

**Kings River Watershed Coalition Authority
(Kings River Water Quality Coalition)**

Location: 4886 East Jensen Avenue, Fresno, California
P. O. Box 8259
Fresno, CA 93747
(559) 365-7958
Fax (559) 237-5560

February 26, 2021

**SPECIAL MEETING OF BOARD OF DIRECTORS
OF THE
KINGS RIVER WATERSHED COALITION AUTHORITY
(KINGS RIVER WATER QUALITY COALITION)**

Mark C. McKean, President
Paul Peschel, Vice President

Alta Irrigation District
Burrel Ditch Co.
Clarks Fork Rec District #2069
Consolidated Irrigation District
Corcoran Irrigation Co.
Crescent Canal Co.
Empire West Side Irrigation District
Fresno Irrigation District
John Heinlen Mutual Water Co.
James Irrigation District
Kings River Conservation District
Kings River Water District
Laguna Irrigation District
Last Chance Irrigation District

Lemoore Canal & Irrigation Co
Liberty Canal Co.
Liberty Mill Race Co.
Lovelace Water Corp.
Peoples Ditch Co.
Reed Ditch Co.
Riverdale Irrigation District
Southeast Lake Water Co.
Stratford Irrigation District
Tulare Lake Basin Water Storage District
Tulare Lake Canal Co.
Tulare Lake Reclamation District #761
Upper San Jose Water Co.

Directors:

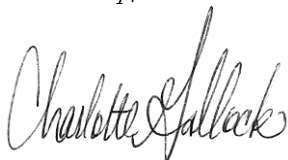
This is to notify you of the Special Meeting of the Board of Directors of the Kings River Watershed Coalition Authority to be held **Tuesday, March 2, 2021. The meeting will begin at 11:00 AM** and will be conducted **remotely via ZOOM**. The **ZOOM** weblink/call-in information is at the top of the Agenda.

There will not be a physical public access location. The Authority is conducting the meeting in this manner to protect public health by avoiding public gatherings and requiring social distancing. At the same time, the Authority remains committed to transparency. Members of the public will be able to listen to and watch the meeting, and comment if desired.

The patience and cooperation of all participants is appreciated. While every effort has been made to streamline the experience, there may be technical issues and human error. We will attempt to promptly correct any issues that arise.

Individuals who require special accommodations are requested to contact Corey McLaughlin by phone at: (559) 237-5567 or by email at: cmclaughlin@krwd.org.

Sincerely,



Charlotte Gallock
Coordinator
File: KRW 101.03

Agenda

KINGS RIVER WATERSHED COALITION AUTHORITY
(KINGS RIVER WATER QUALITY COALITION)
Board of Directors Special Meeting

Date: Tuesday, March 2, 2021

Time: 11:00 AM

Location: ZOOM

Link: <https://us02web.zoom.us/j/84102563026?pwd=U3pRdXh6V3RCNDNqK2c1Nk5LZDZNMUT09>

One-Tap Mobile: +16699006833,,84102563026#,,,,*724365#

Call-In: +1 669 900 6833 ; Meeting ID: 841 0256 3026 ; Password: 724365

1. Addition to or Deletion from the Agenda, President
2. Public Presentation, President
Presentation by the Public on matters not on the agenda and within the jurisdiction of the Board, limited to a timeframe set by the Board President.
3. Coordinator Report, Coordinator
 - A. Outreach Activities
 - B. Membership Update
 - C. Regional/State Board Updates
 - D. Fill Station(s) Update
 - E. Management Zone Update and Preliminary Management Plan
 - F. Online Member Portal Update

ACTION ITEMS

4. Approval of the Minutes, President
The Board will consider approving the December 15, 2020 Regular Board Meeting minutes.
5. Approval of Audit Report for Fiscal Year 2019-2020, Assistant Treasurer and Auditors
The Board will receive a presentation on, and be asked to approve, the auditor's report for the audit of the Fiscal Year beginning July 1, 2019 and ending June 30, 2020.
6. Financial Report, Assistant Treasurer
The Assistant Treasurer will present expenditure-to-budget comparison reports for the period ending January 31, 2021 for consideration and approval.
7. Report of Finance Committee, Committee Chair
The Finance Committee will report on their activities.
8. Report of Policy Committee, Committee Chair
The Policy Committee will report on their activities.
9. Authorization to Sign Participation Agreement
The Board will be asked to approve and authorize appropriate staff or representatives to sign a Participation Agreement for participation in the Kings Water Alliance.
10. Authorization to Adopt Preliminary Management Zone Proposal and Early Action Plan
The Board will be asked to authorize the Board's representatives to the Kings Water Alliance to adopt the Preliminary Management Zone Proposal and Early Action Plan. <http://kingswateralliance.org/eap/>

11. Agenda Items for Next Meeting

ADJOURNMENT

Note: The public will be given the opportunity to address the Authority on any item on the agenda before or during the Authority's consideration of that item. Sign in under "Others" on the attendance sheet and indicate which agenda item you wish to address. Comments by individuals and entities will be limited to three minutes or as may be reasonable as determined by the conducting officer.

A person with a qualifying disability under the Americans With Disabilities Act of 1990 may request the Authority provide a disability related modification or accommodation in order to participate in any public meeting of the Authority. Such assistance includes appropriate alternative formats for the Agendas and Agenda packets used for any public meetings of the Authority. Requests for such assistance and for Agendas and Agenda packets shall be made in person, by telephone, facsimile, or written correspondence to the Secretary of the Authority at the offices of the Kings River Conservation District at: 4886 E Jensen, Fresno, CA, 93725, at least 48 hours before a public Authority meeting.

Materials related to an item on this Agenda submitted to the Authority after distribution of the agenda packet are available for public inspection at the offices of the Kings River Watershed Coalition Authority at: 4886 E Jensen, Fresno, CA, 93725, during regular business hours.



Kings River Water Quality Coalition
AKA Kings River Watershed Coalition Authority

December 15, 2020 at 1:00 p.m.
Remote Via Zoom

Called to Order: 1:06 p.m.; quorum met at 1:09 p.m. **Adjourned:** 1:47 p.m.

Members Present:

1. CORCORAN IRRIGATION COMPANY – Director Mark Unruh (1:09 p.m.)
2. CRESCENT CANAL COMAPNY – Director Mark McKean (Pres)
3. FRESNO IRRIGATION DISTRICT – Director Kassy Chauhan
4. JAMES ID – Alt. Director Manny Amorelli
5. KINGS RIVER CONSERVATION DISTRICT – Director Cehrs; Alt Director Mark McKean
6. LAGUNA IRRIGATION DISTRICT – Director Frank Zonneveld
7. LAST CHANCE WATER DITCH COMPANY – Director Mark Unruh
8. LIBERTY MILL RACE COMPANY – Director Wyatt McKean
9. LOVELACE WATER CORPORATION – Alt Director Mark Unruh (1:09 p.m.)
10. PEOPLES DITCH COMPANY – Director Mark Unruh (1:09 p.m.)
11. REED DITCH CORPORATION – Director Mark McKean
12. RIVERDALE IRRIGATION DISTRICT – Director Leonard Acquistapace
13. SOUTHEAST LAKE WATER COMPANY – Alt Director Mark Unruh (1:09 p.m.)
14. TULARE LAKE BASIN WATER STORAGE DISTRICT – Director Justin Mendes
15. TULARE LAKE CANAL COMPANY – Director Mark Unruh (1:09 p.m.)

