



DUDLEY RIDGE WATER DISTRICT

District Office: 5555 California Ave, Suite 209, CA 93309

Phone: 661-633-9022

Teleconference Location: 40132 Vivaldi Ct. Indio, CA 92203

www.dudleyridgewd.org

SPECIAL MEETING OF THE BOARD OF DIRECTORS

AUGUST 28, 2023; 9:00 AM

1. CALL TO ORDER –PRESIDENT KIMBERLY BROWN

2. CHANGES TO AGENDA

The Boards will be asked to review and may change the order of Agenda items to accommodate scheduling or other needs of the Board, the public, or meeting participants. Members of the public are encouraged to arrive at the beginning of the meeting to ensure they are present for Board discussion or action regarding items of interest. The Board may also add Agenda items but only as provided under Government Code section 54954.2.

3. BOARD OF DIRECTORS

The Board will hear reports and may be asked to approve or consider action.

- a. Filling a Vacancy
- b. Resolution 2023-5 - Requesting Appointment of Directors in-lieu of an Election

4. CONSENT AGENDA

The following items are considered to be routine and non-controversial by staff and will be approved by one motion if no member of the board or public wishes to comment or ask questions. If comment or discussion is desired by anyone, the item will be removed from the consent agenda and will be considered in the listed sequence with an opportunity for any member of the public to address the board concerning the item before action is taken.

- a. Approve February through May 2023, Special and Joint Board Meeting Minutes
- b. Receive and File Downey Brand Request for Placement of CEQA Notice List
- c. Receive and File Renumbering of the Contract Extension and the Water Management Amendments to Dudley Ridge Water District's Water Supply Contract
- d. Ratify Ernst and Young 2023-2024 State Water Project Professional Services Contract
- e. Appoint Morgan Campbell as an Interested Party Representative for the District for the SJV Blueprint
- f. Approve Removal of Larry Ritchie as signatory from bank accounts and investment accounts
- g. Approve Removal of Dale Melville as signatory from Bank of America Operating Account
- h. Approve the addition of Mark Gilkey as Signatory to the bank accounts and investment accounts
- i. Approve adding Justin Rowe as Signatory to the bank accounts and investment accounts

5. FINANCIALS

The Board will hear reports and may be asked to approve or consider action.

- a. 2022 Audit
- b. 2023 Treasurer's Report
 - i. Management Fee Expense Review
 - ii. DR2 Screen Replacement
 - iii. Fish Friendly Diversion Participation

6. LANDOWNER CONTRACTS

The Board will hear reports and may be asked to approve or consider the next steps for the landowner's contracts.

7. PUBLIC PARTICIPATION – NON AGENDIZED ITEMS

Members of the public are permitted to address the Board on items of interest that are within the jurisdiction of the Board, whether or not such items are on the agenda. If any such item is on the agenda, a member of the public may address such item before or during the Board's consideration of that item. To not unduly delay the meeting, individuals requesting the opportunity to address the Board are requested to keep their comments to a maximum of five minutes.

8. EXECUTIVE (CLOSED) SESSION

- a. Conference with Legal Counsel (Gov. Code, § 54956.9.)
 - i. Gov. Code § 54956.9 (d)(2): One Matter
 - Gov. Code § 54956.9 (d)(4): One Matter

9. ADJOURNMENT

Notes:

- 1) *Written materials related to an item on this agenda to be considered in open session that are public documents and that are distributed to Board members after the posting of the agenda will be made available for public inspection when they are so distributed at the offices of the Dudley Ridge Water District located at the above address during normal business hours and on the District's website at www.dudleyridgewd.org. Documents that are public documents provided by others during a meeting will be available at the District office and on the District's website after the meeting.*
- 2) *A person with a qualifying disability under the Americans with Disabilities Act of 1990 may request the District to provide disability related modifications of accommodations in order to participate in any public meeting of the District. Such assistance includes appropriate alternative formats for the agendas and agenda packets. Requests for disability related modification or accommodation, in order to attend or participate in a District meeting, should be made to Dudley Ridge Water District at the above address or by telephone to 559-449-2700, at least 48 hours before a public meeting of the District.*

3) *Meeting notification requests: If you would like to be notified of future Dudley Ridge Water District meetings and events, please contact Kim Constant at 661-304-3422 or email at kconstant@westsidewa.org.*

POSTED 8/25/2023 BY KC (District office) & JB (in District)

July 5, 2023

Board of Directors of the Dudley Ridge Water District
Dudley Ridge Water District
5555 California Ave., Suite 209
Bakersfield, CA 93309

Sent Via Email: mgilkey@westsidewa.org

RE: Dudley Ridge Water District Water Code Section 34707

Ladies and Gentlemen:

Westside Agriculture LLC is thankful for Mr. Ritchie's years of dedicated service on the Board. I understand the Board intends to appoint a replacement and I would like to offer my services to fill the vacant Board position. I am the President of Westside Agriculture LLC which owns approximately 2,100 acres of farmland and 16,300 acre-feet of Table A water in the District. I have over 15 years of experience in California water policy, water resource management, water transfers/exchanges, and groundwater banking programs. I believe I can serve the District and its landowners very well as a member of the Board.

Further, I would like to volunteer to serve as the District's representative on the Westside Water Authority Board of Directors.

The undersigned is a holder of title to land in the district and hereby designates Matthew Payne as one of its representatives to be eligible to be elected or appointed as a director of the Board of Directors.

If you have any questions or need further information, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read 'Matthew Payne', with a long horizontal flourish extending to the right.

Matthew Payne, President
Westside Agriculture LLC

DUDLEY RIDGE WATER DISTRICT

RESOLUTION – 2023-5

**A RESOLUTION OF THE BOARD OF DIRECTORS OF
DUDLEY RIDGE WATER DISTRICT ORDERING
THAT A GENERAL ELECTION NOT BE HELD ON
NOVEMBER 7, 2023, AND REQUESTING THE
BOARD OF SUPERVISORS TO APPOINT
PERSONS TO OFFICE AS DIRECTORS
OF BERRENDA MESA WATER DISTRICT**

WHEREAS, Dudley Ridge Water District (the “District”) published a notice on July 28, 2023, pursuant to Elections Code section 12112, in The Hanford Sentinel, a newspaper of general circulation, published and circulated in the County of Kings, California, giving notice that a general election would be held on November 7, 2023, in the District for the purpose of electing two directors-at-large with terms to begin on December 3, 2023 on the District’s Board of Directors, and stating that in the event that there are no nominees or an insufficient number of nominees for each elective office, and a petition for an election is not timely filed, an appointment to such elective office shall be made; and

WHEREAS, by the deadline to file nominating papers for the above-described director seats, the number of persons who had filed a declaration of candidacy for director-at-large did not exceed the number of offices of director-at-large to be filled at the November 2023 election; and

WHEREAS, Elections Code section 10515 provides that if, by the deadline to file declarations of candidacy, the number of persons who have filed a declaration of candidacy for director-at-large does not exceed the number of offices of director-at-large to be filled at the election, the Board of Directors of the District may, in its discretion, order that an election not be held for such offices and request the Board of Supervisors of County of Kings to appoint to such offices the persons nominated; and

WHEREAS, the Board of Directors of the District desires to so exercise its discretion and request the Board of Supervisors of County of Kings to appoint to the office of Directors of the District the persons nominated therefor.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Dudley Ridge Water District as follows:

1. Each of the matters set forth above is true and correct, and the Board so finds and determines.
2. It is hereby ordered that the general election scheduled to be held on November 7,

2023, for the purpose of electing Directors of the District thereof not be held.

3. The Board of Supervisors is hereby requested to appoint (i) Kimberly Brown; and (2) John Vidovich to the office of Director of the District for a term of four years commencing on the first Friday in December 2023.

4. District staff are hereby directed to sign and forward a copy of the executed certificate accompanying this Resolution to the Board of Supervisors.

PASSED, APPROVED and ADOPTED by the Board of Directors of Dudley Ridge Water District this 28th day of August, 2023.

Kim Brown
President of the Board of Directors

ATTEST:

Joseph D. Hughes
Assistant Secretary of the Board of Directors

DUDLEY RIDGE WATER DISTRICT
CERTIFICATE
(ELECTIONS CODE SECTION 10515)

TO THE HONORABLE BOARD OF SUPERVISORS
COUNTY OF KINGS:

I, Joseph D. Hughes, Assistant Secretary of Dudley Ridge Water District (District) do hereby certify that as of the deadline to file declarations of candidacy for the two offices of director-at-large on the District's Board of Directors up for election at the November 7, 2023 general district election, the number of persons who have filed a declaration of candidacy did not exceed the number of offices to be filled and that no petition requesting a general election in the District was filed with the District or the County Clerk.

NOW THEREFORE, pursuant to Elections Code 10515(a), the following persons have filed their declaration of candidacy papers and are required to be appointed by the Board of Supervisors prior to November 29, 2021:

For a term beginning at noon on December 3, 2023 and ending on the first Friday in December 2028:

Kimberly Brown	661-203-5540	9900 Lightner Way Bakersfield, CA 93311
John Vidovich	408-623-4812	12260 Kate Drive Los Atlos Hills, CA 94022

No other appointments need to be made at this time.

WITNESS my hand and seal of said Board of Directors of the District this 28th day of August, 2023.

Joseph D. Hughes
Secretary

(DISTRICT SEAL)

MINUTES OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
DUDLEY RIDGE WATER DISTRICT

Held May 2, 2023

A special meeting of the Board of Directors (Board) of Dudley Ridge Water District (District) was held on May 2, 2023, as a joint meeting with Westside Water Authority, Belridge Water Storage District, Berrenda Mesa Water District and Lost Hills Water District at 8:30 a.m. in-person at Klein Denatale Goldner, 10000 Stockdale Highway, STE 200, Bakersfield, CA.

CALL TO ORDER)
_____)

President Kim Brown called the meeting to order at 8:30 a.m. and presided thereat.

ROLL CALL)
_____)

The following director was present: Kim Brown, G. Patrick O'Dowd, and Bernard Pugét.

The following directors were not present: John Vidovich and Larry Ritchie.

Also present were: Rob Yraceburu, Rod Stiefvater, Brad Kroeker, Christin Faber, Rob Goff, Alan Scroggs, Jeremy Blackwell, Monte Mitchell, Alex Dominguez, Steve Bottoms, Jamie Marquez, Morgan Mitchell, Justin Rowe, Kim Constant (Assistant Secretary), Mark Gilkey (General Manager), and Joseph D. Hughes (Legal Counsel).

CHANGES TO AGENDA)
_____)

There were no requests to revise the agenda.

WWA UPDATES)
_____)

Manager's Report: The Manager updated the Board regarding new staff members and reported on staff members with anniversaries in the month of May.

Water Supplies:

State Water Project (SWP) Supply and Operations

The Department of Water Resources (DWR) announced on April 20, 2023, that the 2023 State Water Project (SWP) Table A allocation increased from 75% to 100%. With the 2023 SWP allocation above 40 percent, according to the "Draft Guidelines for Article 18a of Water Supply Contracts," dated March, 28, 2022, SWP contractors with a 2022 *SWP HH&S balance*

shall schedule a portion of their 2023 Table A allocation as payback to DWR of their 2022 SWP HH&S balance.

The following table reflects the 2023 Table A allocation timeline for the Westside Districts:

		Dec. 1, 2022	Jan. 26, 2023	Feb. 22, 2023	Mar. 24, 2023	Apr. 20, 2023
		2023 Table A	2023 Table A	2023 Table A	2023 Table A	2024 Table A
Westside Water Authority	Table A	Allocation - 5%	Allocation - 30%	Allocation - 35%	Allocation - 75%	Allocation - 100%
	(af)	(af)	(af)	(af)	(af)	(af)
Belridge Water Storage Dist.	121,508	6,075	36,452	42,528	91,131	121,508
Berrenda Mesa Water Dist.	92,600	4,630	27,780	32,410	69,450	92,600
Lost Hills Water District	119,110	5,956	35,733	41,689	89,333	119,110
Dudley Ridge Water District	41,350	2,068	12,405	14,473	31,013	41,350
Westside 4 Total (WWA)	374,568	18,729	112,370	131,100	280,927	374,568

Delta outflow conditions continue to be in excess. Salinity conditions in the South Delta remain excellent, with no water quality constraints on exports. Real time demand will be the limiting factor for exports through May 2023.

SWP Banks pumping plant averaged about 8,500 af/day over the last week. Bureau Jones pumping plant averaged a little over 4,300af/day over the last week. Exports are controlled by real-time demand downstream. The San Joaquin River at Vernalis averaged about 29,560 cfs over the last week.

Water Operations: Jamie Marquez presented information regarding the surface water supply, banking, and spillage.

Mike Nordstrom arrived at this point in the meeting.

Transfer Policy and Entitlement Stacking: Legal counsel reported that staff has received various request from landowners regarding entitlement stacking and inquiries from new and existing landowners regarding individual District transfer policies. The District Water Transfer Policy ad hoc committee, which consists of Kim Brown, Leon Elwell, Mike Nordstrom, and Christin Faber, met with staff to discuss the requests and inquiries.

Legal counsel reviewed the following details of the District Water Transfer Policy ad hoc committee recommendations regarding entitlement stacking: 1) allow stacking of entitlement up to 8 af/acre; 2) stacked entitlement will not be considered when allocation capacity in district facilities in the event of a shortfall in capacity, 3) proposed stacking must not cause adverse effects to other water users; 4) charge water user according to the original zone, and 5) transferring water user must pay all costs incurred by the district to facilitate the proposed stacking.

