

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY

RESOLUTION NO. 2021-04

A RESOLUTION PROCLAIMING A LOCAL EMERGENCY, RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY N-12-21 ISSUED ON AUGUST 16, 2021 AND AUTHORIZING REMOTE TELECONFERENCE MEETINGS OF THE CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY FOR THE PERIOD FROM OCTOBER 25, 2021 TO NOVEMBER 24, 2021 PURSUANT TO BROWN ACT PROVISIONS.

The CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY of Fresno, Stanislaus and Merced Counties does resolve as follows:

A. **WHEREAS**, the CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY (“Agency”) is committed to preserving and nurturing public access and participation in meetings of the Board of Directors; and

B. **WHEREAS**, all meetings of the Agency’s legislative bodies are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend, participate, and watch the Agency’s legislative bodies conduct their business; and

C. **WHEREAS**, the Brown Act, Government Code section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code section 54953(b)(3), subject to the existence of certain conditions; and

D. **WHEREAS**, a required condition is that a state of emergency is declared by the Governor pursuant to Government Code section 8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code section 8558; and

E. **WHEREAS**, a proclamation is made when there is an actual incident, threat of disaster, or extreme peril to the safety of persons and property within the jurisdictions that are within the Agency’s boundaries, caused by natural, technological, or human-caused disasters; and

F. **WHEREAS**, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

G. **WHEREAS**, such conditions now exist, specifically, by the Governor's Order N-12-21, the Governor has extended the order declaring a State of Emergency due to the impacts of COVID-19; and

H. **WHEREAS**, the Counties of Fresno, Stanislaus, and Merced have recommended continued social distancing to combat the imminent risk to the public health and safety due to COVID-19; and

I. **WHEREAS**, the Board of Directors does hereby find that such conditions have caused, and will continue to cause, conditions of peril to the safety of persons within Fresno, Stanislaus, and Merced Counties that are likely to be beyond the control of Agency services, personnel, equipment, and facilities, and desires to proclaim a local emergency and ratify the proclamation of state of emergency by the Governor of the State of California; and

J. **WHEREAS**, as a consequence of the local emergency, the Board of Directors does hereby find that the legislative bodies of the Agency shall conduct their meetings without compliance with paragraph (3) of subdivision (b) of Government Code section 54953, as authorized by subdivision (e) of section 54953, and that such legislative bodies shall comply with the requirements to provide the public with access to the meetings as prescribed in paragraph (2) of subdivision (e) of section 54953; and

K. **WHEREAS**, the Agency shall ensure that the public has the opportunity to participate live in all electronic meetings of the Board of Directors and all its legislative bodies during all public comment periods.

NOW, THEREFORE, BE IT RESOLVED, that the Board Of Directors of the Central Delta-Mendota Groundwater Sustainability Agency does hereby resolve as follows:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Proclamation of Local Emergency. The Board of Directors (the “Board”) hereby proclaims that a local emergency now exists throughout Fresno, Merced, and Stanislaus Counties, and full in-person meetings could cause an imminent risk to the Directors, staff and public.

Section 3. Ratification of Governor’s Proclamation of a State of Emergency. The Board hereby ratifies the Governor of the State of California’s Proclamation of State of Emergency, effective as of its issuance date of August 16, 2021.

Section 4. Remote Teleconference Meetings. The agency staff and legislative bodies of the Agency are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution including, conducting open and public meetings in accordance with Government Code section 54953(e) and other applicable provisions of the Brown Act.

[Resolution Continues On Following Page]

Section 5. Effective Date of Resolution. This Resolution shall take effect on October 25, 2021, and shall be effective until the earlier of (i) November 24, 2021, or (ii) such time the Board of Directors adopts a subsequent resolution in accordance with Government Code section 54953(e)(3) to extend the time during which the legislative bodies of the Agency may continue to teleconference without compliance with paragraph (3) of subdivision (b) of section 54953.

PASSED, APPROVED, AND ADOPTED this 25th day of October, 2021 by the following vote:

AYES:

NAYS:

ABSTAIN:

ABSENT:

AARON BARCELLOS, Chairman

Attest:

_____, Secretary

Date: _____

CERTIFICATION

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY, held on the 25th day of October, 2021.