Members Absent:

1. ALTA IRRIGATION DISTRICT – Alt Director Chad Wegley
2. BURREL DITCH COMPANY – Director John Maddox; Alt Director Stephen Maddox
3. CLARK'S FORK RECLAMATION DISTRICT #2069 – Director Bill Miguel
4. CONSOLIDATED ID – Director Phil Desatoff; Alt Director Earl Hudson
5. EMPIRE WEST SIDE IRRIGATION DISTRICT – Director John Howe
6. JOHN HEINLEN MUTUAL WATER – Director Ronnie Silva
7. KINGS RIVER WD – Director Jack Paxton; Alt Director Steve Boos
8. LEMOORE CANAL & IRRIGATION – Director Bill Newton; Alt Director Ronnie Silva
9. LIBERTY CANAL CO. – Director John Coelho; Alt Director Mike Nordstrom
10. STRATFORD ID – Director Scott Stanton; Alt Director Ronnie Silva
11. TULARE LAKE RECLAMATION DISTRICT #761 – Director Ceil Howe, Jr.
12. UPPER SAN JOSE WATER COMPANY – Director Mike Nordstrom; Alt Director Scott Sills

Others Present:

Paul Peschel (Sec.-Treas.; Vice- David Merritt
Pres.) Geoff Vanden Heuvel
Corey McLaughlin, KRCD
Brian Trevarrow, KRCD
Debra Dunn, KRCD

Minutes

1. Addition to or Deletion from the Agenda

Presenter: President McKean

Discussion:

None.

Actions:

None.

2. Public Presentation

Presenter: President McKean

Discussion:

None.

Actions:

None.

3. Coordinator's Report

Presenter: Debra Dunn, Charlotte Gallock, and Paul Peschel

Discussion:

The Board received reports from Debra Dunn and Charlotte Gallock on, and asked questions/received answers about, meetings hosted or attended; workshops and outreach activities; other membership activities; Management Zone Development (Kings Water Alliance [KWA]); CV-SALTS and nitrate control program activities; Regional and State Water Resource Control Board (SWRCB) activities; updates regarding SWRCB Fees; and Fill Station installation and operation progress. Paul Peschel also contributed information regarding the progress of the Isotope Study Report.

Actions:

None.

4. Approval of the Minutes

Presenter: President McKean

Discussion:

None.

Actions:

It was moved by Director Unruh, seconded by Director Acquistapace, and unanimously carried by Roll Call Vote, to approve the October 20, 2020 Kings River Water Quality Coalition Board Meeting minutes.

AYES-

- CORCORAN IRRIGATION COMPANY – Director Mark Unruh (1:09 p.m.)
- CRESCENT CANAL COMAPNY – Director Mark McKean (Pres)
- FRESNO IRRIGATION DISTRICT – Director Kassy Chauhan
- KINGS RIVER CONSERVATION DISTRICT – Director Cehrs
- LAGUNA IRRIGATION DISTRICT – Director Frank Zonneveld
- LAST CHANCE WATER DITCH COMPANY – Director Mark Unruh
- LIBERTY MILL RACE COMPANY – Director Wyatt McKean
- LOVELACE WATER CORPORATION – Alt Director Mark Unruh (1:09 p.m.)
- PEOPLES DITCH COMPANY – Director Mark Unruh (1:09 p.m.)
- REED DITCH CORPORATION – Director Mark McKean
- RIVERDALE IRRIGATION DISTRICT – Director Leonard Acquistapace
- SOUTHEAST LAKE WATER COMPANY – Alt Director Mark Unruh (1:09 p.m.)
- TULARE LAKE BASIN WATER STORAGE DISTRICT – Director Justin Mendes

TULARE LAKE CANAL COMPANY –Director Mark Unruh (1:09 p.m.)

NOES- None.

ABSTAIN- None.

ABSENT-

JAMES ID – Alt. Director Manny Amorelli, due to technical difficulties

5. Financial Report

Presenter: Brian Trevarrow

Discussion:

The Assistant Treasurer reported on expenditure to budget comparisons for the period ending November 30, 2020.

Actions:

It was moved by Director Zonneveld, seconded by Director Cehrs, and unanimously carried by Roll Call Vote, to approve the October 31/November 30, 2020 financials, with the correction of a date to November 2020 instead of November 2021.

AYES-

CORCORAN IRRIGATION COMPANY – Director Mark Unruh (1:09 p.m.)

CRESCENT CANAL COMAPNY – Director Mark McKean (Pres)

FRESNO IRRIGATION DISTRICT – Director Kassy Chauhan

JAMES ID – Alt. Director Manny Amorelli

KINGS RIVER CONSERVATION DISTRICT – Director Cehrs; Alt Director Mark McKean

LAGUNA IRRIGATION DISTRICT – Director Frank Zonneveld

LAST CHANCE WATER DITCH COMPANY – Director Mark Unruh; Alt. Director Brian Mederios

LIBERTY MILL RACE COMPANY – Director Wyatt McKean

LOVELACE WATER CORPORATION – Alt Director Mark Unruh (1:09 p.m.)

PEOPLES DITCH COMPANY – Director Mark Unruh (1:09 p.m.)

REED DITCH CORPORATION – Director Mark McKean

SOUTHEAST LAKE WATER COMPANY – Alt Director Mark Unruh (1:09 p.m.)

TULARE LAKE BASIN WATER STORAGE DISTRICT – Director Justin Mendes

TULARE LAKE CANAL COMPANY –Director Mark Unruh (1:09 p.m.)

NOES- None.

ABSTAIN- None.

ABSENT-

RIVERDALE IRRIGATION DISTRICT – Director Leonard Acquistapace, due to technical difficulties

6. Finance Committee Report

Presenter: None

Discussion:

There was no meeting of the Finance Committee, and thus nothing to report.

Actions:

None.

7. Appointment of Finance Committee Members

Presenter: President McKean

Discussion:

Manny Amorelli, who replaced Steve Stadler at James Irrigation District, volunteered to fill the vacancy on the Finance Committee that was left by Director Stadler's departure.

Actions:

It was moved by Director Mendes, seconded by Director Unruh, and unanimously carried by Roll Call Vote, to nominate and appoint Manny Amorelli to the Finance Committee of the Kings River Water Quality Coalition.

AYES-

- CORCORAN IRRIGATION COMPANY – Director Mark Unruh (1:09 p.m.)
- CRESCENT CANAL COMAPNY – Director Mark McKean (Pres)
- FRESNO IRRIGATION DISTRICT – Director Kassy Chauhan
- JAMES ID – Alt. Director Manny Amorelli
- KINGS RIVER CONSERVATION DISTRICT – Director Cehrs; Alt Director Mark McKean
- LAGUNA IRRIGATION DISTRICT – Director Frank Zonneveld
- LAST CHANCE WATER DITCH COMPANY – Director Mark Unruh; Alt. Director Brian Mederios
- LIBERTY MILL RACE COMPANY – Director Wyatt McKean
- LOVELACE WATER CORPORATION – Alt Director Mark Unruh (1:09 p.m.)
- PEOPLES DITCH COMPANY – Director Mark Unruh (1:09 p.m.)
- REED DITCH CORPORATION – Director Mark McKean
- SOUTHEAST LAKE WATER COMPANY – Alt Director Mark Unruh (1:09 p.m.)
- TULARE LAKE BASIN WATER STORAGE DISTRICT – Director Justin Mendes
- TULARE LAKE CANAL COMPANY –Director Mark Unruh (1:09 p.m.)

NOES- None.

ABSTAIN- None.

ABSENT-

RIVERDALE IRRIGATION DISTRICT – Director Leonard Acquistapace, due to technical difficulties

8. Policy Committee Report

Presenter: None

Discussion:

There was no meeting of the Policy Committee, and thus nothing to report.

Actions:

None.

9. Agenda Items for Next Meeting

Presenter: President McKean

No items were proffered.

Adjournment

Presenter: President McKean

With no further discussion, **President McKean** adjourned the meeting at 1:47 p.m.

Submitted by:

Board Secretary

_____ approved on _____ 2021

Board President

February 10, 2021

To the Board of Directors
Kings River Watershed Coalition Authority
Fresno, California

We have audited the financial statements of Kings River Watershed Coalition Authority (the Authority) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government 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 September 9, 2020. 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 Authority 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 2020. We noted no transactions entered into by Authority 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. We are not aware of any significant estimates for the year ended June 30, 2020. We are not aware of any significant estimates for the year ended June 30, 2020.

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. There were no such misstatements identified.