Alex Dominguez reviewed the following details of the District Water Transfer Policy ad hoc committee recommendation regarding Westside District water transfers: 1) temporary out of district water transfers (annual) would be authorized only if district landowners are offered a first-

right-of-refusal, the temporary transfer causes no adverse impacts to other district landowners, the temporary transfer is to a landowner for use in one of the Westside Districts, the transferring landowner pays all costs associated with the proposed transfer, and the transferring landowner pays all due and unpaid district financial obligations, if any; and 2) permanent out of district water transfers would not be allowed unless authorized by the permanent transfer policy that offers a first-right-of-refusal to district landowners and approved by the district's board and Kern County Water Agency.

Following discussion, the Board recommended the District Water Transfer Policy ad hoc committee meet for more discussion and bring additional information to the Board.

Updated GIS Maps: Justin Rowe reported that staff updated the GIS maps.

REPORT OF COUNSEL)
_____)

Supplemental Contracts: Legal counsel reported that staff will be emailing the supplemental water contracts to participants.

Tolling Agreement with Department of Water Resources: Legal counsel reported that the tolling agreement between Dudley Ridge Water District, Kern County Water Agency, Empire Westside Irrigation District, Tule Lake Basin Water Storage District, and Oak Flat Water District with Department of Water Resources regarding Human Health and Safety and a potential claim from 2022 has been fully executed.

PUBLIC PARTICIPATION)
NON AGENDIZED ITEMS)
_____)

No public comment.

EXECUTIVE (CLOSED) SESSION)
_____)

The President directed that the Board move into closed session to discuss anticipated litigation. Legal Counsel advised the Board that it has authority to hold a closed session under Government Code sections 54956.9(d)(2), and 54956.9(d)(4). All persons other than the Directors, the Manager, Legal Counsel, Rob Yraceburu, Rod Stiefvater, Brad Kroeker, Christin Faber, Rob Goff, Mike Nordstrom, Alan Scroggs, Monte Mitchell, Jeremy Blackwell, Alex Dominguez, Steve Bottoms, Jamie Marquez, Morgan Mitchell, Justin Rowe, Kim Constant, thereupon retired from the meeting.

Following the closed session, the meeting was again open to the public. Legal Counsel advised that no reportable action was taken in the closed session.

ADJOURNMENT)
_____)

There being no further business to come before the meeting, on motion of Bernard Pugét, seconded by Patrick O'Dowd, and unanimously carried, said meeting was adjourned at 11:22 a.m.

Joseph D. Hughes,
Assistant Secretary of the Board of Directors

APPROVED:

Kim Brown
President of the Board of Directors

MINUTES OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
DUDLEY RIDGE WATER DISTRICT

Held April 11, 2023

A special meeting of the Board of Directors (Board) of Dudley Ridge Water District (District) was held on April 11, 2023, at 1:30 p.m. by video conference and teleconference.

CALL TO ORDER)
_____)

President Kim Brown called the meeting to order at 1:30 p.m.

ROLL CALL)
_____)

The following Directors attended by video conference or teleconference: Kim Brown, Bernard Pugét, and John Vidovich.

The following directors also attended by video and/or teleconference: G. Patrick O'Dowd.

Also attending were Jamie Marquez, Justin Rowe, Kim Constant (Assistant Secretary), Mark Gilkey (General Manager), and Joseph D. Hughes (Legal Counsel).

Also attending by video conference and/or teleconference were: Paul Weghorst, Morgan Mitchell, Morgan Campbell, Kellie Welch, Dale Melville, and Larry Ritchie.

APPROVAL OF AGENDA)
_____)

There were no requests to revise the agenda.

CONSENT AGENDA)
_____)

President Brown asked if there were any questions concerning the Consent Agenda, which items were detailed with staff reports in the Board packet.

On motion of John Vidovich, seconded by Bernard Pugét, and unanimously carried, the Board voted to approve each of the remaining items listed on the Consent Agenda on the following roll call vote:

AYES: Kim Brown
Bernard Pugét
Patrick O'Dowd

John Vidovich

NOES: None

ABSENT: Larry Ritchie

AGREEMENT AMONG THE DISTRICT, KERN COUNTY)
WATER AGENCY, AND THE DEPARTMENT OF WATER)
RESOURCES FOR RECOVERY OF A PORTION OF THE)
DISTRICT'S STORED NON-PROJECT WATER FROM THE)
KERN WATER BANK)
_____)

Following discussion, on motion of Bernard Pugét, seconded by John Vidovich, and unanimously carried the Board approved the agreement among the District, Kern County Water Agency, and the Department of Water Resources for recovery of a portion of the District's stored non-project water from the Kern Water Bank on the following roll call vote:

AYES: Kim Brown
Bernard Pugét
Patrick O'Dowd
John Vidovich

NOES: None

ABSENT: Larry Ritchie

Director O'Dowd recused himself from the following discussion.

REQUEST OF IRVINE RANCH WATER DISTRICT (IRWD))
TO STORE 2,500 ACRE-FEET OF ARTICLE 21 WATER IN)
THE IRWD WATER BANK)
_____)

Following discussion, on motion of Bernard Pugét, seconded by John Vidovich, and unanimously carried, the Board approved the request from Irvine Ranch Water District (IRWD) to store 2,500 af of Article 21 Water in the IRWD Water Bank and gave authority to the President to allow up to 10,000 af of Article 21 Water in the IRWD Water Bank on the following roll call vote:

AYES: Kim Brown

Bernard Pugét
Patrick O'Dowd
John Vidovich

NOES: None

ABSENT: Larry Ritchie

Director O'Dowd returned and participated in the remainder of the meeting.

REVISIONS TO RULES AND REGULATIONS)
_____)

Following discussion, on motion of John Vidovich, and seconded by Bernard Pugét, the Board approved revisions to the Rules and Regulations on the following roll call vote:

AYES: Kim Brown
Bernard Pugét
Patrick O'Dowd
John Vidovich

NOES: None

ABSENT: Larry Ritchie

PUBLIC PARTICIPATION)
_____)

No public comment.

EXECUTIVE (CLOSED) SESSION)
_____)

No closed session.

ADJOURNMENT)
_____)

There being no further business to come before the meeting, on motion of Bernard Pugét, seconded by John Vidovich, and unanimously carried, said meeting was adjourned at 1:45 p.m.

Joseph D. Hughes,
Assistant Secretary of the Board of Directors

APPROVED:

Kimberly M. Brown
President of the Board of Directors

MINUTES OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
DUDLEY RIDGE WATER DISTRICT

Held March 22, 2023

A special meeting of the Board of Directors (Board) of Dudley Ridge Water District (District) was held on March 22, 2023, at 1:00 p.m. at the Westside Water Authority office and by video conference and teleconference.

CALL TO ORDER)
_____)

President Kim Brown called the meeting to order at 1:00 p.m.

ROLL CALL)
_____)

The following Directors were present: Kim Brown and Bernard Pugét.

The following Director attended by video conference or teleconference: G. Patrick O'Dowd.

The following Director was not present: John Vidovich and Larry Ritchie.

Also present were Mike Nordstrom, Rick Besecker, Alex Dominguez, Jamie Marquez, Justin Rowe, Kim Constant (Assistant Secretary), Mark Gilkey (General Manager), and Joseph D. Hughes (Legal Counsel).

Also attending by video conference and/or teleconference were: Dale Melville and Paul Weghorst.

CHANGES TO AGENDA)
_____)

There were no requests to revise the agenda.

DISTRICT ALLOCATION OF)
ENTITLEMENT WATER)
_____)

The General Manager reported that Staff received a request to move entitlement water from one parcel to another parcel. Currently, each parcel in the District receives the same allocation of entitlement water. A Westside Water Authority ad hoc committee was formed to discuss moving entitlement, referred to as stacking. The ad hoc committee recommendation was to allow up to 8 af per acre.

Alex Dominguez reviewed the DRWD Rules and Regulations regarding transfer policies. The President requested the following information from Legal Counsel and Staff: 1) draft an amendment to the Rules and Regulation regarding the requested change to the transfer policies; 2) draft language to be recorded with the County regarding parcels with and without water; 3) an outline and notice requirements to revise the Rules and Regulations; 4) determine the timeline to make the changes to the Rules and Regulations; 5) an outline of the movement of acre-feet out of a service area and into a new service area as well as the impacts of the change; 6) a comparison of the current calculations for 2023 and what the updated calculations would be after a transfer; 7) capacity limitations and requirements; and 8) obligations regarding the turnouts effected by the change.

PUBLIC PARTICIPATION)
_____)

No public comment.

EXECUTIVE (CLOSED) SESSION)
_____)

No closed session.

ADJOURNMENT)
_____)

There being no further business to come before the meeting, on motion of G. Patrick O'Dowd, seconded by Bernard Pugét, and unanimously carried, said meeting was adjourned at 1:55 p.m.

Joseph D. Hughes,
Assistant Secretary of the Board of Directors

APPROVED:

Kimberly M. Brown
President of the Board of Directors

MINUTES OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
DUDLEY RIDGE WATER DISTRICT

Held March 15, 2023

A special meeting of the Board of Directors (Board) of Dudley Ridge Water District (District) was held on March 15, 2023, as a joint meeting with Westside Water Authority, Belridge Water Storage District, Berrenda Mesa Water District and Lost Hills Water District at 10:00 a.m. in-person at Klein Denatale Goldner, 10000 Stockdale Highway, STE 200, Bakersfield, CA.

CALL TO ORDER)
_____)

President Kim Brown called the meeting to order at 10:00 a.m. and presided thereat.

ROLL CALL)
_____)

The following director was present: Kim Brown, Bernard Pugét, and G. Patrick O'Dowd.

The following directors were not present: John Vidovich and Larry Ritchie.

Also present were: Rob Yraceburu, Rod Stiefvater, Brad Kroeker, Brett Hampf, Christin Faber, Levi Barton, Rob Goff, Mike Nordstrom, Leon Elwell, Alan Scroggs, Jeremy Blackwell, Bernard Pugét, Monte Mitchell, Kim Brown, G. Patrick O'Dowd, Alex Dominguez, Justin Rowe, Kim Constant (Assistant Secretary), and Joseph D. Hughes (Legal Counsel).

Also attending by video conference and/or teleconference were: Mark Gilkey (General Manager) and Morgan Campbell.

EXECUTIVE (CLOSED) SESSION)
_____)

The President directed that the Board move into closed session to discuss anticipated litigation. Legal Counsel advised the Board that it has authority to hold a closed session under Government Code sections 54956.8, 54956.9(d)(2), and 54956.9(d)(4). All persons other than the Directors, the Manager, Legal Counsel, Rob Yraceburu, Rod Stiefvater, Brad Kroeker, Brett Hampf, Christin Faber, Levi Barton, Rob Goff, Mike Nordstrom, Leon Elwell, Alan Scroggs, Jeremy Blackwell, Bernard Pugét, Monte Mitchell, Kim Brown, G. Patrick O'Dowd, Alex Dominguez, and Justin Rowe, Kim Constant, thereupon retired from the meeting.

Following the closed session, the meeting was again open to the public. Legal Counsel advised that no reportable action was taken in the closed session.

ADJOURNMENT)
_____)

There being no further business to come before the meeting, on motion of Bernard Pugét, seconded by Patrick O'Dowd, and unanimously carried, said meeting was adjourned at 11:19 a.m.

Joseph D. Hughes,
Assistant Secretary of the Board of Directors

APPROVED:

Kim Brown
President of the Board of Directors

MINUTES OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
DUDLEY RIDGE WATER DISTRICT

Held March 1, 2023

A special meeting of the Board of Directors (Board) of Dudley Ridge Water District (District) was held on March 1, 2023, as a joint meeting with Westside Water Authority, Belridge Water Storage District, Berrenda Mesa Water District and Lost Hills Water District at 1:00 p.m. in-person at Klein Denatale Goldner, 10000 Stockdale Highway, STE 200, Bakersfield, CA.

CALL TO ORDER)
_____)

President Kim Brown called the meeting to order at 1:00 p.m. and presided thereat.

ROLL CALL)
_____)

The following director was present: Kim Brown and Bernard Pugét.

The following director attended by video and/or teleconference was G. Patrick O'Dowd.

The following directors were not present: John Vidovich and Larry Ritchie.

Also present were: Ted Craddock, Melissa Frank, Rob Yraceburu, Rod Stiefvater, Brett Hampf, Christin Faber, Levi Barton, Rob Goff, Mike Nordstrom, Leon Elwell, Alan Scroggs, Bernard Pugét, Monte Mitchell, Alex Dominguez, Morgan Campbell, Joseph Langley, Steve Bottoms, Jamie Marquez, Morgan Mitchell, Justin Rowe, Kim Constant (Assistant Secretary), Mark Gilkey (General Manager), and Joseph D. Hughes (Legal Counsel).

Also attending by video conference and/or teleconference were: Karla Nemeth and G. Patrick O'Dowd.

EXECUTIVE (CLOSED) SESSION)
_____)

The President directed that the Board move into closed session to discuss anticipated litigation. Legal Counsel advised the Board that it has authority to hold a closed session under Government Code sections 54956.9(d)(2), and 54956.9(d)(4). All persons other than the Directors, the Manager, Legal Counsel, Ted Craddock, Melissa Frank, Rob Yraceburu, Rod Stiefvater, Brett Hampf, Christin Faber, Levi Barton, Rob Goff, Mike Nordstrom, Leon Elwell, Alan Scroggs, Bernard Pugét, Monte Mitchell, Alex Dominguez, Morgan Campbell, Joseph Langley, Steve Bottoms, Jamie Marquez, Morgan Mitchell, Justin Rowe, Kim Constant, thereupon retired from the meeting.

Following the closed session, the meeting was again open to the public. Legal Counsel advised that no reportable action was taken in the closed session.

ADJOURNMENT)
_____)

There being no further business to come before the meeting, on motion of Bernard Pugét, seconded by Patrick O'Dowd, and unanimously carried, said meeting was adjourned at 2:47 p.m.