_____, Secretary

Telephonic Quarterly Meeting of the Central Delta-Mendota GSA

Monday, July 26th, 2021, 10:00 AM

Click here to join Zoom meeting
Call-in number: +1-669-900-6833
Meeting ID: 878 2958 7674
Passcode: 984447

Central Delta-Mendota GSA Members and Alternates Present

Randy Miles, Member – Eagle Field Water District
Augie Ramirez, Alternate – Fresno County
Lacey McBride, Alternate – Merced County
Aaron Barcellos, Member – Pacheco Water District
Chase Hurley, Alternate – Pacheco Water District
Michael Linneman, Member – Panoche Water District
Amy Montgomery, Member – Santa Nella County Water District
Danny Wade, Alternate – Tranquillity Irrigation District

San Luis & Delta-Mendota Water Authority Representatives Present

John Brodie
Claire Howard – Provost & Pritchard

Others Present

Gabriel Delgado – Baker, Manock & Jensen
Joe Hopkins – Provost & Pritchard

1. Call to Order/Roll Call

Aaron Barcellos/Pacheco called the meeting to order at 10:03 AM.

2. GSA to Consider Corrections or Additions to the Agenda of Items, as authorized by Government Code Section 54950 et seq.

Gabriel Delgado/BMJ will provide legal updates on behalf of Lauren Layne.

3. Opportunity for Public Comment

No public comment was shared.

4. GSA to Review and Take Action on Consent Calendar

- a. April 26, 2021 Meeting Minutes (Quarterly Central Delta-Mendota GSA Meeting)
- b. Quarterly Financial Report, Montgomery

No revisions to the minutes were requested. Amy Montgomery/SNCWD reviewed the quarterly financial report. The GSA considered approval of the consent calendar as presented. Randy Miles/EFWD provided the motion and Augie Ramirez/Fresno seconded. The GSA voted by roll call; the motion was passed unanimously by those present.

5. Presentation and Request to Approve Proposal to Provide Professional Auditing Services for Fiscal Years Ending February 28, 2021, February 28, 2022, and February 28, 2023 by Bryant L. Jolley, CPA

Amy Montgomery/SNCWD presented a proposal from Bryant L. Jolley, CPA for auditing services for the Central GSA's Fiscal Years 2021, 2022, and 2023. Amy noted that Merced County provided approval for conducting biennial audits, and she is awaiting this confirmation from Fresno County. Gabriel Delgado/BMJ suggested the GSA consider approval of the proposal for three years of auditing services with conditional approval for biennial audits pending approval from Fresno County. Augie Ramirez/Fresno confirmed that he will confirm the status of this approval with applicable Fresno County staff.

The GSA approved the proposal for auditing services for Fiscal Years ending February 28, 2021, February 28, 2022, and February 28, 2023 by Bryant L. Jolley, CPA with conditional approval for biennial audits pending confirmation from Fresno County. Augie Ramirez/Fresno provided the motion and Randy Miles/EFWD seconded. The GSA voted by roll call; the motion was approved unanimously by those present.

6. Updates from Recent Delta-Mendota Subbasin Coordination Committee and Inter-basin Coordination Meetings, Brodie/Hurley/Montgomery

The GSA discussed recent meetings held with the Delta-Mendota Subbasin Coordination Committee and inter-basin meetings held with Delta-Mendota, Chowchilla, Madera, and Merced Subbasin representatives. John Brodie/SLDMWA and Amy Montgomery/SNCWD explained that recent inter-basin coordination meetings have focused on identifying regional subsidence locations and causes, and John noted that there currently is not agreement between subbasins on subsidence causes. John and Amy shared concerns regarding lack of clarity and communication challenges between the subbasin representatives, and concern regarding ongoing coordination and future payment for inter-basin meetings and projects. John also noted that another challenge is that all participating subbasins are still awaiting GSP evaluations from DWR. Chase Hurley/Pacheco noted the additional challenge of the current dry year as well.

The next Coordination Committee meeting is scheduled for early September. Additional inter-basin meetings will be held in August with Amy representing the Central Region.

7. GSA to Discuss Water Quality Monitoring Efforts, Brodie

John Brodie/SLDMWA reminded the GSA that the Subbasin's water quality monitoring window closes August 31st. SLDMWA staff will follow up with GSA and member agency representatives to confirm monitoring and data status.

8. GSA to Discuss Next Steps for Well Registration and Data Compilation Efforts, Montgomery

Amy Montgomery/SNCWD and Steve Stadler/SLWD continue to compile well location and construction data shared by landowners in response to the GSA's registration efforts. Gavin O'Leary/P&P and Steve will continue to coordinate on digitizing this compiled data. Aaron Barcellos/Pacheco suggested member agencies self-monitor to confirm site locations. Amy noted that the GSA has received a good amount of responses since adopting the well registration policy, but this does not cover all sites.