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.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 10, 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 Authority’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 Authority’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

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

Restriction on Use

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

Very truly yours,

Price Pange & Company

KINGS RIVER WATERSHED
COALITION AUTHORITY
FRESNO, CALIFORNIA

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED
JUNE 30, 2020 AND 2019**

KINGS RIVER WATERSHED COALITION AUTHORITY
FRESNO, CALIFORNIA

JUNE 30, 2020 AND 2019

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The Place to Be

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Kings River Watershed Coalition Authority
Fresno, California

We have audited the accompanying financial statements of the Kings River Watershed Coalition Authority (the Authority), as of and for the years ended June 30, 2020 and 2019, and the related notes to the basic financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 Authority'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 Authority'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.

570 N. Magnolia Avenue, Suite 100
Clovis, CA 93611

tel 559.299.9540
fax 559.299.2344

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Kings River Watershed Coalition Authority as of June 30, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Price Pange & Company

Clovis, California
February 10, 2021

KINGS RIVER WATERSHED COALITION AUTHORITY
FRESNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Our discussion and analysis of the Kings River Watershed Coalition Authority's (the Authority) financial performance provides an overview of the Authority's financial activities for the year ended June 30, 2020. This information is presented in conjunction with the audited financial statements that follow this section.

Financial Highlights

- The Authority's total assets from business-type activities at June 30, 2020 were \$1,435,889, which is composed of \$1,402,014 in cash, and \$33,767 in accounts receivable.
- Liabilities from business-type activities at June 30, 2020 were \$278,753, payable for water quality monitoring, administrative costs, grant expenditures, and legal costs.
- Cash receipts for the year ended June 30, 2020 consisted of fee-for-service operating revenues from owners or operators of irrigated lands in the Kings River watershed who have elected to be represented by the Authority under the Waste Discharge Requirements for Discharges from Irrigated Lands in the amount of \$2,649,173 and grant revenues of \$312,239.

Overview of the Financial Statements

The financial statements presented herein include all of the activities of the Authority using the approach prescribed by GASB Standard No. 20.

The Authority's basic financial statements comprise two components: (1) fund financial statements, and (2) notes to the basic financial statements.

Fund Financial Statements A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other special districts, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Proprietary Funds - The Authority maintains a single enterprise fund. Proprietary funds are reported using the accrual basis of accounting. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements but provide more detail and additional information. The Authority uses an enterprise fund to account for its activities.

Notes to the Basic Financial Statements The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 10 through 12 of this report.

KINGS RIVER WATERSHED COALITION AUTHORITY
FRESNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Kings River Watershed Coalition Authority
Net Position

	<u>2020</u>	<u>2019</u>
Assets:		
Current assets	\$ 1,435,781	\$ 1,569,404
Total assets	<u>\$ 1,435,781</u>	<u>\$ 1,569,404</u>
Liabilities:		
Current liabilities	\$ 278,753	\$ 418,045
Total liabilities	<u>278,753</u>	<u>418,045</u>
Net position:		
Unrestricted	<u>1,157,028</u>	<u>1,151,359</u>
Total net position	<u>1,157,028</u>	<u>1,151,359</u>
Total liabilities and net position	<u>\$ 1,435,781</u>	<u>\$ 1,569,404</u>

Kings River Watershed Coalition Authority
Changes in Net Position

	<u>2020</u>	<u>2019</u>
Revenues:		
Program Revenues:		
Charges for services	\$ 2,649,173	\$ 2,015,448
Grant revenues	312,239	1,025,284
Interest income	<u>2,507</u>	<u>2,515</u>
Total revenues	<u>2,963,919</u>	<u>3,043,247</u>
Operating expenses:		
Grant expenditures	291,321	1,018,952
SWRCB fees	824,441	693,153
Water quality monitoring costs	118,766	196,785
Program, outreach and regulatory costs	915,489	835,529
General, administrative and office costs	104,748	105,534
Legal costs	76,957	27,638
Engineering and consulting services	<u>626,528</u>	<u>416,532</u>
Total expenses	<u>2,958,250</u>	<u>3,294,123</u>
Change in net position	5,669	(250,876)
Net position - beginning	<u>1,151,359</u>	<u>1,402,235</u>
Net position - ending	<u>\$ 1,157,028</u>	<u>\$ 1,151,359</u>

KINGS RIVER WATERSHED COALITION AUTHORITY
FRESNO, CALIFORNIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2020

Financial Analysis of the Authority's Fund

Net position may serve over time as a useful indicator of a government's financial position. Total net position of the Authority as of June 30, 2020 was \$1,157,028.

Total liabilities of the Authority as of June 30, 2020 were \$278,753.

Authority expenses decreased by \$335,873, to \$2,958,250 at June 30, 2020, from \$3,294,123 at June 30, 2019.

Charges for services operating revenue increased by \$633,725, to \$2,649,173 at June 30, 2020, from \$2,015,448 at June 30, 2019.

Requests for Information

This financial report is designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have any questions about this report or need any additional information, contact the Assistant Treasurer of the Kings River Watershed Coalition Authority at 4886 E. Jensen Avenue, Fresno, California 93725, or phone (559) 237-5567.

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KINGS RIVER WATERSHED COALITION AUTHORITY
FRESNO, CALIFORNIA

STATEMENTS OF NET POSITION
JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets:		
Cash	\$ 1,402,014	\$ 997,238
Accounts receivable	33,767	80,950
Grants receivable	<u>-</u>	<u>491,216</u>
Total current assets	<u>\$ 1,435,781</u>	<u>\$ 1,569,404</u>
LIABILITIES		
Current liabilities:		
Accounts payable	<u>\$ 278,753</u>	<u>\$ 418,045</u>
Total current liabilities	<u>278,753</u>	<u>418,045</u>
NET POSITION		
Unrestricted	<u>1,157,028</u>	<u>1,151,359</u>
Total net position	<u>1,157,028</u>	<u>1,151,359</u>
Total liabilities and net position	<u>\$ 1,435,781</u>	<u>\$ 1,569,404</u>

The notes to the basic financial statements are an integral part of this statement.

KINGS RIVER WATERSHED COALITION AUTHORITY
FRESNO, CALIFORNIA

**STATEMENTS OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
Operating revenues:		
Charges for services	\$ 2,649,173	\$ 2,015,448
Grant revenues	<u>312,239</u>	<u>1,025,284</u>
Total operating revenues	<u>2,961,412</u>	<u>3,040,732</u>
Operating expenses:		
Grant expenditures	291,321	1,018,952
SWRCB fees	824,441	693,153
Water quality monitoring costs	118,766	196,785
Program, outreach and regulatory costs	915,489	835,529
General, administrative and office costs	104,748	105,534
Legal costs	76,957	27,638
Engineering and consulting services	<u>626,528</u>	<u>416,532</u>
Total operating expenses	<u>2,958,250</u>	<u>3,294,123</u>
Net operating income (loss)	<u>3,162</u>	<u>(253,391)</u>
Nonoperating revenues (expenses):		
Interest income	<u>2,507</u>	<u>2,515</u>
Total nonoperating revenues (expenses)	<u>2,507</u>	<u>2,515</u>
Changes in net position	5,669	(250,876)
Net position - beginning	<u>1,151,359</u>	<u>1,402,235</u>
Net position - ending	<u>\$ 1,157,028</u>	<u>\$ 1,151,359</u>

The notes to the basic financial statements are an integral part of this statement.

KINGS RIVER WATERSHED COALITION AUTHORITY
FRESNO, CALIFORNIA

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash collected from members	\$ 2,696,356	\$ 1,934,498
Cash collected from grantors	803,455	764,223
Cash paid to suppliers	<u>(3,097,542)</u>	<u>(3,074,052)</u>
Net cash provided by (used in) operating activities	<u>402,269</u>	<u>(375,331)</u>
Cash flows from investing activities:		
Interest received	<u>2,507</u>	<u>2,515</u>
Net cash provided by (used in) investing activities	<u>2,507</u>	<u>2,515</u>
Net increase (decrease) in cash and cash equivalents	404,776	(372,816)
Cash and cash equivalents - beginning	<u>997,238</u>	<u>1,370,054</u>
Cash and cash equivalents - ending	<u>\$ 1,402,014</u>	<u>\$ 997,238</u>
 Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Operating income (loss)	\$ 3,162	\$ (253,391)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
(Increase) decrease in accounts receivable	538,399	(342,011)
Increase (decrease) in accounts payable	<u>(139,292)</u>	<u>220,071</u>
Total adjustments	<u>399,108</u>	<u>(121,940)</u>
Net cash provided by (used in) operating activities	<u>\$ 402,269</u>	<u>\$ (375,331)</u>

The notes to the basic financial statements are an integral part of this statement.