Joseph D. Hughes,
Assistant Secretary of the Board of Directors

APPROVED:

Kim Brown
President of the Board of Directors

MINUTES OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
DUDLEY RIDGE WATER DISTRICT

Held February 22, 2023

CALL TO ORDER:)
)
_____)

The Assistant Secretary, Kim Constant called the meeting to order and there being no quorum present, the Assistant Secretary adjourned the meeting.

Kim Constant
Assistant Secretary of the Board of Directors

MINUTES OF A SPECIAL MEETING OF THE
BOARD OF DIRECTORS OF
DUDLEY RIDGE WATER DISTRICT

Held February 13, 2023

A special meeting of the Board of Directors (Board) of Dudley Ridge Water District (District) was held on February 13, 2023, at 1:00 p.m. by video conference and teleconference.

CALL TO ORDER)
_____)

President Kim Brown called the meeting to order at 1:00 p.m.

ROLL CALL)
_____)

The following Directors attended by video conference or teleconference: Kim Brown, Bernard Pugét, and Patrick O'Dowd.

The following Director was not present: Larry Ritchie and John Vidovich.

Also present were Rick Besecker, Dale Melville, Alex Dominguez, Jamie Marquez, Justin Rowe, Kim Constant, and Mark Gilkey (General Manager).

Also attending by video conference and/or teleconference were: Paul Weghorst, Kelli Welch, and Fiona Sanchez.

ADOPTION OF ALTERNATIVE)
TELECONFERENCING REQUIREMENTS)
_____)

Following discussion, on motion of Bernard Pugét, seconded by G. Patrick O'Dowd, and unanimously carried, the Board made the determination that, due to continuation of the Governor's Executive Order and imminent risk to health and safety, the Board will continue with the previous teleconferencing determinations under Assembly Bill 361, on the following roll call vote:

AYES: Kim Brown
Bernard Pugét
Patrick O'Dowd.

NOES: None

ABSENT: Larry Ritchie
John Vidovich

CHANGES TO AGENDA)
_____)

There were no requests to revise the agenda.

BENEFIT ASSESSMENT HEARING)
_____)

President Brown reconvened the Board as the Board of Equalization and opened the hearing to hear any objections to the valuation for the 2023 benefit assessments. The Treasurer reported that the hearing had been properly noticed and that the District had received no written or oral objections. The Treasurer reviewed the 2023 assessment fund budget with the Board. Hearing no objections from the public or the Directors on the proposed valuation of District lands the President closed the hearing.

On motion of G. Patrick O'Dowd, seconded by Bernard Pugét, Resolution 2023-01 setting the assessment rate for 2022 at \$3.24769/\$100 valuation was adopted by the following roll call vote:

AYES: Kim Brown
Bernard Pugét
Patrick O'Dowd

NOES: None

ABSENT: Larry Ritchie
John Vidovich

The hearing was then closed.

CONSENT AGENDA)
_____)

President Brown asked if there were any questions concerning the Consent Agenda, which items were detailed with staff reports in the Board packet.

On motion of G. Patrick O'Dowd, seconded by Bernard Pugét, and unanimously carried, the Board voted to approve each of the remaining items listed on the Consent Agenda by the following roll call vote:

AYES: Kim Brown
Bernard Pugét
Patrick O'Dowd

NOES: None

ABSENT: Larry Ritchie
John Vidovich

RECOGNITION OF DALE MELVILLE'S)
SERVICE AND CONTRIBUTIONS TO)
DUDLEY RIDGE WATER DISTRICT)
_____)

President Brown presented Resolution 2023-02 entitled, "RESOLUTION EXPRESSING APPRECIATION FOR DALE MELVILLE". On motion of Bernard Pugét, seconded by G. Patrick O'Dowd, and unanimously carried, Resolution 2023-02 was adopted by the following roll call vote:

AYES: Kim Brown
Bernard Pugét
Patrick O'Dowd

NOES: None

ABSENT: Larry Ritchie
John Vidovich

Staff and the Board of Directors thanked and recognized Mr. Melville for his many years of service and contributions to Dudley Ridge Water District.

Also, Irvine Ranch Water District thanked and recognized Mr. Melville for his many years of service.

DISTRICT OPERATIONS UPDATE)
_____)

General Manager's Report: The General Manager updated the Board on the implementation of the Westside 5 transition plan to replace Dale Melville's roll in acquiring water for the District, and the Utica permanent transfer request.

Water Supplies: The General Manager reported that the 2023 initial Table A allocation 30 percent. The next update from Department of Water Resources (DWR) is expected in late February 2023.

Additionally, the General Manager presented information regarding the 8-Station Index, current reservoir conditions, statewide snow water content, Lake Oroville Storage, and San Luis Reservoir Storage.

RESOLUTION TO UPDATE DUDLEY RIDGE)
WATER DISTRICT OFFICE LOCATION)
_____)

The General Manager presented Resolution 2023-03 entitled, “CHANGING THE LOCAITON OF THE DISTRICT OFFICE”. On motion of G. Patrick O’Dowd, seconded by Bernard Pugét, Resolution 2023-03 was adopted by the following roll call vote:

AYES: Kim Brown
Bernard Pugét
Patrick O’Dowd

NOES: None

ABSENT: Larry Ritchie
John Vidovich

DCP FUNDING AGREEMENT FOR)
2023-2024)
_____)

President Brown reported that DRWD had previously participated in the first two year of the DCP project for 2021 and 2022. In January of 2023, the Board approved continued participation in the remining two years for DCP funding.

The General Manager reported that on January 12, 2023, the Board authorized to extend funding for the planning costs of the DCP through 2023 and 2024 up to \$2,200,554.00. If the cost is greater than \$50/af, a portion of the DRWD annual contribution may be deferred depending on the annual SWP water supply allocation forecast.

Following discussion, on motion of G. Patrick O'Dowd, and seconded by Bernard Pugét, the Board approved the DCP funding agreement for 2023 – 2024 subject to President and Legal Counsel review of the agreement and confirmation of landowner participation on the following roll call vote:

AYES: Kim Brown
Bernard Pugét
Patrick O'Dowd

NOES: None

ABSENT: Larry Ritchie
John Vidovich

REQUEST FOR PERMANENT TRANSFER OF)
PROPOSED KERN FAN GROUNDWATER)
STORAGE PROJECT)
_____)

Paul Weghorst and Fiona Sanchez reported on the following information regarding the Kern Fan Groundwater Storage Project partnership between Dudley Ridge Water District (DRWD) and Irvine Ranch Water District (IRWD): 1) IRWD conveys DRWD Article 21 to the Kern Fan Project; 2) pulse flow exchange is called by DWR and CDFW; 3) dry year supply benefit for DRWD; 4) preliminary facilities map; 5) operations and concept review; 6) DRWD approval of DWR pulse flow exchange; 7) DWR's approval to transfer DRWD Article 21 water to MWD service area; 8) develop mutually agreeable terms for a water purchase agreement between IRWD and DRWD; and 9) a project schedule.

LEGAL COUNSEL REPORT)
_____)

Alex Dominguez updated the Board on the new rules (AB 2449) under the Brown Act regarding teleconference meetings as of January 1, 2023.

Mr. Dominguez reported that Form 700's are due April 2023.

PUBLIC PARTICIPATION)
_____)

No public comment.

EXECUTIVE (CLOSED) SESSION)
_____)

The President directed that the Board move into closed session to discuss anticipated litigation and existing litigation. Legal Counsel advised the Board that it has authority to hold a closed session under Government Code sections 54956.9 (d)(2) and 54957 (d)(4). All persons other than the Directors, the Executive Director, Legal Counsel, Jamie Marquez, Rick Besecker, Dale Melville, Alex Dominguez, and Justin Rowe thereupon retired from the meeting.

Following the closed session, the meeting was again open to the public. Legal Counsel advised that no reportable action was taken in the closed session.

ADJOURNMENT)
_____)

There being no further business to come before the meeting, on motion of G. Patrick O'Dowd, seconded by Bernard Pug t, and unanimously carried, said meeting was adjourned at 2:07 p.m.

Joseph D. Hughes,
Assistant Secretary of the Board of Directors

APPROVED:

Kimberly M. Brown
President of the Board of Directors

January 31, 2022

VIA U.S. MAIL

Dudley Ridge Water District
c/o Dale Melville
286 W. Cromwell Avenue
Fresno, CA 93711-6162

Re: Request for Placement on CEQA Notice List for Projects Involving Kings River Water and for Copies of Agenda Materials

Dear Mr. Melville:

By means of this letter, and pursuant to Public Resources Code section 21092.2, Downey Brand respectfully requests to be placed on the service list for any **CEQA notices** concerning Dudley Ridge Water District's consideration of, or actions concerning, any projects that involve or may involve water flowing in the Kings River, which includes, but is not limited to, any projects identified in Water Rights Application No. A032810 filed with the State Water Resources Control Board by Fresno, Consolidated, and Alta Irrigation Districts and any projects identified in a GSP for the Kings, Tulare Lake, and Tule groundwater subbasins.

If possible, the requested notices should be sent via email to KingsRiverNotices@downeybrand.com.

If not possible to email, please address all materials to:

Candice Olmstead
Downey Brand, LLP
621 Capitol Mall, 18th Floor
Sacramento, CA 95814

Sincerely,

DOWNEY BRAND LLP



Samuel Bivins

SB

DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836
SACRAMENTO, CA 94236-0001
(916) 653-5791



7/24/2023

Mr. Mark Gilkey
General Manager
Dudley Ridge Water District
5555 California Avenue, Suite 209
Bakersfield, California 93309

Subject: Renumbering of the Contract Extension and the Water Management Amendments to Dudley Ridge Water District's Water Supply Contract

The purpose of this letter is to document a change in numbering of the Contract Extension Amendment and the Water Management Amendment to the Water Supply Contract between the California Department of Water Resources (DWR) and Dudley Ridge Water District (DRWD), executed on June 27, 2019, and January 5, 2021, respectively.

To date, DWR and DRWD have executed 30 amendments to DRWD's Water Supply Contract. The first 28 amendments were numbered sequentially from No. 1 to No. 28. However, the 29th Amendment, DRWD's Contract Extension Amendment was inadvertently numbered as Amendment No. 28, and the 30th Amendment, DWRD's Water Management Amendment, was inadvertently numbered as Amendment No. 29. DWR and DRWD acknowledge and agree that the reference to "No. 28" in the caption of DRWD's Contract Extension Amendment and the reference to "No. 29" in the caption of DRWD's Water Management Amendment constitute scrivener's errors and that DRWD's Contract Extension Amendment shall be assigned No. 29 and that DRWD's Water Management Amendment shall be assigned No. 30 consistent with the sequential numbering of the previous amendments to DRWD's Water Supply Contract. Therefore, the reference to "No. 28" in the caption of DRWD's Contract Extension Amendment and the reference to "No. 29" in the caption of DRWD's Water Management Amendment is hereby deleted and replaced with "No. 29" and "No. 30," respectively. No other changes have been made to DRWD's Water Supply Contract.

Mr. Mark Gilkey
7/24/2023

Renumbering of DRWD's CE &WMA

Page 2

Please acknowledge your acceptance of this change by signing in the space provided below.

Sincerely,

John Leahigh

John Leahigh
Assistant Division Manager, Water Management
Division of Operations and Maintenance
State Water Project

ACCEPTED:

Dudley Ridge Water District

Mark Gilkey

Name

General Manager

Title

7/27/2023

Date



Ernst & Young LLP
Suite 300
731 K Street
Sacramento, CA 95814

Tel: +1 916 218 1900
ey.com

June 7, 2023

Mr. Mark Gilkey
Dudley Ridge Water District
General Manager
455 W. Fir Ave
Clovis, California 93612

Dear Mr. Gilkey:

In coordination with the Independent Audit Association (IAA), we have developed the Statement of Work (SOW) for the 2023-2024 Procedures to be performed related to the 2024 Statement of Charges. This SOW is pursuant to the Master Services Agreement (MSA) by and between EY and Dudley Ridge Water District dated July 1, 2022, which describes the annual approval process of each SOW performed under the MSA.

Please return the signed SOW to EY via mail at 731 K Street, Suite 300, Sacramento, CA 95814 (Attn. Scott Enos) or email to scott.enos@ey.com. We have also enclosed a copy of the support letter from Chantal Ouellet, IAA Secretary, recommending the approval of the SOW by Dudley Ridge Water District.

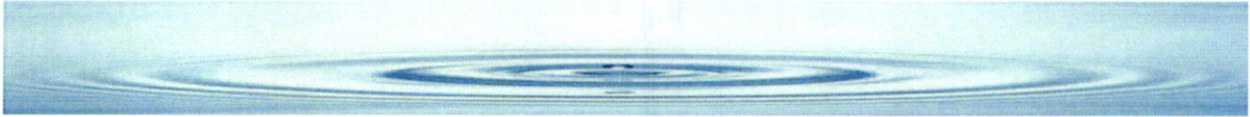
If you have any questions about the enclosed SOW, please feel free to call me at (916) 218-1958.

Very truly yours,

A handwritten signature in black ink that reads 'Scott Enos' in a cursive script.

Scott Enos
Managing Director

Enclosures



MEMORANDUM

Date: June 5, 2023
To: Members of the Independent Audit Association (IAA)
From: Chantal Ouellet, IAA Secretary
Subject: Ernst and Young 2023/2024 State Water Project Professional Services Contract –
Recommended Approval and Execution

Enclosed is the 2023/24 Statement of Work (SOW) which includes the State Water Project procedures to be performed in relation to the Department of Water Resources' (DWR) Statement of Charges.

