section 1780(d)(3); and

WHEREAS, Alec Barcellos is qualified to serve on the Board as a legal representative of a holder of title to land within the District pursuant to Appendix § 8-17 of the California Water Code.

NOW, THEREFORE, BE IT HEREBY RESOLVED as follows:

1. The Board of Directors of the Charleston Drainage District hereby finds and determines the above Recitals are true and correct and are incorporated herein by this reference.
2. The Board hereby requests appointment of Alec Barcellos to serve as a director on the Charleston Drainage District Board of Directors, filling the remaining vacancy on the Board of Directors, and to hold such office for the remainder of the unexpired term for that seat.
3. The District Secretary or his designee is authorized to provide a copy of this Resolution and any and all requested information to the Clerk of the Merced County Board of Supervisors and the California Secretary of State, as appropriate.

PASSED, APPROVED, AND ADOPTED this 21st day of August 2024, in a duly noticed and open meeting of the Board of Directors by the following vote, to wit:

Ayes: Jake Barcellos, Branden Teicheira, Will Teixeira
Nays: None
Abstain: None
Absent: Tom Teixeira



Jake Barcellos, President

Attest: 

Patrick McGowan, Secretary

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

I, Patrick McGowan, 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 foregoing 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 21st day of August 2024; 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 21st day of August 2024.



Patrick McGowan, Secretary

**CERTIFICATION PURSUANT TO
ELECTIONS CODE SECTION 10515**

FILE WITH BOARD OF SUPERVISORS BY SEPTEMBER 30

Election Date: November 5, 2024 District: Charleston Drainage District
Name of Office(s) Scheduled for Election: Board of Directors
Officer Conducting Election: District Secretary

As the officer conducting the election for the above district, I hereby certify that, by 5 p.m. on the 83rd day prior to the day fixed for the general district election (check applicable paragraph):

(1) only one person filed a declaration of candidacy for any elective office(s) to be filled at that election, as follows:

Name: Branden Teicheira	Address: 52027 W. Althea Ave.
Name: Will Teixeira	Address: Firebaugh, CA 93622
Name: Tom Teixeira	Address:

Continued on attached sheet

(2) no one filed a declaration of candidacy for the following office(s),

Office:
Office:

(3) in the case of directors to be elected from the district at large, the number of persons who filed a declaration of candidacy for director at large does not exceed the number of offices of director at large to be filled at that election, as follows:

Name:	Address:
Name:	Address:
Name:	Address:

(4) in the case of directors who must reside in a division but be elected at large, the number of candidates for director at large from a division does not exceed the number required to be elected director at large while residing in that division, as follows:

<u>Division:</u>	Name:	Address:
<u>Division:</u>	Name:	Address:
<u>Division:</u>	Name:	Address:

I further certify that no petition signed by 10 percent of the voters or 50 voters, whichever is the smaller number, in the district, or division if elected by division, requesting that the general district election be held, has been presented to me.

I therefore request that the Board of Supervisors, as the supervising authority for the District, at a regular or special meeting held prior to the Monday before the first Friday in December in which the election is held, appoint to the office or offices the person or persons, if any, who have filed declarations of candidacy.

For any office for which no person has filed a declaration of candidacy, I request that the Board of Supervisors appoint any person to the office who is qualified on the date when the election would have been held.

8/21/24
Date

Patrick McEwen
Signature