KINGS RIVER WATERSHED COALITION AUTHORITY
FRESNO, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Kings River Watershed Coalition Authority (the Authority) is a joint powers public agency currently comprised of 27 member units formed on January 1, 2009, for the purpose of facilitating compliance initially with the conditional waiver and subsequently the Waste Discharge Requirements General Order for Growers in the Tulare Lake Basin Area that are Members of a Third-Party Group (Order R5-2013-0120).

On September 19, 2013, the Regional Board adopted Waste Discharge Requirements (WDR) for Discharges from Irrigated Lands which replaced the conditional waiver. Pursuant to the WDR, an owner or operator of irrigated lands may avoid obtaining individual waste discharge requirements by enrolling with a Third-Party Group (Coalition). Owners or operators of irrigated lands may comply with the WDR either as individuals or through coalition groups. The Authority was formed to provide a Coalition alternative in order to combine resources and reduce the cost of compliance with the WDR for growers within the Kings River coalition boundary.

Basis of Accounting and Measurement Focus

The Authority is a proprietary entity; it uses an enterprise fund format to report its activities for financial statement purposes. Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows.

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the government body is that the cost and expenses of providing goods or services to its customers be financed or recovered primarily through users charges; or where the governing body has decided that periodic determination of revenue earned, expenses incurred, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Enterprise funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Operating revenues in the Authority's proprietary fund are those revenues that are generated from the primary operations of the Authority. The primary operations of the Authority are to facilitate regulatory compliance, advocate for growers on water quality issues and to develop, implement and compile water quality monitoring programs which allow owners and operators of irrigated lands to comply with the Waste Discharge Requirements General Order issued by the Central Valley Regional Water Quality Control Board on September 19, 2013 (and subsequent revisions). All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to the primary operations of the Authority. All other expenses are reported as nonoperating expenses.

Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Authority considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

KINGS RIVER WATERSHED COALITION AUTHORITY
FRESNO, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position

Net Position

Net position is reported in three categories as follows:

Net investment in capital assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition.

Restricted – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

Unrestricted – This amount is all net assets that do not meet the definition of “net investment in capital assets” or “restricted net position.”

When an expense is incurred for purpose for which both restricted and unrestricted net position are available, the Authority’s policy is to apply restricted net position first.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – CASH

As of June 30, 2020, and 2019, the carrying amounts of the Authority’s bank deposits were \$1,402,014 and \$997,238, respectively. At June 30, 2020 and 2019, the respective bank balances were \$1,401,814 and \$997,038. Of the total bank balance, \$250,000 was insured through the Federal Depository Insurance Company. The total amounts uninsured through FDIC at June 30, 2020 and 2019 were \$1,151,814 and \$747,038, respectively.

NOTE 3 – RELATED PARTY TRANSACTIONS

The Kings River Conservation District (the District) maintains the Authority’s accounting records and incurs administrative and other expenses on behalf of the Authority. Such expenses reimbursed by the Authority to the District for the years ended June 30, 2020 and 2019, were \$908,401 and \$839,548, respectively. Accounts payable to the District as of June 30, 2020 and 2019, were \$83,764 and \$65,428, respectively.

KINGS RIVER WATERSHED COALITION AUTHORITY
FRESNO, CALIFORNIA

NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 4 – COMMITMENTS AND CONTINGENCIES

Commitments and contingencies, undeterminable in amount, include normal recurring pending claims and litigation. In the opinion of management, based upon discussion with legal counsel, there is no pending litigation, which is likely to have a material adverse effect on the financial position of the Authority.

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus (COVID-19) a pandemic. In response, the State of California issued Stay At Home Orders which include the temporary closure of all businesses deemed to be nonessential. Many stay at home orders have required individuals living in the San Joaquin Valley Region to stay at home, except as allowed, to maintain continuity of the federal critical infrastructure sectors. Accordingly, some functions of the Authority's operations have been limited to protect the health and safety of its employees. The financial impact that could occur as a result of the pandemic is unknown at this time.

NOTE 5 – SUBSEQUENT EVENTS

The Authority has started the process for creating a new corporation called the Kings Water Alliance. The purpose of this corporation is to maintain and improve the quality of life in the central San Joaquin Valley by implementing programs that provide access to safe drinking water for residents, and by engaging in groundwater nitrate reduction activities with the goal of protecting or enhancing the quality of groundwater drinking water supplies for residents. The incorporation date for this entity has yet to be determined.

Kings River Water Quality Coalition
Balance Sheet Prev Year Comparison
As of January 31, 2021

	<u>Jan 31, 21</u>	<u>Jan 31, 20</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS				
Current Assets				
Checking/Savings				
10000 · JPMorgan Chase Bank, N.A.	363,048.64	374,015.54	-10,966.90	-2.93%
10100 · JPMorgan Chase Savings	1,663,223.62	2,273,921.75	-610,698.13	-26.86%
10200 · Petty Cash	200.00	200.00	0.00	0.0%
Total Checking/Savings	<u>2,026,472.26</u>	<u>2,648,137.29</u>	<u>-621,665.03</u>	<u>-23.48%</u>
Accounts Receivable				
11000 · Accounts Receivable	127,636.08	77,103.50	50,532.58	65.54%
Total Accounts Receivable	<u>127,636.08</u>	<u>77,103.50</u>	<u>50,532.58</u>	<u>65.54%</u>
Total Current Assets	<u>2,154,108.34</u>	<u>2,725,240.79</u>	<u>-571,132.45</u>	<u>-20.96%</u>
TOTAL ASSETS	<u><u>2,154,108.34</u></u>	<u><u>2,725,240.79</u></u>	<u><u>-571,132.45</u></u>	<u><u>-20.96%</u></u>
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable				
20000 · Accounts Payable	87,344.94	119,279.58	-31,934.64	-26.77%
Total Accounts Payable	<u>87,344.94</u>	<u>119,279.58</u>	<u>-31,934.64</u>	<u>-26.77%</u>
Total Current Liabilities	<u>87,344.94</u>	<u>119,279.58</u>	<u>-31,934.64</u>	<u>-26.77%</u>
Total Liabilities	87,344.94	119,279.58	-31,934.64	-26.77%
Equity				
30000 · Opening Balance Equity	3,497.59	3,497.59	0.00	0.0%
32000 · Unrestricted Net Assets	1,153,530.09	1,161,888.23	-8,358.14	-0.72%
Net Income	<u>909,735.72</u>	<u>1,440,575.39</u>	<u>-530,839.67</u>	<u>-36.85%</u>
Total Equity	<u>2,066,763.40</u>	<u>2,605,961.21</u>	<u>-539,197.81</u>	<u>-20.69%</u>
TOTAL LIABILITIES & EQUITY	<u><u>2,154,108.34</u></u>	<u><u>2,725,240.79</u></u>	<u><u>-571,132.45</u></u>	<u><u>-20.96%</u></u>

Kings River Water Quality Coalition
Profit & Loss Budget vs. Actual
December 2020 through January 2021