The Exhibit B budget limit is only billed by Ernst and Young if additional work is reviewed and approved by the IAA and remains at \$50,000. Exhibit C allows individual IAA Members to request Ernst and Young to undertake additional services beyond those included in Exhibit A of the SOW.

The IAA team has reviewed Ernst and Young's proposed procedures and recommends that IAA Members approve and execute the 2023/2024 SOW. If you have any questions, please contact me at (559) 992-4127 or couellet@tlbwsd.com.

Sincerely,

Chantal Ouellet, CMA
Tulare Lake Basin Water Storage District

CC: Scott Enos, EY

Statement of Work

This Statement of Work, dated June 7, 2023 (this “SOW”) is made by Ernst & Young LLP (“we” or “EY”) and Dudley Ridge Water District on behalf of itself (“you” or “Client”), pursuant to the Agreement, dated July 1, 2022 (the “Agreement”), between EY and Dudley Ridge Water District (“Agency”).

The additional terms and conditions of this SOW shall apply only to the Services covered by this SOW and not to Services covered by any other SOW pursuant to the Agreement. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings defined in the Agreement, including references in the Agreement to “you” or “Client” shall be deemed references to you.

Scope of services

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. This SOW sets forth the terms and conditions on which EY will perform certain professional services as described in Exhibit A (the “Services”) for Agency, a member of the State Water Contractors (the “Contractors” or “SWC”) Independent Audit Association (the “IAA”), for the twelve months ending June 30, 2024.

Any changes to the above scope of work will be agreed upon in writing and signed by both parties and will amend this original SOW.

The Services are advisory in nature and will not constitute an audit performed in accordance with Generally Accepted Accounting Principles. EY will perform the Services in accordance with the Statement of Standards for Consulting Services (CS100) of the American Institute for Certified Public Accountants (AICPA). As part of your review of the terms of this Agreement, please refer to the enclosed letter from Chantal Ouellet of the IAA Audit Contract Negotiating Committee.

Your specific obligations

You acknowledge that the Services are sufficient for your purposes.

You will not, and you will not permit others to, quote or refer to the Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws (Securities Laws) are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

We also draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the Agreement, as well as your management responsibilities under paragraph 6, your obligations under paragraphs 11 and 12, and your representation, as of the date hereof, under paragraph 26 thereof.

Limitations on scope

EY will not: render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants; provide any legal opinion or legal advice; perform ongoing internal control monitoring activities or other control activities that affect the execution of transactions or confirm that transactions are properly executed and/or accounted for; perform routine activities in connection with Client's financial processes that are equivalent to those of an ongoing compliance or quality control function; determine which, if any, recommendations for improving internal control should be implemented; act on Client's behalf in reporting to Client's Board of Directors or Audit Committee, authorize, executive or consummate transactions or otherwise exercise authority on Client's behalf; prepare source documents on transactions.

Specific additional terms and conditions

The Services are advisory in nature. EY will not render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants. None of the Services or any Reports will constitute any legal opinion or advice. We will not conduct a review to detect fraud or illegal acts, nor will we test compliance with the laws or regulations of any jurisdiction.

Notwithstanding anything to the contrary in the Agreement or this SOW, we do not assume any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.

We will base any comments or recommendations as to the functional or technical capabilities of any products in use or being considered by you solely on information provided by your vendors, directly or through you. We are not responsible for the completeness or accuracy of any such information or for confirming any of it.

Notwithstanding the restrictions on disclosure set forth in the Agreement, Client may disclose EY's Reports prepared pursuant to this SOW to the Department of Water Resources (the "Department"), to the extent such Reports are (i) used only for the Client's benefit and not to be relied upon for the third party's own use and/or benefit; (ii) such third parties have agreed not to further disclose such Reports or any portion thereof to any other person or entity without EY's written consent and not to make any claims against EY arising out of or in connection with the Reports; and (iii) Client agrees to indemnify EY against third party claims.

Where our written consent under the Agreement is required for you to disclose to a third party any of our Reports (other than Tax Advice), we will also require that third party to execute a letter substantially in the form of Exhibit D to this SOW. To the extent the Agency is permitted to disclose any written Report as set forth herein, it shall disclose such Report only in the original, complete and unaltered form provided by EY, with all restrictive legends and other agreements intact.



Unless prohibited by applicable law, we may provide Client information to other EY firms, EY Persons and external third parties, who may collect, use, transfer, store or otherwise process such information in various jurisdictions in which they operate in order to provide support services to any EY Firm and/or assist in the performance of the Services.

After the Services under this SOW have been completed, we may disclose or present to prospective clients, or otherwise in our marketing materials, that we have performed the Services for you, and we may use your name solely for that purpose, in accordance with applicable professional obligations. In addition, we may use your name, trademark, service mark and logo as reasonably necessary to perform the Services and in correspondence, including proposals, from us to you.

Compliance with U.S. immigration requirements may require EY to provide certain information to the U.S. Citizenship and Immigration Services (“USCIS”) to confirm that EY employees on certain visas are, in fact, EY employees and not employees of the Client or other clients of EY. This will include providing certain information regarding work locations to support compliance with the visa requirements. As such, EY may disclose to USCIS information regarding this SOW, including the Client’s identity and location, as well as a redacted copy of this SOW. Upon providing this information, EY will request that USCIS keep any such information confidential. In further support of these legal requirements, the U.S. Department of Labor (DOL) regulations, at 20 CFR § 655.734(a)(1)(ii)(A), require the posting of notice of a Labor Condition Application (LCA) in instances where individuals holding H-1B visas will be working on the Client’s premises. EY and the Client will work together to develop an appropriate notice as required. The Client acknowledges that EY resources will be operating at all times as an employee of and under the direction and control of Ernst & Young U.S. LLP’s management, and all activities including supervision, hiring and firing decisions, and performance evaluations are controlled by Ernst & Young U.S. LLP. The Client will not have the right to control EY resources. At all times, EY resources will receive direction from an EY manager while on-site at the Client premises.

You shall not, while we are performing the Services hereunder and for a period of 12 months after they are completed, solicit for employment, or hire, any EY personnel involved in the performance of the Services, provided, that you may generally advertise available positions and hire EY personnel who either respond to such advertisements or who come to you on their own initiative without direct or indirect encouragement from you.

The Agency shall, among other responsibilities with respect to the Services, (i) make all management decisions and perform all management functions, including applying independent business judgment to EY work products, making implementation decisions and determining further courses of action in connection with any Services; (ii) assign a competent employee within senior management to make all management decisions with respect to the Services, oversee the Services and evaluate their adequacy and results; and (iii) accept responsibility for the implementation of the results or recommendations contained in the Reports or otherwise in connection with the Services. The Agency hereby confirms that management of the Agency accepts responsibility for the sufficiency of the Services. In performing the Services neither EY nor EY’s partners or employees will act as an employee of the Agency.



The Agency represents and warrants to EY that the Agency's execution and delivery of this Agreement has been authorized by all requisite corporate or other applicable entity action and the person signing this Agreement is expressly authorized to execute it on behalf of, and to bind, the Agency.

The performance of the Services and the parties' obligations in connection therewith are subject to the additional terms and conditions set forth in the Agreement.

It is understood that the Agency is not bound by our findings in any controversy or disagreement between the Agency and the Department should the Agency disagree with our findings.

We would also request that, if any IAA member discovers discrepancies in billings or other financial statements relative to their State Water Project costs, in addition to your working with the Department to correct the error, please notify EY for potential future inclusion as part of their procedures related to all IAA members.

Fees and billing

The General Terms and Conditions of the Agreement address our fees and expenses generally.

The total fees for these Services to be rendered to the Agency, as well as an allocation of the total fees for each member Agency of the IAA, appear in Exhibits A and B attached (no procedures or fees have been allocated to Exhibit B in this contract). Our total fees pursuant to Exhibit A to be charged to all members of the IAA entering into agreements with us shall not exceed \$592,000 for the twelve months ending June 30, 2024. This agreement will not be effective unless, in addition to the Agency, a sufficient number of other IAA agencies enter into agreements with us for such Services whose combined allocated fee would represent not less than 80% of \$592,000 based on the 100% participation fee allocation (see column 2 at A-4). If all agencies who are presently participating in the Services rendered by our firm enter into agreements with us for this twelve-month period, the maximum fees for our Services to your Agency will not exceed \$16,204 for Exhibit A. However, if not all of the participating agencies enter into agreements with us for services during the twelve-month period ending June 30, 2024, the maximum fees to your Agency will vary between the above-mentioned amount and \$20,255, which represents the maximum fees should sufficient agencies enter into agreements with us with a combined allocated fee of not less than 80%, as stated above.

In addition to the maximum fees under Exhibit A, maximum fees under Exhibit B shall not exceed a total of \$50,000 or \$1,369 for the Agency unless agreed to by the IAA. As noted above, no procedures have been allocated to Exhibit B. Prior to any expenditures under Exhibit B, said work must be specifically requested in writing in advance of any work being performed. Areas of potential focus for Exhibit B projects could include procedures agreed to by EY and the IAA in advance related to one or more of the items identified in Exhibit A. In prior years Exhibit B special projects have included projects such as assessing implementation and billing issues relating to the new SAP-based Cost Allocation and Repayment Analysis System (CARA), and studies to evaluate a pay-as-you-go system for funding conservation related operating costs incurred by the Department.



We have also included Exhibit C as part of this contract, which provides the opportunity for individual Contractors to enter into separate agreements for additional services with EY. There are currently no fees related to Exhibit C included herein.

Any presentations requested at individual Contractor locations will be negotiated with the individual Contractor under Exhibit C and will be paid for by that Contractor.

Invoices for time and expenses will be billed monthly and are due upon receipt.



In witness whereof, the parties have executed this SOW as of the date set forth above.

Dudley Ridge Water District

Ernst & Young, LLP

Representative

Representative

Signature

Signature

Mark Gilkey

Scott Enos

Printed Name

Printed Name

General Manager

Authorized Signatory

Title

Title

5555 California Avenue, Suite 209
Bakersfield, CA 93309

Ernst & Young LLP
731 K Street, Suite 300
Sacramento, CA 95814

Address

Address

August 4, 2023

June 7, 2023

Date

Date

EXHIBIT A

I. SCOPE OF ENGAGEMENT

A-1 EY will work with the IAA, the SWC Audit/Finance Committee, and any subcommittees thereof, and the Department during the twelve months ending June 30, 2024, relating to matters currently being discussed between the SWC and the Department.

EY's Services to be rendered as described in this Exhibit shall be determined by the IAA at its discretion. These Services shall include:

1. Completion of the 2023/2024 procedures as outlined further below
2. Participation in all meetings of the SWC Audit/Finance Committee, which is a basic forum for communications between the State Water Project Contractors and the Department's staff on financial and accounting matters.
3. Cooperation with any subcommittees of the IAA assigned to study and resolve specific problem areas, such as the dispute resolution work group.
4. Review of reports and other documents prepared by the Department and disseminated at these meetings.
5. Provide an annual report setting forth the findings and recommendations related to our Services.

Report definitions

The assessment of risk of future occurrence, included in the findings summary tables in the report, provides the IAA with a meaningful measurement of the likelihood of similar findings in subsequent years if this issue is not addressed by the appropriate parties. This assessment of risk of future occurrence is based on knowledge obtained during discussions with the Department personnel and performance of procedures under this Exhibit A. Below are the definitions used in the report of findings and recommendations for the twelve months ending June 30, 2024, and we concur with these definitions.

Risk of Future Occurrence:

- A. High – it is highly likely (or probable) that the error or process failure will be repeated
- B. Medium – it is more likely than not that the error or process failure will be repeated
- C. Low – it is possible that the error or process failure will be repeated

During the twelve months ending June 30, 2024, the Services will include the following procedures.

2023/2024 Procedures

The procedures for the fiscal year ended June 30, 2024, were designed using estimated budgeted hours of 3,000. We will perform all procedures included in items 1-6 below. We will perform the procedures in items 7-8 if time permits. As a part of these procedures, we will regularly meet with the IAA to discuss the progress under this engagement. We will also submit the Report to each Agency setting forth the findings, observations, and recommendations related to our Services.

The following items represent the risks, risk factors, and procedures requested and determined by the IAA for the Contractors to be performed for the 2024 Statement of Charges (SOC) engagement:

Primary Procedures (Items 1-6)

1. Statement of Charges

Risk:

- Incorrect amounts billed to contractors for each component by the Department.

Risk Factors:

- Manual adjustments made to data to arrive at amounts billed. Manual processes create opportunities for errors.
- A new cost allocation billing system was implemented. New processes create opportunities for errors.
- High importance of accurate contractor bills.
- Actual costs reported in the bills can be misstated.

Areas of Focus:

- Determine that all SOC amounts are internally consistent and agree to the Bulletin 132 for the contractors selected for testing (to be provided by IAA).
- Agree debt service amounts in the SOC attachments to the appropriate debt service schedule.
- Comparison of the current year SOC attachments to the prior year SOC attachments.
- Assessment of manual adjustments.
- Assess the actual costs charged to various areas of the project.
- Assess the factors for distributing reach capital and minimum costs among the contractors.

2. Delta Water Charge

Risk:

- Incorrect amounts charged to contractors for conservation based on actual and estimated costs.

Risk Factors:

- Calculation of delta water charge has manual aspects to the process.
- Tracking of Oroville Spillway costs and reimbursement and segregation between response and recovery costs is a manual process.
- A new cost allocation billing system was implemented. New processes create opportunities for errors.
- Potential for high dollar impact (\$357 million in delta water charges in 2021 per Table B-21).

Areas of Focus:

- Recalculate the delta water charge used in the SOC.
- For prior year actual costs included in the calculation, compare costs in the cost allocation and billing system at the delta water charge cost center groups level to the delta water charge calculation and investigate variances.
- Obtain an understanding of future estimates included in the calculation and perform appropriate procedures to assess such estimates.
- Assess the Hyatt-Thermalito credit to the delta water charge.