9. Legal Counsel Report, Layne

Gabriel Delgado/BMJ explained that the State's current teleconference meeting protocol is set to expire September 30th. All Brown Act requirements will be restored October 1st, which will include providing a publicly accessible physical meeting location and noticing all locations for members attending remotely. The GSA will hold the next meeting at the Santa Nella County Water District office on October 25th and follow Brown Act procedures for noticing this location.

10. Next Steps

- The GSA approved an auditing services proposal from Bryant L. Jolley, CPA for Fiscal Years 2021, 2022, and 2023 with conditional approval for biennial auditing pending approval from Fresno County.
- Delta-Mendota Subbasin representatives will continue to participate in inter-basin coordination meetings with members from Chowchilla, Madera, and Merced Subbasins.
- Well registration data continues to be compiled by the GSA and Provost & Pritchard team. Site locations will be confirmed by individual member agencies.
- The next Central GSA meeting will be held in-person at the Santa Nella County Water District office on October 25th in compliance with restored Brown Act requirements.

11. Reports Pursuant to Government Code Section 54954.2(a)(3)

No topics were discussed under this item.

12. Conference with Legal Counsel – Existing Litigation

The Board will meet in closed session to confer with legal counsel pursuant to Paragraph (1), Subdivision (d) of Government Code section 54956.9: (1 case).

California Sportfishing Protection Alliance v. All Persons Interests in the Matter of the Validity of the Northern and Central Delta-Mendota Regions Groundwater Sustainability Plan, et al., Stanislaus County Superior Court, Case No. CV-20-001748 [Delta-Mendota Subbasin SGMA Challenge].

13. Report Out of Closed Session (if any)

No reportable action was taken in closed session.

14. ADJOURNMENT

Aaron Barcellos/Pacheco adjourned the meeting at 10:43 AM.

Central Delta-Mendota GSA
Statement of Income and Expenses

Adopted Budget Fiscal Year 2021-22	2nd June, July, August			Remaining
<i>Budget to Actual</i>	Budget	2021-22	FYTD	Budget
Operating Revenues				
4000 Member Contributions	\$ 37,000.00	\$ -	\$ 37,000.00	-
4100 Interest Income	-	1.16	2.33	(2.33)
4300 Other Income	-	-	-	-
Total Operating Revenues	37,000.00	1.16	37,002.33	
Operating Expenses				
<i>Administration:</i>				
5275 Bank Fees	150.00	-	-	150.00
5300 Office Supplies	1,000.00	-	39.24	960.76
5325 Regulatory Fees	500.00	-	-	500.00
5500 General Liability Insurance	2,500.00	-	-	2,500.00
Total Administration Expenses	4,150.00	-	39.24	
<i>Professional Services:</i>				
5425 Auditor Fees	5,000.00	-	7,500.00	(2,500.00)
5450 Legal Fees/District	18,000.00	-	-	18,000.00
5475 Consultant Fee (SLDMWA)	7,668.00	-	-	7,668.00
Total Professional Services	30,668.00	-	7,500.00	
Total Operating Expenses	34,818.00	-	7,539.24	
Net Operating Revenue	\$ 2,182.00	\$ 1.16	\$ 29,463.09	

Agenda Item 5.b - Quarterly Financial Report **Central Delta-Mendota GSA**
Investment Report

2nd Quarter FY 2021-22

June, July, August

Current Assets	2nd Quarter	1st Quarter	% Change
<u>Unrestricted Funds</u>			
1000-00 Wells Fargo Checking Account	46,167.20	46,166.04	0.00%
Total Current Assets	<u>46,167.20</u>	<u>46,166.04</u>	0.00%

The Central Delta-Mendota GSA will meet operational expenditure requirements for the next six months.

**Government Code Section 66006(a): If a local agency requires the payment of a fee specified in subdivision (c) in connection with the approval of a development project, the local agency receiving the fee shall deposit it with the other fees for the improvement in a separate capital facilities account or fund in a manner to avoid any comingling of the fees with other revenues and funds of the local agency, except for temporary investments, and expend those fees solely for the purpose for which the fee was collected. Any interest income earned by the moneys in the capital facilities account or fund shall also be deposited in that account or fund and shall be expended only for the purpose for which the fee was originally collected.*

**CENTRAL DELTA-MENDOTA
GROUNDWATER SUSTAINABILITY
AGENCY**

**INDEPENDENT AUDITOR'S REPORT
AND
FINANCIAL STATEMENTS
FEBRUARY 28, 2021**

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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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Central Delta-Mendota Groundwater Sustainability Agency
Santa Nella, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Central Delta-Mendota Groundwater Sustainability Agency (Agency), which comprise the statement of net position as of February 28, 2021, and the related statement of revenues, expenses and changes in net position, and cash flows for the period then ended, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

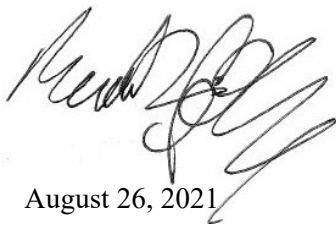
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Central Delta-Mendota Groundwater Sustainability Agency as of February 28, 2021, and the changes in its net position and its cash flows for the period then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 opinion on the basic financial statements is not affected by this missing information.