	<u>Dec '20 - Jan 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
45000 · Investments				
45030 · Interest-Savings, Short-term CD	21.13	0.00	21.13	100.0%
Total 45000 · Investments	21.13	0.00	21.13	100.0%
46400 · Other Types of Income				
46430 · Miscellaneous Revenue	0.00	0.00	0.00	0.0%
Total 46400 · Other Types of Income	0.00	0.00	0.00	0.0%
47200 · Program Income				
47230 · Membership Dues	1,851,961.64	538,068.00	1,313,893.64	344.19%
47240 · Program Service Fees	0.00	0.00	0.00	0.0%
47255 · MPEP GROUP	69,750.00	0.00	69,750.00	100.0%
47260 · CV-SALTS	5,250.00	0.00	5,250.00	100.0%
47270 · CVGMC	53,819.58	0.00	53,819.58	100.0%
47200 · Program Income - Other	91.20	0.00	91.20	100.0%
Total 47200 · Program Income	1,980,872.42	538,068.00	1,442,804.42	368.15%
48000 · Grant Revenue				
48020 · CIG Grant Revenue Federal	0.00	0.00	0.00	0.0%
48080 · CDFA FREP Grant Revenue State	0.00	0.00	0.00	0.0%
48130 · Cleanup and Abatement Grant	0.00	0.00	0.00	0.0%
Total 48000 · Grant Revenue	0.00	0.00	0.00	0.0%
Total Income	1,980,893.55	538,068.00	1,442,825.55	368.15%
Gross Profit	1,980,893.55	538,068.00	1,442,825.55	368.15%
Expense				
62100 · Contract Services				
62101 · Monitoring Fees	0.00	0.00	0.00	0.0%
62102 · State Board Fee	0.00	0.00	0.00	0.0%
62105 · Program Expense	128,998.72	169,804.00	-40,805.28	75.97%
62115 · Monitoring Expenses	5,210.00	16,998.00	-11,788.00	30.65%
62120 · Outreach Expense	6,400.38	2,500.00	3,900.38	256.02%
62140 · Legal Fees	19,115.01	37,500.00	-18,384.99	50.97%
62150 · Outside Contract Services	7,151.20	48,335.00	-41,183.80	14.8%
62151 · Contract Svcs - Fill Stations	35,869.23	20,330.00	15,539.23	176.44%
62152 · Contract Svcs-Management Zones	89,523.84	41,670.00	47,853.84	214.84%
62155 · Outside Contract Services-MPEP	10,443.23	39,400.00	-28,956.77	26.51%
62160 · Outside Contract Serv CV-Salts	0.00	5,582.00	-5,582.00	0.0%
62170 · Outside Contract Serv - CVGMC	7,388.00	20,832.00	-13,444.00	35.47%
Total 62100 · Contract Services	310,099.61	402,951.00	-92,851.39	76.96%
62800 · Facilities and Equipment				
62825 · Computer Software	96,860.00	22,500.00	74,360.00	430.49%
62830 · Data Management System	1,017.50	3,500.00	-2,482.50	29.07%
Total 62800 · Facilities and Equipment	97,877.50	26,000.00	71,877.50	376.45%
65000 · Operations				
65020 · Postage, Mailing Service	15.00	2,110.00	-2,095.00	0.71%

Kings River Water Quality Coalition
Profit & Loss Budget vs. Actual
December 2020 through January 2021

	<u>Dec '20 - Jan 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
65030 · Printing and Copying	56.68	2,117.00	-2,060.32	2.68%
65040 · Supplies	2,496.25	2,110.00	386.25	118.31%
65050 · Telephone, Telecommunications	335.44	0.00	335.44	100.0%
Total 65000 · Operations	2,903.37	6,337.00	-3,433.63	45.82%
65100 · Other Types of Expenses				
65120 · Insurance - Liability, D and O	0.00	0.00	0.00	0.0%
65125 · Audit	1,160.00	6,300.00	-5,140.00	18.41%
65137 · Memberships and Dues CV-Salts	0.00	0.00	0.00	0.0%
65160 · Other Costs	0.00	2,000.00	-2,000.00	0.0%
Total 65100 · Other Types of Expenses	1,160.00	8,300.00	-7,140.00	13.98%
66000 · Grant Expenditures				
66020 · CIG Grant Expenditures Federal	0.00	0.00	0.00	0.0%
66080 · CDFA FREP Grant Expense State	4,295.75	0.00	4,295.75	100.0%
66130 · Cleanup and Abatement Grant	0.00	0.00	0.00	0.0%
Total 66000 · Grant Expenditures	4,295.75	0.00	4,295.75	100.0%
68300 · Travel and Meetings				
68320 · Travel	0.00	1,334.00	-1,334.00	0.0%
Total 68300 · Travel and Meetings	0.00	1,334.00	-1,334.00	0.0%
Total Expense	416,336.23	444,922.00	-28,585.77	93.58%
Net Ordinary Income	1,564,557.32	93,146.00	1,471,411.32	1,679.68%
Net Income	1,564,557.32	93,146.00	1,471,411.32	1,679.68%

Kings River Water Quality Coalition
Profit & Loss Budget vs. Actual
July 2020 through June 2021
As of January 31, 2021

	<u>Jul '20 - Jun 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense				
Income				
45000 · Investments				
45030 · Interest-Savings, Short-term CD	199.32	0.00	199.32	100.0%
Total 45000 · Investments	<u>199.32</u>	<u>0.00</u>	<u>199.32</u>	<u>100.0%</u>
46400 · Other Types of Income				
46430 · Miscellaneous Revenue	0.00	0.00	0.00	0.0%
Total 46400 · Other Types of Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.0%</u>
47200 · Program Income				
47230 · Membership Dues	1,971,440.38	2,690,341.00	-718,900.62	73.28%
47240 · Program Service Fees	0.00	0.00	0.00	0.0%
47255 · MPEP GROUP	139,500.00	140,000.00	-500.00	99.64%
47260 · CV-SALTS	18,450.00	31,800.00	-13,350.00	58.02%
47270 · CVGMC	53,819.58	100,000.00	-46,180.42	53.82%
47200 · Program Income - Other	91.20	0.00	91.20	100.0%
Total 47200 · Program Income	<u>2,183,301.16</u>	<u>2,962,141.00</u>	<u>-778,839.84</u>	<u>73.71%</u>
48000 · Grant Revenue				
48020 · CIG Grant Revenue Federal	0.00	0.00	0.00	0.0%
48080 · CDFA FREP Grant Revenue State	95,428.00	21,854.00	73,574.00	436.66%
48130 · Cleanup and Abatement Grant	4,318.86	0.00	4,318.86	100.0%
Total 48000 · Grant Revenue	<u>99,746.86</u>	<u>21,854.00</u>	<u>77,892.86</u>	<u>456.42%</u>
Total Income	<u>2,283,247.34</u>	<u>2,983,995.00</u>	<u>-700,747.66</u>	<u>76.52%</u>
Gross Profit	2,283,247.34	2,983,995.00	-700,747.66	76.52%
Expense				
62100 · Contract Services				
62101 · Monitoring Fees	0.00	0.00	0.00	0.0%
62102 · State Board Fee	0.00	1,032,300.00	-1,032,300.00	0.0%
62105 · Program Expense	544,796.75	1,103,728.00	-558,931.25	49.36%
62115 · Monitoring Expenses	25,471.38	102,000.00	-76,528.62	24.97%
62120 · Outreach Expense	15,208.39	15,000.00	208.39	101.39%
62140 · Legal Fees	32,673.49	225,000.00	-192,326.51	14.52%
62150 · Outside Contract Services	53,225.70	290,000.00	-236,774.30	18.35%
62151 · Contract Svcs - Fill Stations	97,192.76	122,000.00	-24,807.24	79.67%
62152 · Contract Svcs-Management Zones	139,742.60	250,000.00	-110,257.40	55.9%
62155 · Outside Contract Services-MPEP	62,220.96	236,440.00	-174,219.04	26.32%
62160 · Outside Contract Serv CV-Salts	25,000.00	33,500.00	-8,500.00	74.63%
62170 · Outside Contract Serv - CVGMC	40,631.00	125,000.00	-84,369.00	32.51%
Total 62100 · Contract Services	<u>1,036,163.03</u>	<u>3,534,968.00</u>	<u>-2,498,804.97</u>	<u>29.31%</u>
62800 · Facilities and Equipment				
62825 · Computer Software	179,468.75	135,000.00	44,468.75	132.94%
62830 · Data Management System	3,674.46	20,000.00	-16,325.54	18.37%

Kings River Water Quality Coalition
Profit & Loss Budget vs. Actual
July 2020 through June 2021
As of January 31, 2021