3. Alpha Allocation Cycles

Risk:

- Incorrect contractor charged and/or incorrect allocation of costs between contractors.

Risk Factors:

- The F-series and S-series alpha allocation cycles update performed on an annual basis has manual aspects. Manual processes create opportunities for errors.
- A new cost allocation billing system was implemented. New processes create opportunities for errors.
- Potential for errors in determining work performed that falls under direct to reach, field division, and state-wide allocations.
- Potential for high dollar impact (\$325 million allocated by alpha allocation cycles in 2021).

Areas of Focus:

- Examine all cost centers from the system to determine which cost centers represent alpha cost centers.
- Select alpha cost centers with the largest total annual costs.
- Review costs being posted to selected alpha cost centers based on activities charged to the alpha cost center through examination of invoices posted and discussions with the project managers, as necessary.
- Review the F-series and S-series updates performed by the Department.
- Review new alphas created or modified in the current year by the Department.

4. Transportation Minimum and Capital Direct and Indirect Analysis

Risk:

- Incorrect amounts billed to contractors for the transportation minimum and capital component by the Department.

Risk Factors:

- Direct and indirect costs may be allocated incorrectly through corresponding reaches.
- Judgment involved in selecting internal orders and work breakdown structures for billing to the contractors create opportunities for incorrect allocations.
- A new cost allocation billing system was implemented. New processes create opportunities for errors.
- Project manager's and employee's lack of understanding of importance of accurate time charging to correct internal orders and work breakdown structures create opportunities for incorrect allocations.

Areas of Focus:

- Obtain a listing of internal orders and work breakdown structures associated with costs for selected reaches and group like internal orders and work breakdown structures to perform a fluctuation analysis to the prior year.
- Assess a sample of internal orders and work breakdown structures with the largest increase in costs from group like internal orders and work breakdown structures for direct and indirect costs allocations.
- Obtain supporting documentation to assess the work was performed for the selected reaches.

5. System Power Costs – Variable Transportation

Risk:

- Incorrect contractor charged and/or incorrect allocation of costs between contractors.

Risk Factors:

- Calculation of the allocation factors is a manual process. Manual processes create opportunities for errors.
- A new cost allocation billing system was implemented. New processes create opportunities for errors.
- Estimated Table 2 projected costs (invoicing rate) may not reflect actual costs incurred.
- Potential for high dollar impact (\$188 million net system power costs in 2021 per Table B-3).

Areas of Focus:

- Vouch power costs and power revenues from the system and assess the classification of costs.
- Reconcile the Preliminary Allocation of Power Costs (PALPOC) to the system. Recalculate appropriate inputs to the PALPOC (e.g., value of recovery generation credits, direct-to-plant transmission, etc.).
- Recalculate the calendar year power allocation factors used in the system to allocate net power costs.
- Recalculate the billed amounts for the transportation variable cost components for the contractors selected (to be provided by the IAA).

6. Debt Service Procedures

Risk:

- Incorrect bond debt service charged to the contractors.

Risk Factors:

- WSRB Surcharge calculation has manual aspects. Manual processes create opportunities for errors.
- A new cost allocation billing system was implemented. New processes create opportunities for errors.
- Debt service not subsequently adjusted to provide the benefits of any refinancing to the contractors.
- Cost/debt reconciliation project ongoing adjustments to the calculation creates opportunities for errors.
- WSRB Surcharge currently does not reflect the results of the cost/debt reconciliation project.

Areas of Focus:

- Reconcile any new bond offerings to the debt service schedules.
- Reconcile the WSRB schedule to the inputted debt service schedules maintained in the cost allocation and billing system.
- Determine whether refinanced bonds were credited to the debt service schedules to provide the benefits of such refinancing to the contractors (direct billed debt service and WSRB Surcharge).
- Assess changes made to the cost/debt reconciliation project from previous versions.

Other Procedures (Items 7-8)

These procedures will only be performed as time permits after completion of items 1-6 above and consideration of the estimated 3,000 hour time budget.

7. Rate Management Calculation Including Revenue and Cost Data

Risk:

- Rate management credits are improperly allocated among the contractors.
- Rate management credits are improperly calculated based on the revenue and expenditure data in the rate management credits calculation prepared by the Department.

Risk Factors:

- Calculation of rate management credits has manual aspects to the process.
- A new cost allocation billing system was implemented. New processes create opportunities for errors.
- Lack of review and approval process for the rate management credit calculation.
- Outdated information used to calculate credits due to the contractors.

Areas of Focus:

- Obtain the rate management allocation schedule used for the SOC and review the allocation methodology for sample selected.
- Obtain the most recent rate management credits calculation and assess a sample of the largest balances.
- Perform a review of revenues including systems revenue and 51e (amount in excess of rate management credits).
- Perform a review of revenues and related cash funds.

8. Reconciliation between PR5 and the coast allocation billing system

Risk:

- Costs and revenues are not accurately billed to the contractors based on inconsistencies between systems.

Risk Factors:

- Costs and revenues do not accurately match between both systems.
- Manual process of moving costs between systems create opportunities for errors.
- Potential for movement of costs and revenues outside the SWRDS funds used for the state water project.

Areas of Focus:

- Gain an understanding of the reconciliation process performed by the Department.
- Reconcile all SWRDS PR5 costs and revenues included in the bond fund (0502), the construction fund (0506), and the revenue fund (0507) to the cost allocation billing system.
- Identify, document, and investigate all variances between the two systems.

II. FEES FOR EY SERVICES

- A-2. Total fees for Exhibit A services performed by EY will not exceed \$592,000, including reasonable and necessary out-of-pocket expenses, which represent an estimated 3,000 hours to be incurred.

III. ALLOCATION OF FEES

- A-3. The maximum aggregate fee set forth in paragraph A-2 shall be apportioned among the agencies named in paragraph A-4 based on a basis consistent with prior years.

IV. MAXIMUM AGGREGATE FEE FOR EACH AGENCY

A-4. The portion of the maximum aggregate fee set forth in paragraph A-2 applicable to each Agency in conformity with the methodology set forth in paragraph A-3 is shown below:

<u>Agency</u>	<u>Maximum fee for each Agency, provided all agencies listed below enter into agreements with EY</u>	<u>Maximum fee for each Agency, provided 80% of agencies listed below enter into agreements with EY</u>	<u>Percent of total</u>
Alameda County Flood Control and Water Conservation District, Zone No. 7	\$ 28,806	\$ 36,007	4.9%
Alameda County Water District	15,007	18,758	2.5
Antelope Valley-East Kern Water Agency	51,753	64,691	8.7
Casitas Municipal Water District	7,146	8,932	1.2
Central Coast Water Authority	16,252	20,314	2.7
City of Yuba City	3,430	4,288	0.6
Coachella Valley Water District	49,432	61,790	8.4
County of Kings	3,325	4,156	0.6
Crestline-Lake Arrowhead Water Agency	2,072	2,590	0.4
Desert Water Agency	19,919	24,899	3.4
Dudley Ridge Water District	16,204	20,255	2.7
Empire West Side Irrigation District	1,072	1,340	0.2
Kern County Water Agency	148,000	185,000	25.0
Little Rock Creek Irrigation District	822	1,028	0.1
Mojave Water Agency	30,656	38,320	5.2
Napa County Flood Control and Water Conservation District	10,371	12,964	1.8
Palmdale Water District	7,610	9,513	1.3
San Bernardino Valley Municipal Water District	36,659	45,824	6.2
San Gabriel Valley Municipal Water District	10,290	12,863	1.7
San Geronio Pass Water Agency	6,181	7,726	1.0
San Luis Obispo County Flood Control and Water Conservation District	8,932	11,165	1.5
Santa Clara Valley Water District	35,730	44,663	6.0
Santa Clarita Valley Water Agency	34,015	42,519	5.7
Solano County Water Agency	17,063	21,329	2.9
Tulare Lake Basin Water Storage District	31,253	39,066	5.3
Total	<u>\$ 592,000</u>		<u>100.0%</u>

V. PAYMENT SCHEDULE

This is the payment schedule for the Agency.

<u>August 10, 2023 Billing</u>	<u>September 8, 2023 Billing</u>	<u>October 10, 2023 Billing</u>	<u>November 10, 2023 Billing</u>	<u>December 8, 2023 Billing</u>	<u>Total Billing</u>
\$4,861	\$3,241	\$3,241	\$3,241	\$1,620	\$ 16,204

EXHIBIT B**I. OTHER CONSULTING SERVICES**

EY shall, during the twelve months ending June 30, 2024, perform other services if requested by the IAA. No such work shall be performed unless specifically authorized by the IAA in writing. Areas of potential focus for Exhibit B projects could include in depth procedures agreed to by EY and the IAA in advance related to one or more of the items identified in Exhibit A.

Total fees for such other consulting services shall 1) be agreed to prior to commencement of work, 2) be allocated among the agencies based on the same procedures included in the Exhibit A allocation, and 3) shall not exceed \$50,000, which represents an estimated 253 hours to be incurred, unless agreed to by the IAA, for the year ended June 30, 2024. Any part of the \$50,000 which is unused shall not be billed.

Agency	Maximum fee for each Agency, provided all Agencies listed below enter into agreements with EY	Percent of total
Alameda County Flood Control and Water Conservation District, Zone No.7	\$ 2,432	4.9%
Alameda County Water District	1,267	2.5
Antelope Valley-East Kern Water Agency	4,371	8.7
Casitas Municipal Water District	604	1.2
Central Coast Water Authority	1,373	2.7
City of Yuba City	290	0.6
Coachella Valley Water District	4,175	8.4
County of Kings	281	0.6
Crestline-Lake Arrowhead Water Agency	175	0.4
Desert Water Agency	1,682	3.4
Dudley Ridge Water District	1,369	2.7
Empire West Side Irrigation District	91	0.2
Kern County Water Agency	12,500	25.0
Littlerock Creek Irrigation District	69	0.1
Mojave Water Agency	2,589	5.2
Napa County Flood Control and Water Conservation District	876	1.8
Palmdale Water District	643	1.3
San Bernardino Valley Municipal Water District	3,096	6.2
San Gabriel Valley Municipal Water District	869	1.7
San Geronio Pass Water Agency	522	1.0
San Luis Obispo County Flood Control and Water Conservation District	754	1.5
Santa Clara Valley Water District	3,018	6.0
Santa Clarita Valley Water Agency	2,873	5.7
Solano County Water Agency	1,441	2.9
Tulare Lake Basin Water Storage District	2,640	5.3
Total	<u>\$ 50,000</u>	<u>100.0%</u>

EXHIBIT C**I. INDIVIDUAL CONTRACTOR AGREEMENTS**

EY may, during the twelve months ending June 30, 2024, perform other consulting services as requested by individual Contractors. These services will be performed and billed separately from the services outlined in Exhibits A and B.

The terms and conditions of any procedures performed under Exhibit C, including payment terms, will be outlined in a separate Statement of Work (SOW). These services, which will be agreed to by EY and the requesting Contractor in advance, will be documented in the example SOW attached to herein as Exhibit C-1. An Exhibit C-1 statement of work will be made available to any Contractor upon request. All other provisions of the Contractor's signed contract with EY for the twelve months ending June 30, 2024, will continue to be in effect.

Total fees for such other consulting services shall be agreed to with the individual Contractor prior to commencement of work. The fees for services provided under Exhibit C will be outside of those referenced in Exhibits A and B, and will be paid for directly by the requesting Contractor.

EXHIBIT C-1

Statement of Work

This Statement of Work with the attached Exhibit, dated June 7, 2023 (this “SOW”) is made by Ernst & Young LLP (“we” or “EY”) and Dudley Ridge Water District on behalf of itself (“you” or “Client”), pursuant to the Agreement, dated July 1, 2022 (the “Agreement”), between EY and Dudley Ridge Water District (“Agency”).

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. The additional terms and conditions of this SOW shall apply only to the Services covered by this SOW and not to Services covered by any other SOW pursuant to the Agreement by and between EY and the Agency dated July 1, 2022. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings defined in the Agreement, including references in the Agreement to “you” or “Client” shall be deemed references to you.

Scope of services

Except as otherwise set forth in this SOW, this SOW incorporates by reference, and is deemed to be a part of, the Agreement. This SOW sets forth the terms and conditions on which EY will perform certain professional services as described [INSERT DEFINITION OF SERVICES] (the “Services”) for Agency, a member of the State Water Contractors (the “Contractors” or “SWC”) Independent Audit Association (the “IAA”), for the twelve months ending June 30, 2024.

Any changes to the above scope of work will be agreed upon in writing and signed by both parties and will amend this original SOW.

The Services are advisory in nature and will not constitute an audit performed in accordance with Generally Accepted Accounting Principles. EY will perform the Services in accordance with the Statement of Standards for Consulting Services (CS100) of the American Institute for Certified Public Accountants (AICPA).

Your specific obligations

You acknowledge that the Services are sufficient for your purposes.

You will not, and you will not permit others to, quote or refer to the Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws (Securities Laws) are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

We also draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the Agreement, as well as your management responsibilities under paragraph 6, your obligations under paragraphs 11 and 12, and your representation, as of the date hereof, under paragraph 26 thereof.

Limitations on scope

EY will not: render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants; provide any legal opinion or legal advice; perform ongoing internal control monitoring activities or other control activities that affect the execution of transactions or confirm that transactions are properly executed and/or accounted for; perform routine activities in connection with Client's financial processes that are equivalent to those of an ongoing compliance or quality control function; determine which, if any, recommendations for improving internal control should be implemented; act on Client's behalf in reporting to Client's Board of Directors or Audit Committee, authorize, executive or consummate transactions or otherwise exercise authority on Client's behalf; prepare source documents on transactions.