A handwritten signature in black ink, appearing to be "Meredith J. [unclear]", written over a faint circular stamp.

August 26, 2021

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY**STATEMENT OF NET POSITION
FEBRUARY 28, 2021**

ASSETS**Current assets**

Cash	\$ 33,849
Due from members	<u>37,000</u>
Total current assets	<u>70,849</u>
Total assets	<u>70,849</u>

LIABILITIES**Current liabilities**

Accounts payable	17,145
Unearned revenue	<u>37,000</u>
Total current liabilities	<u>54,145</u>
Total liabilities	<u>54,145</u>

NET POSITION

Unrestricted	<u>16,704</u>
Total net position	<u><u>\$ 16,704</u></u>

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
YEAR ENDED FEBRUARY 28, 2021**

Operating Revenues

Member fees	\$ 35,000
Total operating revenues	<u>35,000</u>

Operating Expenses

Legal expense	13,227
Consulting	3,859
Office expense	177
Total operating expenses	<u>17,262</u>

Operating income/(loss)	<u>17,738</u>
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Nonoperating Revenues/(Expenses)

Interest income	<u>3</u>
Total nonoperating revenues/(expenses)	<u>3</u>

Change in Net Position

17,741

Net Position

Beginning of year	<u>(1,037)</u>
End of year	<u>\$ 16,704</u>

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY**STATEMENT OF CASH FLOWS
YEAR ENDED FEBRUARY 28, 2021****Operating Activities**

Receipts from member agencies	\$ 35,000
Payments to suppliers for goods and services	<u>(118)</u>
Net cash provided by (used in) operating activities	<u>34,882</u>

Investing Activities

Interest received	<u>3</u>
Net cash provided by investing activities	<u>3</u>

Net Increase in Cash

34,886

Cash and Cash Equivalents

Beginning of year	<u>(1,037)</u>
End of year	<u>\$ 33,849</u>

Cash Flows from Operating Activities

Operating income (loss)	\$ 17,738
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
(Increase) Decrease in accounts receivable	(37,000)
Increase (Decrease) in accounts payable	37,000
Increase (Decrease) in unearned revenues	<u>17,145</u>

Net Cash provided by (used in) Operating Activities\$ 34,882

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED FEBRUARY 28, 2021

Note 1 – Summary of Significant Accounting Policies

The financial statements of the Central Delta-Mendota Groundwater Sustainability Agency (Agency) 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 Agency are described below:

Reporting Entity

Central Delta-Mendota Groundwater Sustainability Agency is a California joint powers authority created in August of 2019. As of February 28, 2021, the Agency's Joint Powers Agreement voting members consisted of the following local water districts and counties: Eagle Field Water District, County of Fresno, Fresno Slough Water District, County of Merced, Mercy Springs Water District, Pacheco Water District, Panoche Water District, San Luis Water District, Santa Nella County Water District, and Tranquility Irrigation District (collectively the Parties). The Agency is separate from and derives no financial support from its members. The Agency is governed by a Board of Directors whose membership is composed of appointed officials representing each of the voting members.

The Agency was created to implement the Sustainable Groundwater Management Act (SGMA) requirements and achieve the sustainability goals provided in SGMA by developing, adopting, submitting, implementing, enforcing, and revising a Groundwater Sustainability Plan (GSP) for the Central Delta-Mendota Region, which may be part of a broader GSP coordinated with other GSAs in the Delta-Mendota Subbasin, and to exercise all powers and authorities of a Groundwater Sustainability Agency (GSA) under SGMA.

In August and September 2014, the California Legislature passed, and the Governor signed, respectively, legislation creating SGMA to provide local groundwater agencies with the authority, technical and financial assistance necessary to sustainably manage groundwater. SGMA provides that each groundwater basin or subbasin may be regulated by one or more GSAs. Groundwater sustainability is achieved through GSPs and the Agency has fully participated in development of a GSP for the Central Delta-Mendota Region.