	<u>Jul '20 - Jun 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Total 62800 · Facilities and Equipment	183,143.21	155,000.00	28,143.21	118.16%
65000 · Operations				
65020 · Postage, Mailing Service	12,234.30	12,667.00	-432.70	96.58%
65030 · Printing and Copying	16,695.20	12,667.00	4,028.20	131.8%
65040 · Supplies	6,303.51	12,666.00	-6,362.49	49.77%
65050 · Telephone, Telecommunications	335.44	0.00	335.44	100.0%
Total 65000 · Operations	<u>35,568.45</u>	<u>38,000.00</u>	<u>-2,431.55</u>	<u>93.6%</u>
65100 · Other Types of Expenses				
65120 · Insurance - Liability, D and O	93.00	7,500.00	-7,407.00	1.24%
65125 · Audit	2,460.00	10,000.00	-7,540.00	24.6%
65137 · Memberships and Dues CV-Salts	0.00	19,500.00	-19,500.00	0.0%
65160 · Other Costs	0.00	12,000.00	-12,000.00	0.0%
Total 65100 · Other Types of Expenses	<u>2,553.00</u>	<u>49,000.00</u>	<u>-46,447.00</u>	<u>5.21%</u>
66000 · Grant Expenditures				
66020 · CIG Grant Expenditures Federal	0.00	0.00	0.00	0.0%
66080 · CDFA FREP Grant Expense State	111,933.91	21,854.00	90,079.91	512.19%
66130 · Cleanup and Abatement Grant	4,006.25	0.00	4,006.25	100.0%
Total 66000 · Grant Expenditures	<u>115,940.16</u>	<u>21,854.00</u>	<u>94,086.16</u>	<u>530.52%</u>
68300 · Travel and Meetings				
68320 · Travel	143.77	8,000.00	-7,856.23	1.8%
Total 68300 · Travel and Meetings	<u>143.77</u>	<u>8,000.00</u>	<u>-7,856.23</u>	<u>1.8%</u>
Total Expense	<u>1,373,511.62</u>	<u>3,806,822.00</u>	<u>-2,433,310.38</u>	<u>36.08%</u>
Net Ordinary Income	<u>909,735.72</u>	<u>-822,827.00</u>	<u>1,732,562.72</u>	<u>-110.56%</u>
Net Income	<u><u>909,735.72</u></u>	<u><u>-822,827.00</u></u>	<u><u>1,732,562.72</u></u>	<u><u>-110.56%</u></u>

**Kings River Water Quality Coalition
Check Detail
December 2020 through January 2021**

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	2320	12/02/2020	MLJ	10000 · JPMorgan Chase Bank, N.A.		-23,212.50
Bill	07-20KRCD	08/13/2020		62150 · Outside Contract Services	-10,627.50	10,627.50
Bill	07-20KRCD_MEMVERPORT	08/13/2020		62825 · Computer Software	-12,585.00	12,585.00
TOTAL					-23,212.50	23,212.50
Bill Pmt -Check	2321	12/04/2020	Kahn	10000 · JPMorgan Chase Bank, N.A.		-472.50
Bill	66899,66900	12/04/2020		62140 · Legal Fees	-350.00	350.00
				62140 · Legal Fees	-122.50	122.50
TOTAL					-472.50	472.50
Bill Pmt -Check	2322	12/04/2020	MLJ	10000 · JPMorgan Chase Bank, N.A.		-55,917.50
Bill	10-20KRCD_MembPortal	12/04/2020		62825 · Computer Software	-55,917.50	55,917.50
TOTAL					-55,917.50	55,917.50
Bill Pmt -Check	2323	12/04/2020	Provost	10000 · JPMorgan Chase Bank, N.A.		-5,091.20
Bill	82198	12/04/2020		62150 · Outside Contract Services	-5,091.20	5,091.20
TOTAL					-5,091.20	5,091.20
Bill Pmt -Check	2324	12/10/2020	Kings River Conservation District	10000 · JPMorgan Chase Bank, N.A.		-85,003.03
Bill	4631	11/30/2020		62105 · Program Expense	-63,888.39	63,888.39
				62120 · Outreach Expense	-3,735.77	3,735.77
				62151 · Contract Svcs - Fill Stations	-2,002.92	2,002.92
				62152 · Contract Svcs-Management Zones	-14,844.84	14,844.84
				65040 · Supplies	-486.26	486.26
				68320 · Travel	-44.85	44.85
TOTAL					-85,003.03	85,003.03
Bill Pmt -Check	2325	12/10/2020	Klein	10000 · JPMorgan Chase Bank, N.A.		-440.00
Bill	1165329	12/10/2020		62140 · Legal Fees	-320.00	320.00
				62152 · Contract Svcs-Management Zones	-120.00	120.00
TOTAL					-440.00	440.00
Bill Pmt -Check	2326	12/10/2020	Price Paige & Company	10000 · JPMorgan Chase Bank, N.A.		-1,160.00
Bill	18321	12/10/2020		65125 · Audit	-1,160.00	1,160.00
TOTAL					-1,160.00	1,160.00
Bill Pmt -Check	2327	12/18/2020	Dellavalle	10000 · JPMorgan Chase Bank, N.A.		-124.00
Bill	517313	12/18/2020		62151 · Contract Svcs - Fill Stations	-124.00	124.00
TOTAL					-124.00	124.00
Bill Pmt -Check	2328	12/18/2020	Emmanuel	10000 · JPMorgan Chase Bank, N.A.		-525.00
Bill	913-A	12/18/2020		62151 · Contract Svcs - Fill Stations	-525.00	525.00
TOTAL					-525.00	525.00
Bill Pmt -Check	2329	12/18/2020	Formation	10000 · JPMorgan Chase Bank, N.A.		-5,901.49
Bill	5992	12/18/2020		62140 · Legal Fees	-5,901.49	5,901.49
TOTAL					-5,901.49	5,901.49
Bill Pmt -Check	2330	12/18/2020	Luhdorff	10000 · JPMorgan Chase Bank, N.A.		-24,392.85
Bill	36666	12/18/2020		62170 · Outside Contract Serv - CVGMC	-7,388.00	7,388.00
Bill	36667	12/18/2020		62152 · Contract Svcs-Management Zones	-17,004.85	17,004.85
TOTAL					-24,392.85	24,392.85

Kings River Water Quality Coalition
Check Detail
December 2020 through January 2021