Specific additional terms and conditions

The Services are advisory in nature. EY will not render an assurance report or opinion under the Agreement, nor will the Services constitute an audit, review, examination, or other form of attestation as those terms are defined by the American Institute of Certified Public Accountants. None of the Services or any Reports will constitute any legal opinion or advice. We will not conduct a review to detect fraud or illegal acts, nor will we test compliance with the laws or regulations of any jurisdiction.

Notwithstanding anything to the contrary in the Agreement or this SOW, we do not assume any responsibility for any third-party products, programs or services, their performance or compliance with your specifications or otherwise.

We will base any comments or recommendations as to the functional or technical capabilities of any products in use or being considered by you solely on information provided by your vendors, directly or through you. We are not responsible for the completeness or accuracy of any such information or for confirming any of it.

Notwithstanding the restrictions on disclosure set forth in the Agreement, Client may disclose EY's Reports prepared pursuant to this SOW to the Department of Water Resources (the "Department"), to the extent such Reports are (i) used only for the Client's benefit and not to be relied upon for the third party's own use and/or benefit; (ii) such third parties have agreed not to further disclose such Reports or any portion thereof to any other person or entity without EY's written consent and not to make any claims against EY arising out of or in connection with the Reports; and (iii) Client agrees to indemnify EY against third party claims.

Where our written consent under the Agreement is required for you to disclose to a third party any of our Reports (other than Tax Advice), we will also require that third party to execute a letter substantially in the form of Exhibit D to the Agreement. To the extent the Agency is permitted to disclose any written Report as set forth herein, it shall disclose such Report only in the original, complete and unaltered form provided by EY, with all restrictive legends and other agreements intact.

Unless prohibited by applicable law, we may provide Client Information to other EY firms, EY Persons and external third parties, who may collect, use, transfer, store or otherwise process such information in various jurisdictions in which they operate in order to provide support services to any EY Firm and/or assist in the performance of the Services.

After the Services under this SOW have been completed, we may disclose or present to prospective clients, or otherwise in our marketing materials, that we have performed the Services for you, and we may use your name solely for that purpose, in accordance with applicable professional obligations. In addition, we may use your name, trademark, service mark and logo as reasonably necessary to perform the Services and in correspondence, including proposals, from us to you.

Compliance with U.S. immigration requirements may require EY to provide certain information to the U.S. Citizenship and Immigration Services ("USCIS") to confirm that EY employees on certain visas are, in fact, EY employees and not employees of the Client or other clients of EY. This will include providing certain information regarding work locations to support compliance with the visa requirements. As such, EY may disclose to USCIS information regarding this SOW, including the Client's identity and location, as well as a redacted copy of this SOW. Upon providing this information, EY will request that USCIS keep any such information confidential. In further support of these legal requirements, the U.S. Department of Labor (DOL) regulations, at 20 CFR § 655.734(a)(1)(ii)(A), require the posting of notice of a Labor Condition Application (LCA) in instances where individuals holding H-1B visas will be working on the Client's premises. EY and the Client will work together to develop an appropriate notice as required. The Client acknowledges that EY resources will be operating at all times as an employee of and under the direction and control of Ernst & Young U.S. LLP's management, and all activities including supervision, hiring and firing decisions, and performance evaluations are controlled by Ernst & Young U.S. LLP. The Client will not have the right to control EY resources. At all times, EY resources will receive direction from an EY manager while on-site at the Client premises.

You shall not, while we are performing the Services hereunder and for a period of 12 months after they are completed, solicit for employment, or hire, any EY personnel involved in the performance of the Services, provided, that you may generally advertise available positions and hire EY personnel who either respond to such advertisements or who come to you on their own initiative without direct or indirect encouragement from you.

The Agency shall, among other responsibilities with respect to the Services, (i) make all management decisions and perform all management functions, including applying independent business judgment to EY work products, making implementation decisions and determining further courses of action in connection with any Services; (ii) assign a competent employee within senior management to make all management decisions with respect to the Services, oversee the Services and evaluate their adequacy and results; and (iii) accept responsibility for the implementation of the results or recommendations contained in the Reports or otherwise in connection with the Services. The Agency hereby confirms that management of the Agency accepts responsibility for the sufficiency of the Services. In performing the Services neither EY nor EY’s partners or employees will act as an employee of the Agency.

The Agency represents and warrants to EY that the Agency’s execution and delivery of this Agreement has been authorized by all requisite corporate or other applicable entity action and the person signing this Agreement is expressly authorized to execute it on behalf of, and to bind, the Agency.

The performance of the Services and the parties’ obligations in connection therewith are subject to the additional terms and conditions set forth in the Agreement.

It is understood that the Agency is not bound by our findings in any controversy or disagreement between the Agency and the Department of Water Resources should the Agency disagree with our findings.

We would also request that, if any IAA member discovers discrepancies in billings or other financial statements relative to their State Water Project costs, in addition to your working with the Department to correct the error, please notify EY for potential future inclusion as part of their procedures related to all IAA members.

Project deliverables

The matrix below lists the specific deliverables and related timelines that EY will provide to **(insert Contractor)**.

Deliverable	Timeline	Comments

Additional responsibilities

EY will provide **(insert Contractor)** with a timeline/schedule related to all project deliverables prior to the start of work on the project.

EY will notify **(insert Contractor)** in writing of any incremental changes to the original project estimate.

Production of all elements described in the “Project deliverables” section of this SOW is to be included in the cost breakdown under the “Pricing and payment terms” section below, agreed upon by **(insert Contractor)** and EY for this project.

Fees and billing

Below is a summary of the current cost estimates for this SOW. Due to the complexities and variable nature of this project, actual costs could vary from these estimates. In the event costs are expected to exceed the estimate, EY will contact **(insert Contractor)** before performing any additional work.

Out-of-pocket expenses incurred during this contract are not included in the above SOW estimated cost. Expenses include such items as travel, meals, accommodations, and other administrative expenses based on actual amounts incurred.

Invoices for time and expenses will be billed monthly and are due upon receipt.

IN WITNESS WHEREOF, the parties hereto have executed this SOW as of the day and year written below.

Dudley Ridge Water District

Ernst & Young, LLP

Representative

Representative

Signature

Signature

Printed Name

Printed Name

Title

Title

Address

Address

Date

Date

EXHIBIT D**FORM OF ACCESS LETTER**

[Letterhead of EY]

[Addressee (e.g., third party seeking access to EY Report)]

[Month XX, 20XX]

[Street Address]

[City, State Zip]

Dear [] :

[Client] (the "Client") has informed Ernst & Young LLP ("EY") that it wishes to disclose to [party seeking access] (the "Recipient") EY's [describe report(s)] , dated [] , relating to [describe subject] (the "Report(s)"). EY has not placed any limitations on the Client's ability to disclose any contents of the Report relating to the tax aspects or structure of any transaction proposed by the Client.

EY performed services only for the Client. EY did not undertake the services on behalf of, or to serve the needs of, the Recipient or any other third party. As part of such services, EY did not audit the Client's financial statements.

EY prepared the Report(s) solely for the Client. The Report(s) address[es] only the issues identified by the Client, and [is/are] based solely on information obtained by EY using the procedures specified by the Client or otherwise provided by or on behalf of the Client. The Report(s) [is/are] subject to many limitations and [do/does] not provide any form of assurance with respect to any of the information referred to therein. The Recipient understands and accepts the scope and limitations of the Report(s).

Except (1) where compelled by legal process (of which the Recipient will immediately notify EY and tender to EY, if it so elects, the defense thereof), (2) with respect to any contents of the Report relating to the tax treatment and tax structure of the proposed transaction (including any facts that may be relevant to understanding the proposed tax treatment of the proposed transaction), or (3) with EY's prior written consent, the Recipient will not, circulate, quote, disclose or distribute any of the Report(s) or any information contained therein, or any summary or abstract thereof, or make any reference thereto or to EY, to anyone other than the Recipient's directors, officers or employees or legal advisors who, in each case, need to know its contents in order to _____ , and who have agreed to be bound by the terms and conditions of this agreement to the same extent as the Recipient.

The Recipient further agrees that it will not, and will not permit others to, quote or refer to the Report, any portion, summary or abstract thereof, or to EY, in any document filed or distributed in connection with (a) a purchase or sale of securities to which the United States or state securities laws (“Securities Laws”) are applicable or (b) periodic reporting obligations under Securities Laws. The Recipient will not contend that any provisions of Securities Laws could invalidate any provision of this agreement.

In further consideration of EY allowing the Recipient access to the Report(s) and the information contained therein, the Recipient agrees that:

1. It does not acquire any rights against EY, and EY does not assume any duties or obligations to the Recipient or otherwise, as a result of such access.
2. It will not rely on the Report(s) or any portion thereof and will make no claim that it has done so.
3. It will make no claim against EY, its partners, employees or affiliates, or other members of the global Ernst & Young network (collectively, the “EY Parties” that relates in any way to the Report(s), any information contained therein, or the Recipient’s access to the Report(s).
4. To the fullest extent permitted by applicable law, it will indemnify, defend and hold harmless the EY Parties from and against any claim or expense, including reasonable attorneys’ fees, suffered or incurred by any EY Party relating to any breach by the Recipient of any of its representations or agreements contained herein or the use or disclosure of the Report(s) or any portion thereof by anyone who received it directly or indirectly from or at the request of the Recipient.

Very truly yours,

Ernst & Young LLP

Accepted by:

[Addressee]

By: _____

DRAFT

August 18, 2023

To the Board of Directors
Dudley Ridge Water District

We have audited the financial statements of the Dudley Ridge Water District for the year ended December 31, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 21, 2022. Professional standards also require that we communicate to you 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 Dudley Ridge Water District are described in Note 2 to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during the year ended December 31, 2022. We noted no transactions entered into by Dudley Ridge Water District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Dudley Ridge Water District's financial statements were:

Management's estimate of the useful lives of Capital Assets. We evaluated the key factors and assumptions used to develop the useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The value assigned to water inventory in the Kern Water Bank Authority. Calculations are performed based on inventory entering and leaving the KWBA for the benefit of the District. Costs are assigned to this water based on the amount the water costs the District.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were the disclosures of water supply and contingencies in Note 9 primarily because of the possible effects that they could have on the future operations of the District.

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. The following material misstatements detected as a result of audit procedures were corrected by management:

1. Depreciation expense is recorded as a result of the audit.
2. Inventory and the corresponding payable to participants were adjusted at year end.
3. Accrual of additional payables.

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 18, 2023.

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

Other Matters

We applied certain limited procedures to the 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 the Board of Directors and management of Dudley Ridge Water District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

DRAFT

**DUDLEY RIDGE WATER DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022**

**DUDLEY RIDGE WATER DISTRICT
FOR THE YEAR ENDED DECEMBER 31, 2022**

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DRAFT

**DUDLEY RIDGE WATER DISTRICT
BOARD OF DIRECTORS AND ADMINISTRATION
FOR THE YEAR ENDED DECEMBER 31, 2022**

Board of Directors

President

Vice President

Director

Director

Director

Kimberly Brown

Larry Ritchie

G Patrick O'Dowd

Bernard Puget

John Vidovich

DRAFT

Administration

Manager – Engineer

Assistant Manager – Engineer

Assessor – Collector – Treasurer

Attorney

Mark Gilkey

Dale K. Melville

Rick Besecker

Joseph Hughes

Independent Auditor's Report

To the Board of Directors
Dudley Ridge Water District
Clovis, California

DRAFT

Opinion

We have audited the accompanying statements of Dudley Ridge Water District (the district) as of and for the year ended December 31, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Dudley Ridge Water District, as of December 31, 2022, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

August 18, 2023

**DUDLEY RIDGE WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Dudley Ridge Water District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the District's financial performance during the fiscal year ended December 31, 2022. Please read in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The District's total net position decreased \$459,929 or 3.95% over the course of the year's operations.
- The District's operating revenue increased \$9,651,971 or 84.50% and operating expenses increased \$8,985,502 or 71.05% during the year ended December 31, 2022.
- The District's capital assets before accumulated depreciation had no change during the year ended December 31, 2022.

Overview of the Financial Statements

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This annual financial report includes this management's discussion and analysis, the independent auditor's report, the basic financial statements of the District and selected additional information. The financial statements also include notes that explain in more detail some of the information in the financial statements.

Required Financial Statements

The financial statements of the District report information of the District using accounting methods similar to those used by private sector companies. These statements offer short- and long-term financial information about its activities. The Statement of Net Position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position. This statement can be used to determine whether the District has successfully recovered all of its costs through its user fees and other charges, its profitability, and its credit worthiness.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, financing, and investing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

Financial Analysis of the District

One of the most important questions asked about the District's finances is "Is the District, as a whole, better off or worse off as a result of this year's activities?" The Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and the changes in them. One can think of the District's net position—the difference between assets and liabilities—as one way to measure financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

**DUDLEY RIDGE WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

Net Position

A comparison of the Statement of Net Position can determine the change in the components of financial position (the assets and liabilities) of the District from year-end to year-end. This comparison is presented in the following table:

**Condensed Statement of Net Position
December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Current Assets	\$ 4,666,350	\$ 7,102,341	\$(2,435,991)	-34.30%
Capital Assets	3,975,367	4,366,465	(391,098)	-8.96%
Other Assets	6,089,116	6,024,910	61,706	1.02%
Total Assets	<u>14,728,333</u>	<u>17,493,716</u>	<u>(2,765,383)</u>	<u>-15.81%</u>
Current Liabilities	3,535,783	5,841,237	(2,305,454)	-39.47%
Long Term Debt	-	-	-	-
Total Liabilities	<u>3,535,783</u>	<u>5,841,237</u>	<u>(2,305,454)</u>	<u>-39.47%</u>
Total Net Position	<u>\$ 11,192,550</u>	<u>\$ 11,652,479</u>	<u>\$ (459,929)</u>	<u>-3.95%</u>

The table shows that the District's net position decreased \$459,929 in 2022. Factors contributing to this change include:

- Liabilities have decreased due to a payable to another water district of \$2,539,550 in 2021.
- Current assets have decreased primarily due to the use of current resources to fund the 2022 operating loss.