Basis of Accounting

The Agency 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.

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY

NOTES TO FINANCIAL STATEMENTS YEAR ENDED FEBRUARY 28, 2021

Note 1 – Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

The Agency's Enterprise Fund financial statements report business-type activities financed in whole or in part by member fees. Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges such as member fees.

The Agency 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 Agency's principal on-going operations. The principle operating revenues of the Agency are member fees. Operating expenses for enterprise funds include consulting and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Financial Statement Amounts

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Agency considers all highly liquid investments including cash to be cash equivalents.

Accounts Receivable – Billed, but unpaid, services provided to individuals or non-governmental entities are recorded as accounts receivable. The Proprietary Funds include a year end accrual for services through the end of the fiscal year which have not yet been billed.

Unearned Revenues – Unearned revenue is that for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met. The Agency typically records unearned revenue related to revenues received but not earned.

Net Position/Fund Equity – The financial statements utilize a net position presentation. Net position is categorized as invested capital assets (net of related debt), 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 assets 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 Agency not restricted for any project or other purpose.

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. Actual results could differ from those estimates.

CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY

**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED FEBRUARY 28, 2021**

Note 2 – Cash and Investments

Cash and investments as of February 28, 2021 consist of the following:

Deposits with financial institutions	\$ 33,849
Total Cash and Investments	<u>\$ 33,849</u>

The Agency’s bank deposits at year end totaled \$33,849 in demand deposits and were fully insured.

Note 3 – Subsequent Events

The Agency evaluated subsequent events for recognition and disclosure through August 26, 2021, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since February 28, 2021 that required recognition or disclosure in such financial statements.

BRYANT L. JOLLEY

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Lan T. Kimoto

Board of Directors
Central Delta-Mendota Groundwater Sustainability Agency
Santa Nella, California

We have audited the financial statements of the Central Delta-Mendota Groundwater Sustainability Agency (Agency) for the year ended February 28, 2021. 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 and scope and timing of our audit. We have communicated such information in our letter dated August 15, 2021. Professional standards require that we provide you with the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The Agency did not have any sensitive estimates affecting the Agency's financial statements.

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 August 26, 2021.

Management Consultations with Other Independent Accountants

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

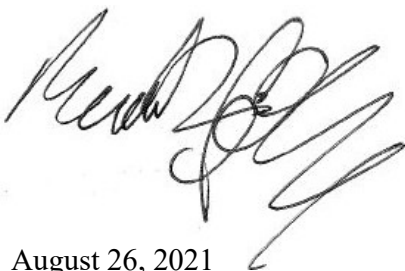
Other Audit Findings or Issues

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

Restriction on Use

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

Very truly yours,

A handwritten signature in black ink, appearing to be "Michael J. [unclear]", written over a faint circular stamp.

August 26, 2021

NOTICE OF INTENTION TO ADOPT THE CONFLICT OF INTEREST CODE
OF THE CENTRAL DELTA-MENDOTA GROUNDWATER SUSTAINABILITY AGENCY

NOTICE IS HEREBY GIVEN that the Central Delta-Mendota Groundwater Sustainability Agency, pursuant to the authority vested in it by section 87306 of the Government Code proposes to adopt a conflict of interest code. A comment period has been established commencing on September 27, 2021 and closing on November 10, 2021. All inquiries should be directed to the contact listed below.

The Central Delta-Mendota Groundwater Sustainability Agency's proposed conflict of interest code includes employee positions that involve the making or participation in the making of decisions that may foreseeably have a material effect on any financial interest, as set forth in subdivision (a) of section 87302 of the Government Code. The code adoption carries out the purposes of the law and no other alternative would do so and be less burdensome to affected persons.

The proposed code adoption can be obtained from the agency's contact.

Any interested person may submit written comments relating to the proposed code by submitting them no later than November 10, 2021, or at the conclusion of the public hearing, if requested, whichever comes later. At this time, no public hearing is scheduled. A person may request a hearing no later than November 26, 2021.

The Central Delta-Mendota Groundwater Sustainability Agency has determined that the proposed code adoption:

1. Impose no mandate on local agencies or school districts.
2. Impose no costs or savings on any state agency.
3. Impose no costs on any local agency or school district that are required to be reimbursed under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.
4. Will not result in any nondiscretionary costs or savings to local agencies.
5. Will not result in any costs or savings in federal funding to the state.
6. Will not have any potential cost impact on private persons, businesses or small businesses.

All inquiries concerning this proposed code adoption and any communication required by this notice should be directed to:

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