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	2331	12/18/2020	MLJ	10000 · JPMorgan Chase Bank, N.A.		-43,377.50
Bill	11-20KRCD_MemberPort	12/18/2020		62825 · Computer Software	-40,942.50	40,942.50
Bill	11-20KRCD_Phase1A	12/18/2020		62150 · Outside Contract Services	-1,417.50	1,417.50
Bill	11-20 Kings 2020 Dat	12/18/2020		62830 · Data Management System	-1,017.50	1,017.50
TOTAL					-43,377.50	43,377.50
Bill Pmt -Check	2332	12/18/2020	Plan Tierra, LLC	10000 · JPMorgan Chase Bank, N.A.		-14,738.98
Bill	987	12/18/2020		62155 · Outside Contract Services-MPEP	-10,443.23	10,443.23
Bill	988	12/18/2020		66080 · CDFA FREP Grant Expense State	-4,295.75	4,295.75
TOTAL					-14,738.98	14,738.98
Bill Pmt -Check	2333	12/18/2020	Provost	10000 · JPMorgan Chase Bank, N.A.		-2,826.00
Bill	82428	12/18/2020		62151 · Contract Svcs - Fill Stations	-2,669.00	2,669.00
Bill	62429	12/18/2020		62151 · Contract Svcs - Fill Stations	-157.00	157.00
TOTAL					-2,826.00	2,826.00
Bill Pmt -Check	2334	12/21/2020	Aqua	10000 · JPMorgan Chase Bank, N.A.		-800.00
Bill	14188	12/21/2020		62151 · Contract Svcs - Fill Stations	-800.00	800.00
TOTAL					-800.00	800.00
Bill Pmt -Check	2335	12/21/2020	Professional Print	10000 · JPMorgan Chase Bank, N.A.		-888.48
Bill	106274	12/21/2020		62151 · Contract Svcs - Fill Stations	-888.48	888.48
TOTAL					-888.48	888.48
Bill Pmt -Check	2336	12/23/2020	Professional Print	10000 · JPMorgan Chase Bank, N.A.		-2,107.29
Bill	105752-	12/23/2020		62152 · Contract Svcs-Management Zones	-2,107.29	2,107.29
TOTAL					-2,107.29	2,107.29
Bill Pmt -Check	2337	12/31/2020	BSK Assoc.	10000 · JPMorgan Chase Bank, N.A.		-2,725.00
Bill	AD23995	12/31/2020		62115 · Monitoring Expenses	-125.00	125.00
Bill	AD24580	12/31/2020		62115 · Monitoring Expenses	-2,480.00	2,480.00
Bill	AD24597	12/31/2020		62151 · Contract Svcs - Fill Stations	-120.00	120.00
TOTAL					-2,725.00	2,725.00
Bill Pmt -Check	2338	12/31/2020	Dellavalle	10000 · JPMorgan Chase Bank, N.A.		-248.00
Bill	0000013-IN	12/31/2020		62151 · Contract Svcs - Fill Stations	-124.00	124.00
Bill	0000756-IN	12/31/2020		62151 · Contract Svcs - Fill Stations	-124.00	124.00
TOTAL					-248.00	248.00
Bill Pmt -Check	2339	12/31/2020	Kings Rehabilitation	10000 · JPMorgan Chase Bank, N.A.		-600.00
Bill	8881	12/31/2020		62151 · Contract Svcs - Fill Stations	-300.00	300.00
Bill	8938	12/31/2020		62151 · Contract Svcs - Fill Stations	-300.00	300.00
TOTAL					-600.00	600.00
Bill Pmt -Check	2340	12/31/2020	MLJ	10000 · JPMorgan Chase Bank, N.A.		-17,120.00
Bill	11-20KRCD_Phase2	12/31/2020		62151 · Contract Svcs - Fill Stations	-17,120.00	17,120.00
TOTAL					-17,120.00	17,120.00
Bill Pmt -Check	2341	12/31/2020	Provost	10000 · JPMorgan Chase Bank, N.A.		-642.50
Bill	82803	12/31/2020		62150 · Outside Contract Services	-642.50	642.50
TOTAL					-642.50	642.50

Kings River Water Quality Coalition
Check Detail
December 2020 through January 2021

Type	Num	Date	Name	Account	Paid Amount	Original Amount
Bill Pmt -Check	2342	01/08/2021	Klein	10000 · JPMorgan Chase Bank, N.A.		-1,739.00
Bill	1167440	01/08/2021		62152 · Contract Svcs-Management Zones	-1,739.00	1,739.00
TOTAL					-1,739.00	1,739.00
Bill Pmt -Check	2343	12/31/2020	Kings River Conservation District	10000 · JPMorgan Chase Bank, N.A.		-84,001.13
Bill	4643	12/31/2020		62105 · Program Expense	-64,875.63	64,875.63
				62120 · Outreach Expense	-2,146.49	2,146.49
				62151 · Contract Svcs - Fill Stations	-2,908.87	2,908.87
				62152 · Contract Svcs-Management Zones	-12,276.99	12,276.99
				65020 · Postage, Mailing Service	-11.00	11.00
				65040 · Supplies	-1,782.15	1,782.15
TOTAL					-84,001.13	84,001.13
Bill Pmt -Check	2344	01/22/2021	BSK Assoc.	10000 · JPMorgan Chase Bank, N.A.		-3,085.00
Bill	AD26277	01/22/2021		62151 · Contract Svcs - Fill Stations	-120.00	120.00
Bill	AE00091	01/22/2021		62115 · Monitoring Expenses	-125.00	125.00
Bill	AE00153	01/22/2021		62151 · Contract Svcs - Fill Stations	-120.00	120.00
Bill	AE00278	01/22/2021		62151 · Contract Svcs - Fill Stations	-120.00	120.00
Bill	AE00300	01/22/2021		62151 · Contract Svcs - Fill Stations	-120.00	120.00
Bill	AE00504	01/22/2021		62115 · Monitoring Expenses	-2,480.00	2,480.00
TOTAL					-3,085.00	3,085.00
Bill Pmt -Check	2345	01/22/2021	Dellavalle	10000 · JPMorgan Chase Bank, N.A.		-124.00
Bill	0000741-IN	01/22/2021		62151 · Contract Svcs - Fill Stations	-124.00	124.00
TOTAL					-124.00	124.00
Bill Pmt -Check	2346	01/22/2021	Emmanuel	10000 · JPMorgan Chase Bank, N.A.		-575.00
Bill	938-A	01/22/2021		62151 · Contract Svcs - Fill Stations	-575.00	575.00
TOTAL					-575.00	575.00
Bill Pmt -Check	2347	01/22/2021	Formation	10000 · JPMorgan Chase Bank, N.A.		-11,753.27
Bill	6041	01/22/2021		62140 · Legal Fees	-11,753.27	11,753.27
TOTAL					-11,753.27	11,753.27
Bill Pmt -Check	2348	01/22/2021	Kahn	10000 · JPMorgan Chase Bank, N.A.		-687.75
Bill	66913	01/22/2021		62140 · Legal Fees	-451.50	451.50
Bill	67148	01/22/2021		62140 · Legal Fees	-236.25	236.25
TOTAL					-687.75	687.75
Bill Pmt -Check	2349	01/22/2021	Luhdorff	10000 · JPMorgan Chase Bank, N.A.		-41,206.00
Bill	36836	01/22/2021		62152 · Contract Svcs-Management Zones	-41,206.00	41,206.00
TOTAL					-41,206.00	41,206.00
Bill Pmt -Check	2350	01/22/2021	Provost	10000 · JPMorgan Chase Bank, N.A.		-4,673.82
Bill	82885	01/22/2021		62151 · Contract Svcs - Fill Stations	-4,673.82	4,673.82
TOTAL					-4,673.82	4,673.82
Bill Pmt -Check	2351	01/22/2021	Professional Print	10000 · JPMorgan Chase Bank, N.A.		-1,068.03
Bill	106274-	01/22/2021		62151 · Contract Svcs - Fill Stations	-1,068.03	1,068.03
TOTAL					-1,068.03	1,068.03

MANAGEMENT ZONE AGREEMENT FOR PERMITTEES IN THE KINGS WATER ALLIANCE BOUNDARIES SUBJECT TO THE NITRATE CONTROL PROGRAM IN THE WATER QUALITY CONTROL PLAN FOR THE TULARE LAKE BASIN

This Agreement is entered into by and between the KINGS WATER ALLIANCE, a California nonprofit public benefit corporation (hereafter “KWA”) and the _____ [name of other party], (hereafter “Participant”)(referred to individually or collectively as Party or Parties). The effective date of this Agreement is _____, 2021.

RECITALS

1. On May 31, 2018, the Central Valley Regional Water Quality Control Board (Central Valley Water Board) adopted Amendments to the Water Quality Control Plans for the Sacramento River and San Joaquin River Basins and the Tulare Lake Basin to Incorporate A Central Valley-Wide Salt and Nitrate Control Program (Basin Plan Amendments). The Basin Plan Amendments were approved by the State Water Resources Control Board (State Water Board) on October 16, 2019, and the Office of Administrative Law on January 15, 2020. Parts of the Basin Plan Amendments became effective upon Office of Administrative Law approval. Other parts become effective after receiving approval from the United States Environmental Protection Agency.
2. The Basin Plan Amendments include the Program to Control and Permit Nitrate Discharges to Groundwater (Nitrate Control Program). The Nitrate Control Program became effective on or about January 15, 2020.
3. The Nitrate Control Program applies to all discharges of nitrate to groundwater basins that are designated with the municipal and domestic supply (MUN) beneficial use. Application of the Nitrate Control Program to discharges that are subject to Central Valley Water Board authority is being implemented based on priorities set forth in the Basin Plan Amendments.
4. The Nitrate Control Program identifies the following six groundwater basins/sub-basins as Priority 1 basins/sub-basins: Kaweah, Turlock, Chowchilla, Tule, Modesto and Kings. Priority 2 basins include: Yolo, Merced, Kern County (Westside South); Tulare Lake; Kern County (Poso); Delta Mendota; Eastern San Joaquin; and, Madera. Compliance with the Nitrate Control Program is triggered when the Central Valley Water Board issues a Notice to Comply to permittees that discharge nitrate to groundwater in the identified Priority basins. Upon receipt of the Notice to Comply, permittees need to select one of two pathways for complying the Nitrate Control Program.
5. On or about May 30, 2020, the Central Valley Water Board sent Notices to Comply to dischargers and irrigated agricultural lands coalition groups that are within the boundaries of the six identified Priority 1 basins. The Notice to Comply requires dischargers to either