Revenues, Expenses and Changes in Net Position

A comparison of the Statement of Revenues, Expenses and Changes in Net Position for each year will explain the changes in financial position that resulted from the operating activities during that year. This comparison is presented in the following table:

**Condensed Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Operating Revenues	\$21,073,897	\$11,421,926	\$ 9,651,971	84.50%
Operating Expenses	<u>21,631,797</u>	<u>12,646,295</u>	<u>8,985,502</u>	<u>71.05%</u>
Operating Income (Loss)	(557,900)	(1,224,369)	666,469	-54.43%
Non-Operating Revenues (Expenses)	<u>97,971</u>	<u>856,945</u>	<u>(758,974)</u>	<u>-88.57%</u>
Change In Net Position	(459,929)	(367,424)	(92,505)	25.18%
Net Position - Beginning of Year	<u>11,652,479</u>	<u>12,019,903</u>	<u>(367,424)</u>	<u>-3.06%</u>
Net Position - End of Year	<u>\$11,192,550</u>	<u>\$11,652,479</u>	<u>\$ (459,929)</u>	<u>-3.95%</u>

**DUDLEY RIDGE WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

The table shows that during 2022 operating revenue increased by \$9,651,971 or 84.50% over 2021. The table also shows that during 2022, operating expenses increased \$8,985,502 or 71.05% over 2021. Factors contributing to this change include:

- Operating Revenues – Supplemental water revenue increased operating revenues; however, these increases were mostly offset by increased water purchases.
- Operating Expenses – Water purchases increased by 104%.

Budgetary Highlights

The District adopts an annual budget each year to project the costs for operations, capital, and debt service for the coming year. The budget includes these projected expenses and the means of financing them. Management throughout the year analyzes the District's budget; however, it is not reported on, nor shown in the financial statements section of this annual report.

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The budget is divided into the following categories:

- Standby Water Charges – The standby charges cover most District administrative costs and system maintenance costs on seven distinct standby areas.
- Water Toll Charges – These charges cover variable and off-aqueduct SWP costs and District costs associated with water deliveries.
- Benefit Assessments – These charges cover all fixed SWP costs and minimum District administrative costs.

It is the Board's policy to make year-end adjustments to reflect charges for actual costs incurred for the year. Standby charges and water toll charges may also be adjusted during the course of the year, if necessary. This policy ensures that each year, each water user and landowner is charged the full burden of that year's water cost.

At December 31, 2022 an actual to budget comparison is presented in the following summarized table:

**Actual vs. Budget Comparison
For the Year Ended December 31, 2022**

	Actual	Budget	Difference	Percentage Change
Benefit Assessments	\$ 5,608,655	\$ 6,307,915	\$ (699,260)	-11.09%
Standby Charges	428,286	513,018	(84,732)	-16.52%
Water Toll Charges	530,091	687,457	(157,366)	-22.89%
Total Revenues Budgeted	6,567,032	<u>\$ 7,508,390</u>	<u>\$ (941,358)</u>	<u>-12.54%</u>
Supplemental Charges	13,057,225			
Water Bank Charges	1,449,640			
Total Revenues	<u>\$21,073,897</u>			

Capital Assets

As of December 31, 2022, the District had \$3,975,367 in net capital assets as shown in the following table:

**DUDLEY RIDGE WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

**Capital Assets
December 31, 2022 and 2021**

	<u>2022</u>	<u>2021</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Land - Right of Way	\$ 36,287	\$ 36,287	\$ -	0.00%
Irrigation System	5,356,316	5,356,316	-	0.00%
Office Equipment	420	420	-	0.00%
Cawelo Water Storage Facility	7,562,474	7,562,474	-	0.00%
Less Accumulated Depreciation	<u>(8,980,130)</u>	<u>(8,589,032)</u>	<u>(391,098)</u>	<u>4.55%</u>
Net Capital Assets	<u>\$ 3,975,367</u>	<u>\$ 4,366,465</u>	<u>\$ (391,098)</u>	<u>-8.96%</u>

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Contacting the District's Management

This annual financial report is designed to provide our customers and creditors with a general overview of the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dudley Ridge Water District, 455 W. Fir Avenue, Clovis, CA 93611.

**DUDLEY RIDGE WATER DISTRICT
STATEMENT OF NET POSITION
DECEMBER 31, 2022**

Assets

Current Assets

Cash and Cash Equivalents	\$ 2,859,794
Accounts Receivable	4,167
Other Receivable	536,376
Accrued Interest Receivable	4,532
Supplemental Water Supply Storage Inventory	<u>1,261,481</u>

Total Current Assets **DRAFT** 4,666,350

Capital Assets - Net

3,975,367

Investment in Kern Water Bank Authority

6,086,616

Total Assets 14,728,333

Liabilities

Current Liabilities

Accounts Payable	1,183,202
Other Payable	773,833
Interest Payable	27,252
Refunds and Credits Due to Land Owners	290,015
Payable to Kern Water Bank Authority Participants	<u>1,261,481</u>

Total Current Liabilities 3,535,783

Net Position

Net Investment In Capital Assets	3,975,367
Unrestricted	<u>7,217,183</u>

Total Net Position \$11,192,550

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

**DUDLEY RIDGE WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022**

Operating Revenues		
Standby Charges		\$ 428,286
Supplemental Water Charges		13,057,225
Water Toll Charges		530,091
Benefit Assessments		5,608,655
Kern Water Bank Charges		<u>1,449,640</u>
Total Operating Revenues		<u>21,073,897</u>
Operating Expenses		
Accounting and Treasurer		41,097
Annual Audit		8,540
Depreciation		391,098
Dues		43,400
Insurance		2,054
Interest		27,252
Kern Water Bank Costs		1,454,024
Legal		33,968
Manager and Engineer		94,023
Office and Administration		5,627
Special Water Studies		44,846
State Contract Audits		115,223
Utilities		4,268
Water Purchase		19,277,056
Westside Water Authority		<u>89,321</u>
Total Operating Expenses		<u>21,631,797</u>
Operating Income (Loss)		<u>(557,900)</u>
Nonoperating Revenue (Expenses)		
Interest and Dividend Income		24,241
Net Income (Loss) of Investment in Kern Water Bank Authority		61,706
Gain (Loss) on Investments		2,009
Miscellaneous Income		<u>10,015</u>
Total Nonoperating Revenues and Expenses		<u>97,971</u>
Change In Net Position		(459,929)
Net Position at Beginning of Year		<u>11,652,479</u>
Net Position at End of Year		<u><u>\$11,192,550</u></u>

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The accompanying notes are an integral part of these financial statements

**DUDLEY RIDGE WATER DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2022**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received From Customers	\$ 23,635,033
Cash Paid to Suppliers	<u>(23,411,757)</u>
Net Cash Flows From Operating Activities	<u>223,276</u>
 CASH FLOWS FROM INVESTING ACTIVITIES	
Cash Received From Investments	<u>22,099</u>
Net Cash Flows From Investing Activities	<u>22,099</u>
Net Change in Cash	245,375
Cash at the Beginning of Year	<u>2,614,419</u>
Cash at the End of Year	<u>\$ 2,859,794</u>

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Reconciliation of Operating Income (Loss) to Net Cash Flows from Operating Activities:	
Operating Income (Loss)	\$ (557,900)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	391,098
Changes in assets and liabilities	
Accounts Receivable	316,131
Other Receivable	2,005,080
Inventory	364,306
Accounts Payable	(2,962,128)
Other Payable	773,833
Interest Payable	27,252
Deferred Revenue	(57,999)
Refunds and Credits Due to Land Owners	287,909
Payable to Kern Water Bank Authority Participants	<u>(364,306)</u>
Net Cash Flows from Operating Activities	<u>\$ 223,276</u>

The accompanying notes are an integral part of these financial statements

**DUDLEY RIDGE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

(1) Description of Entity

(a) Description of Operations

Dudley Ridge Water District (the District) was formed in 1962 as a special district in the State of California and is governed by a five-person Board of Directors. The District operates as an agricultural state water contractor in the County of Kings. Principal functions of the District include the importation, conservation, and distribution of water for use by landowners in the District.

(b) Reporting Entity

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In accordance with the requirements of *The Financial Reporting Entity, of the Governmental Accounting Standards Board (GASB)*, the financial statements must present the District (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation and Accounting

The District is considered a special-purpose government engaged only in business-type activities and uses enterprise fund accounting and reporting. Enterprise fund financial statements include a statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and a Statement of Cash Flow.

The financial statements of the Dudley Ridge Water District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's policies are described below.

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.

DUDLEY RIDGE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(Continued)

Operating revenues are those revenues that are generated from the primary operations of the District. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the District. All other expenses are reported as non-operating expenses.

(b) Cash and Cash Equivalents

The District considers all highly liquid investments (including restricted cash and investments) with maturities of three months or less when purchased to be cash equivalents. This includes bank certificates of deposit, deposits with the State of California Local Agency Investment Fund (LAIF) the CalTrust Short-Term and Medium-Term Account, and pooled investments in the County of Kings investment pool.

(c) Accounts Receivable

Uncollectible accounts included in accounts receivable are considered to be immaterial for financial statement purposes. Therefore, no allowance for uncollectible accounts has been established.

(d) Net Position

Net position comprises the various net earnings from operating income, nonoperating revenues and expenses, and capital contributions. 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. At December 31, 2022 there is no restricted net position.

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

(e) Income Taxes

The Agency is a governmental agency and is not subject to federal or state income taxes.

(f) Supplemental Water Supply Storage

The cost of additions to the District’s supplemental water supply storage is capitalized. The cost resulting from the use of supplemental water supply is charged to operations. As of December 31, 2022, the District has approximately 32,651 acre-feet of water stored in the Kern Water Bank at a cost of \$1,261,481. There is a corresponding liability, “Payable to Kern Water Bank Participants” due to this storage entitled to, and costs paid by, only those District members participating in the Kern Water Bank program.

**DUDLEY RIDGE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(Continued)**

(g) Capital Assets

Capital assets are stated at historical cost. Depreciation of capital assets is computed using the straight-line method over the useful lives of the assets. Depreciation is charged against operations and accumulated depreciation is reported net with capital assets. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets are recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to nonoperating income.

The estimated useful lives of the various assets of the District are as follows:

<u>Type of Assets</u>	<u>Estimated Useful Life in Years</u>
Irrigation System	35
Cawelo Water Storage Facility Rights	28
Office Equipment	5

(h) Rights of Cawelo Water Storage

On May 23, 2001, the District entered into an agreement with Cawelo Water District to develop a water storage and regulation program referred to as the Cawelo/Dudley Ridge Conjunctive Use Project (the Regulation Program). Under the Regulation Program, Cawelo will receive from, regulate for, and return to District upon request certain water as a supplemental water supply. Cawelo will benefit from the Regulation Program by utilizing the capacity in Regulation Program facilities constructed by Cawelo not used for the benefit of the District to improve water supplies and reliability within Cawelo's boundaries.

Under the Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Act (Proposition 13, Chapter 9, Article 4), the California Department of Water Resources provided an Interim Water Supply construction grant to the District for its Conjunctive Use Program.

(i) Concentrations of Credit Risk

The District occasionally maintains deposits in excess of federally insured limits. Statement of Financial Accounting Standards No 105 identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

(j) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DUDLEY RIDGE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(Continued)

(3) Cash and Cash Equivalents

Cash and cash equivalents at December 31, 2022 consisted of the following:

Bank of America	\$ 11,118
Cal Trust	2,027,553
County of Kings Investment Fund	105
Investment in Local Agency Investment Fund	821,018
Total Cash	<u>\$ 2,859,794</u>

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Fair Value Measurements

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

Level 1: Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

Level 2: Inputs to valuation methodology include inputs – other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments by fair value level:				
County of Kings Treasurer Pooled Cash Fund	\$ 105	\$ -	\$ 105	\$ -
State of California - Local Agency Investment Fund	821,018	-	821,018	-
CalTrust	2,027,553	-	2,027,553	-
	<u>\$ 2,848,676</u>	<u>\$ -</u>	<u>\$ 2,848,676</u>	<u>\$ -</u>

County of Kings Treasurer Fund

The County of Kings Treasurer's Pooled Cash Portfolio (Pool) is a pooled investment fund program governed by the County of Kings Board of Supervisors and administered by the County of Kings Treasurer. Investments in the Pool are highly liquid as deposits and withdrawals can be made at any time without penalty. The Pool does not impose a maximum investment limit. The County of Kings's bank deposits are either federally insured or collateralized in accordance with the California Government Code.

DUDLEY RIDGE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(Continued)

Investment in State Investment Pool

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

Authorized Deposits and Investments

The District's investment policy authorizes investments in the County of Kings Treasurer's Pooled Cash Portfolio, Local Agency Investment Fund, and CalTrust Fund. The District's investment policy does not contain specific provisions intended to limit its exposure to interest rate risk, credit risk, custodial risk, and concentration of credit risk.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District does not have a formal investment policy that would further limit investment maturities as a means of managing its exposure to fair value losses arising from increasing rates.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization; however, the County of Kings Pool and the Local Agency Investment Fund are not rated.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The District's deposit portfolio with governmental agencies consists of County of Kings at .004% and Local Agency Investment Fund at 28.7% as of December 31, 2022, of the District's total depository and investment portfolio. The District does not have a formal investment policy that would further limit exposure to concentration of credit risk.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

DUDLEY RIDGE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(Continued)

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

(4) Accounts Receivable

Accounts receivable is \$4,167 at December 31, 2022. Management believes that the amount is fully collectible and no provisions for uncollectible accounts have been set up.

(5) Capital Assets

Capital asset activity for the year ended December 31, 2022 consisted of the following:

	Balance			Balance
	January 1, 2022	Increases	Decreases	December 31, 2022
Land	\$ 36,287	\$ -	\$ -	\$ 36,287
Irrigation System	5,356,316	-	-	5,356,316
Office Equipment	420	-	-	420
Cawelo Water Storage Facility	7,562,474	-	-	7,562,474
	12,955,497	-	-	12,955,497
Less Accumulated Depreciation	(8,589,032)	(391,098)	-	(8,980,130)
	<u>\$ 4,366,465</u>	<u>\$ (391,098)</u>	<u>\$ -</u>	<u>\$ 3,975,367</u>

Depreciation expense charged to income for the year is \$391,098.

(6) Investments in Kern Water Bank Authority

On August 9, 1996, the District received from the State of California, Department of Water Resources an interest in land, improvements and other assets with a value of \$2,753,700 and water with a value of \$206,012. Upon receipt of the land, improvements and other assets, the District relinquished 4,330 acre feet of State water entitlements with a value of \$2,959,712. After the exchange, the assets received from the State were exchanged for the District's 9.62% interest in the Kern Water Bank Authority (the Authority).

The District has a 9.62% investment in the Kern Water Bank Authority. The Authority is a public agency comprised of an agency, a water company, water districts and water storage districts. The primary purpose of the Authority is to enhance water supplies for its members. Water is stored in aquifers during times of surplus and recovered during times of shortage. The Authority has constructed recharge ponds, water conveyance facilities and water wells for the storage and recovery of this water. The Authority oversees all day-to-day operations of these facilities. As organized, the Authority acts on behalf of the participants. The Authority charges the District and its other members for development, administration, and maintenance costs. The District then charges its water users that benefit directly from the membership in the Authority for the costs of belonging to the Authority.

**DUDLEY RIDGE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(Continued)**

These transactions are limited to specific members of the District that have requested to enter into contracts with the District, and not to all members within the District.

The District has a representative serving as a Board of Director for the Authority. Voting of the Authority's Board is based on percentage of ownership. The District accounts for this investment under the equity method of accounting. Under this method the District records at cost the initial investment and adjusts the carrying amount of the investment to recognize the District's share of the earnings or losses of the investee (the Authority). At December 31, 2022, the District has a \$6,086,616 investment in the Kern Water Bank Authority under the equity method.

(7) Department of Water Resources Refunds and Credits **DRAFT**

The State of California-Department of Water Resources charges the District for water delivered to the District. In subsequent years, the State refunds or gives credits to the District for over-charges for prior years water delivery. These over charges are due to the State recalculating actual costs of the water delivered to the District. Generally, the District reflects these refunds and credits in the year the State declares them.

(8) Standby Water Charges and Benefit Assessments

For the year ended December 31, 2022, refunds and credits from the State of California-Department of Water Resources that have been refunded and credited back to the landowners have reduced the initial standby water charges and benefit assessments as follows:

Initial Standby Charges	\$ 513,015
Additional Charges and Refunds to Land Owners for 2022 Charges	<u>(84,729)</u>
	<u>\$ 428,286</u>
Benefit Assessments	\$ 6,604,338
Additional Charges and Refunds to Land Owners for 2022 Charges	<u>(995,683)</u>
	<u>\$ 5,608,655</u>

Water Supply

The District has been impacted by a series of court rulings and administrative actions. As a result of those rulings and actions, significant restrictions have been imposed on the ability of the State and Federal governments to export water from the Sacramento-San Joaquin Delta (the sole source of the water supplies available to the District under its water supply contract with the California Department of Water Resources). Coupled with critical drought conditions, those restrictions have resulted in significant cutbacks in the water supply available to the District and its water users. To address those shortages, the District and its water users have been required to look for alternative water supplies and will likely be required to do so each year for the foreseeable future. Those efforts could result in material additional costs for the District. Unless long-term affordable water supplies can be located, those costs will continue to be incurred and farming within the District is put at risk due to inadequate or unaffordable water supplies.

DUDLEY RIDGE WATER DISTRICT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022
(Continued)

The failure of farms within the District and the associated loss of revenues could have a material adverse impact on the District.

(9) Contingencies

Kern Water Bank Authority - Participating Landowners

The District is a participant in the Kern Water Bank (the "KWB") through its membership in the Kern Water Bank Authority. The District participates in the KWB for the benefit of specific District landowners, who are obligated to reimburse the District for all expenses incurred in connection with the KWB. Only the members of the District that have participation agreements with the District for the participation in the Kern Water Bank Authority will receive the benefits and pay the costs of the District's share of belonging to the Authority. There are multiple ongoing lawsuits challenging the operation and propriety of the Kern Water Bank. The District landowners on whose behalf the District participates in the Kern Water Bank will be obligated to pay or reimburse any costs incurred by the District in connection with these actions, which amounts will likely be material.

Sustainable Groundwater Management Act

On January 1, 2017, the Sustainable Groundwater Management Act became effective in California. That law will result in the regulation of groundwater by local agencies like the District throughout much of the State. Although there is almost no usable groundwater available from within the District, it will still be required to prepare or participate in the development of a groundwater sustainability plan under the new law. The costs of preparing/developing and implementing such a plan could be material.

(10) Subsequent Events

Management has evaluated subsequent events through August 18, 2023, the date the financial statements were available to be issued and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

Dudley Ridge Water District Bank Balance

August 10, 2023

Accrual Basis

	<u>Aug 10, 23</u>
131 · BofA General Account	3,173.67
133 · LAIF	413,512.18
133.1 · CalTrust Short Term	206,644.76
133.2 · CalTrust Medium Term	4,185.34
135 · BofA Operating Account	<u>10,316.70</u>
TOTAL	<u><u>637,832.65</u></u>

Dudley Ridge Water District Cash Receipts Journal April 12 through August 10, 2023

Date	Num	Name	Amount
Apr 12 - Aug 10, 23			
04/14/2023	7461	Sandridge Partners	2,345.08
04/14/2023	1048	Chisolm, Vince	6.73
04/14/2023	1727431	Interest	4,499.72
04/24/2023	25727	Hewitson Farms	183.43
04/24/2023	05-103676	DWR	142,391.00
04/28/2023		Investment Dividend	39.47
04/30/2023		Investment Gain	12.46
04/30/2023		Investment Gain	4.26
04/30/2023		Investment Dividend	10.84
05/01/2023	4611	Dudley Ridge Oil Co Ltd	180.68
05/01/2023	05-108696	DWR	165,793.00
05/01/2023	05-109258	DWR	8,225.00
05/30/2023	8033	Sandridge Partners	48,587.91
05/31/2023		Investment Dividend	1,051.90
05/31/2023		Investment Dividend	12.85
06/01/2023	18700	Westside Water Authority (c)	41,232.92
06/14/2023	1605	Badasci Oil Co Inc	140.42
06/28/2023	275	Fryar, Denise	253.86
06/28/2023	05-161835	DWR	13,494.00
06/29/2023	30103525	Wonderful Orchards	3,092,854.25
06/30/2023	10643	Utica JLJ LLC	5,596.03
06/30/2023	10644	Utica JLJ LLC	78,782.16
06/30/2023	436589	Irvine Ranch WD	35,278.41
06/30/2023		Investment Dividend	1,227.26
06/30/2023		Investment Dividend	11.76
07/12/2023	10649	Utica JLJ LLC	9,889.70
07/12/2023	9641	Hanson, Hollis	194.86
07/13/2023	30103537	Wonderful Orchards	209,757.94
07/13/2023	1001	Westside Agriculture LLC	2,584,219.12
07/14/2023	1735562	Interest	4,462.40
07/31/2023		Investment Gain	334.45
07/31/2023		Investment Gain	4.30
07/31/2023		Investment Dividend	1,853.85
07/31/2023		Investment Dividend	12.25
Apr 12 - Aug 10, 23			6,452,944.27

Dudley Ridge Water District
A/R Aging Summary
As of August 10, 2023

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
Badasci Oil Co Inc	0.00	0.00	0.00	-8.84	0.00	-8.84
Chisolm, Vince	0.00	0.00	9.23	-1.01	0.00	8.22
Cooper, Bertha	0.00	0.00	19.49	0.00	32.53	52.02
Dea, Ellen	0.00	0.00	0.00	-2.10	0.00	-2.10
Dudley Ridge Oil Co Ltd	0.00	0.00	0.00	-12.82	0.00	-12.82
Fryar, Denise	0.00	0.00	-3.80	-15.75	0.00	-19.55
Hanson, Hollis	0.00	0.00	173.63	0.00	0.00	173.63
Hewitson Farms	0.00	0.00	0.00	-12.62	0.00	-12.62
Hillside Orchards	0.00	0.00	0.00	-0.25	0.00	-0.25
Hunt, Kay H & Henry C	0.00	0.00	9.86	0.00	21.96	31.82
Irvine Ranch WD	20,649.34	0.00	156,040.23	-17,001.74	-6,084.25	153,603.58
Isabella Trust	0.00	0.00	77.94	-4.25	-10.52	63.17
Jahn, Jerome Trust	0.00	0.00	146.15	0.00	330.78	476.93
Loza, Victor	0.00	0.00	9.74	-0.53	0.00	9.21
Morlock, Richard	0.00	0.00	0.00	0.00	7.86	7.86
Palmer, Janet	0.00	0.00	0.00	-1.06	-2.63	-3.69
Plane, Carmen	0.00	0.00	9.74	-0.53	-1.31	7.90
Powers, Maclom D & Judy H	0.00	0.00	0.00	-1.06	-29.86	-30.92
Regan, David	31.53	0.00	19.49	0.00	99.29	150.31
Sandridge Partners	2,794.89	102,899.03	-63,199.47	-124,394.97	84,695.41	2,794.89
Utica JLJ LLC	7,298.86	0.00	66,828.53	0.00	0.00	74,127.39
Westside Agriculture LLC	0.00	0.00	1,457,796.66	0.00	0.00	1,457,796.66
Wisler, Jonathan	0.00	0.00	295.22	0.00	474.38	769.60
Wonderful Orchards	855,815.98	0.00	2,003,769.96	0.00	0.00	2,859,585.94
TOTAL	886,590.60	102,899.03	3,622,002.60	-141,457.53	79,533.64	4,549,568.34

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08/10/23

Accrual Basis

Dudley Ridge Water District
Warrants to be Ratified as Paid
April 12 through August 10, 2023

<u>Date</u>	<u>Num</u>	<u>Name</u>	<u>Amount</u>
Apr 12 - Aug 10, 23			
05/10/2023	8378	Department of Water Resources	-441,309.00
05/10/2023	8379	International Water Screens	-48,756.12
05/10/2023	8380	Pacific Gas & Electric	-369.98
05/10/2023	8381	Wesco	-327.32
06/14/2023	8382	A+ Quality Concrete Construction Inc	-22,501.00
06/14/2023	8383	Butte County Treasurer	-188,881.76
06/14/2023	8384	Department of Water Resources	-492,521.00
06/14/2023	8385	Provost & Pritchard Consulting Group	0.00
06/14/2023	8386	Pacific Gas & Electric	-560.10
06/14/2023	8387	Westside Water Authority	-456,325.00
06/14/2023	8388	Wonderful Orchards	-7,000.00
06/14/2023	8389	Department of Water Resources	-1,047,883.00
06/14/2023	8390	Kern Water Bank Authority	-517,018.84
06/14/2023	2021CM12	Provost & Pritchard Consulting Group	-24,653.29
07/05/2023	Wire582414	Westside Water Authority (c)	-564,637.50
07/12/2023	8391	Department of Water Resources	-1,537,797.00
07/12/2023	8392	Kern Water Bank Authority	-202,195.00
07/12/2023	8393	Pacific Gas & Electric	-771.55
07/12/2023	8394	Sandridge Partners	-131,994.25
07/12/2023	8395	Wonderful Orchards	-296,427.99
08/09/2023	8396	Department of Water Resources	-522,353.00
08/09/2023	8397	International Water Screens	-49.95
08/09/2023	8398	Pacific Gas & Electric	-590.15
08/09/2023	8399	State Water Contractors	-93,396.00
08/09/2023	8400	Underground Service Alert	-300.00
08/09/2023	8401	Kern Water Bank Authority	-68,339.00
Apr 12 - Aug 10, 23			-6,666,957.80

**DUDLEY RIDGE WATER DISTRICT
2023 BUDGET COMPARISON REPORT**

	2023 Budget	Total Actual & Projected	Total (Over)/Under Budget
Benefit Assessments			
SWP Fixed Costs	\$ 7,355,806	\$ 7,353,710	\$ 2,096
Minimum District Administration	54,144	53,454	691
Actual/Projected Refunds/Reimbursements	0	0	0
Total Benefit Assessments	7,409,950	7,407,163	2,787
 \$/100 Value	2.96176	2.96064	0.00111
Standby Charges			
District Administration	689,399	682,598	6,802
Distribution System Maintenance	50,000	124,064	(74,064)
Total Standby Charges	739,399	806,661	(67,262)
Average \$/Acre	31.98	34.89	(2.91)
Water Toll Charges			
District Water Operations	42,000	42,000	0
Actual/Projected Refunds/Reimbursements	0	0	0
Total Water Toll Charges	42,000	42,000	0
Total Budgeted Expenses	\$ 8,191,349	\$ 8,255,825	\$ (64,476)