meet the new requirements through an individual permitting action or participate in a Management Zone. For those permittees that choose to participate in a Management Zone, a preliminary Management Zone Proposal and Early Action Plan must be submitted to the Central Valley Water Board no later than March 8, 2021. Permittees working together as a Management Zone must then develop and submit a Final Management Zone Proposal within 180 days after Central Valley Water Board review of the preliminary proposal. Six months after the Central Valley Water Board’s Executive Officer accepts the Final Management Zone Proposal, the permittees working collaboratively in the Management Zone must develop and submit a Management Zone Implementation Plan.

6. The Nitrate Control Program requires the Central Valley Water Board to send Notices to Comply to dischargers and irrigated agricultural lands coalition groups that are within the boundaries of the identified Priority 2 basins within two (2) to four (4) years after the effective date of the Nitrate Control Program. In anticipation of Notices to Comply being sent in the future to dischargers in Priority 2 basins, KWA has established Management Zone boundaries that will accommodate dischargers in adjacent and related Priority 2 basins . Dischargers in the Priority 2 basins that are within the KWA boundaries have the option of participating in the Management Zone now, or waiting until they receive a Notice to Comply from the Central Valley Water Board in the future.
7. The primary purpose of a Management Zone is to develop plans for addressing nitrate in groundwater and help in providing access to safe drinking water for residents impacted by nitrate contamination in groundwater.
8. KWA finds that serving as a coordinating entity for permittees within the KWA boundary area that select the Management Zone pathway, and possibly other basins in the future, is consistent with KWA’s specific purposes, which is to maintain and improve the quality of life in central and southern San Joaquin Valley by implementing programs that provide access to safe drinking water for residents, and by engaging in groundwater nitrate reduction activities with the goal of protecting or enhancing the quality of groundwater drinking water supplies for residents.

TERMS OF AGREEMENT

1. Participant has either received a Notice to Comply, has members that have received a Notice to Comply, with the Nitrate Control Program, or anticipates receiving a Notice to Comply with the Nitrate Control Program in the future. After reviewing and considering the options available for complying with the Nitrate Control Program, Participant agrees to comply by participating in KWA’s Management Zone. Participation in KWA’s Management Zone includes contributing to and cooperating with KWA and other participants.
2. Each Party agrees to work in good faith, along with other participants, to develop timely deliverables as required by the Nitrate Control Program and to comply with the Nitrate Control Program provisions in the Basin Plan Amendments.

3. Participant agrees that costs of the KWA Management Zone program will be shared with other participants based on an equitable cost allocation mechanism that is developed and approved by the KWA Board of Directors.
4. KWA agrees that contributions provided by Participant are for the sole purpose of developing proposals, reports and plans to comply with the Management Zone provisions within the Basin Plan, including reasonable administrative costs, consultant costs and other agreed upon costs incurred by KWA in furtherance of developing and implementing Management Zone proposals and plans.
5. The KWA and the Participant agree to seek alternative funding sources for development and implementation of all or parts of the Early Action Plan, Preliminary Management Zone Proposal, Final Management Zone Proposal, and Management Zone Implementation Plan, if determined appropriate. However, the Participant understands that the permittee participants in the Management Zone are ultimately responsible for the development and implementation of all or parts of the Early Action Plan, Preliminary Management Zone Proposal, Final Management Zone Proposal, and Management Zone Implementation Plan.
6. The Participant understands that compliance with the terms of the Nitrate Control Program is ultimately determined by the Central Valley Water Board and not KWA or other participants to this Agreement.
7. The Participant is free to withdraw from this Agreement at any time upon giving a minimum of 30 days express written notification to the KWA. Any contributions to KWA by a withdrawing Participant prior to giving notice of withdrawal shall not be reimbursable by KWA to the withdrawing Participant. Participant shall continue to be responsible for its fair share of required contributions during the 30-day notice period unless otherwise agreed to by KWA.
8. Prior to withdrawing from this Agreement, the Participant should consult with the Central Valley Water Board regarding its options for complying with the Nitrate Control Program.
9. In the event that the Participant does not fulfill its obligations under this Agreement, the KWA is obligated to notify the Central Valley Water Board of the Participant's failure to meet its obligation for continued participation in the Management Zone.
10. Participant understands that the KWA reserves the right to terminate this Agreement with a Participant after providing written notice at least sixty (60) days in advance of such termination and after providing the Participant with a reasonable period of time to cure any issues that may be the cause for such termination. Any action by the KWA to terminate the Agreement with respect to a single Participant (or group of permittees represented by one Participant) shall include a reason(s) for such termination in writing. The Participant may request that KWA provide Participant an opportunity to appear before the KWA Board of

Directors to oppose such termination prior to the termination becoming effective. The KWA Board of Directors maintains the discretion to grant the request for appearance before the KWA Board of Directors prior to the termination becoming effective. The KWA Board of Directors reserves the ultimate authority to determine if a termination shall become effective.

11. KWA intends to remain the entity for administering the Management Zone. However, in the unlikely event that the KWA finds it necessary to withdraw from administering the Management Zone, KWA agrees to all of the following:
 - a. Provide at least six (6) months' notice in advance of such withdrawal so that participants, in cooperation with the Central Valley Water Board, have the opportunity to identify or create a new successor entity for administering the Management Zone.
 - b. Provide all data, information, reports, and information to any successor entity identified by the participants and/or the Central Valley Water Board.
 - c. Transfer all remaining funds, after addressing all outstanding liabilities, to any identified successor entity, to the extent allowed by KWA's Bylaws and applicable state and federal law.
 - d. Agree to work cooperatively with the Central Valley Water Board, participants, and any successor entity for an orderly transfer of data, information, reports, and remaining funds, as applicable.
12. The KWA agrees to maintain an accounting system that clearly documents funds provided to the KWA for the Management Zone and funds paid out from KWA for purposes of administering and implementing the Management Zone.
13. Participation in a KWA Management Zone, and being a Party to this Agreement, shall not constitute an admission of liability or fault with respect to nitrate contamination in groundwater that may exist within the Management Zone boundaries, or beyond.
14. The Agreement is not intended for the benefit of any person or entity not a Party and shall not be enforceable by any person or entity who is not a Party.
15. KWA and Participant, along with other participants, agree to work cooperatively to develop and implement all Management Zone related documents and programs and shall not use information obtained through the development and implementation of the Management Zone to materially and legally harm KWA or other participants in the Management Zone.
16. The Agreement shall be interpreted and enforced pursuant to the laws of the State of California. It is agreed that in the event of any litigation arising hereunder, the Parties hereto shall submit to the jurisdiction of any court of competent jurisdiction within the State of California, County of Fresno.

- 17. If any provision of the Agreement is found invalid or unenforceable, the balance of the Agreement shall remain in full force and effect.
- 18. The Agreement may be executed in counterparts with the same force and effect as if executed in one complete document by all Parties
- 19. This Agreement may only be amended or modified by a written instrument executed by the KWA. The Participant will be given prior notice of any amendment or modification.

[Signatures on next page]

IN WITNESS WHEREOF, the Parties have executed this Agreement effective on the date set forth above.

Date: _____

KINGS WATER ALLIANCE

By: _____
Signature of KWA Board Chair

Print name of KWA Board Chair

Date: _____

[NAME OF PARTICIPANT ENTITY]

By: _____
Signature of Participant entity authorized representative

Print name of Participant entity authorized
representative