

AMSTERDAM WATER DISTRICT

2941 South State Hwy 59
Merced, CA 95341
TEL: (209) 658-8487

MEETING NOTICE AND AGENDA FOR THE REGULAR MEETING OF THE AMSTERDAM WATER DISTRICT BOARD OF DIRECTORS

June 13, 2023, at 1:00 PM

Alternate formats of this agenda will be made available upon request by qualified individuals with disabilities. Appropriate interpretive services for this meeting will be provided, if feasible, upon advance request by qualified individuals with disabilities. Please contact the Interim Agency Secretary at (209) 658-8487 for assistance and allow sufficient time to process and respond to your request.

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. PUBLIC COMMENT**
 - a. Interested persons in the audience are welcome to introduce any topic within the Agency's jurisdiction. No action may be undertaken on any item not appearing on the posted agenda, except that the Board may briefly respond to the comments, refer the matter to staff, or request it to be placed on a future agenda.
- 4. DIRECTOR KAREN CRANE MCNAB TELECONFERENCE LOCATION**
 - a. Lot 13 Lumber Yard Street, Ocho Rios, Jamaica
- 5. BOARD TO CONSIDER APPROVAL OF THE APRIL 11, 2023, BOARD MEETING MINUTES (Tab 2)**
- 6. BOARD TO REVIEW AND CONSIDER APPROVAL OF THE FY2022 FINANCIAL AUDIT REPORT (Tab 3)**
- 7. BUDGET (Tab 4)**
 - a. Board to Review and Consider Approval of the Payable List and Budget to Actual Report
- 8. BOARD TO CONSIDER APPROVING A REVISED 2023 MANAGEMENT AGREEMENT WITH WATER & LAND SOLUTIONS (Tab 5)**
 - a. WLS would replace Kemper CPA Group (formerly Spinardi & Jones) as the bookkeeper.
- 9. SURFACE WATER DELIVERY REPORT (Tab 6)**
- 10. PROJECTS UPDATE:**
 - a. Prop 68 AWD Water Projects
 - b. Temporary Water Rights Application
- 11. GROUNDWATER SUSTAINABILITY AGENCY UPDATE**
- 12. BOARD MEMBER REPORTS**
 - a. Board Members may provide a brief report on notable topics of interest.
- 13. OTHER BUSINESS**
- 14. NEXT BOARD MEETING DATE – July 11, 2023, at 1:00 pm**
- 15. ADJOURNMENT**

**Amsterdam Water District
Board Meeting Minutes
April 11, 2023**

ATTENDANCE:

DIRECTORS

Bert Crane Jr:	President
Mary Crane Couchman:	Vice President
Benjamin Crane:	Secretary
Karen Crane McNab:	Director
Craig Johnson:	Director

OTHERS

Cody Alldrin:	Mary Crane Couchman Trust-Zoom
Alan Doud:	Young Wooldridge, LLP-Zoom
Mike Gardner:	Water & Land Solutions, LLC
Art Godwin:	Robbins, Godwin, et al.
Brad Samuelson:	Water & Land Solutions, LLC

CALL TO ORDER

President Crane called the meeting to order at 1:07 pm.

ROLL CALL

Mr. Gardner stated that all Directors were present.

PUBLIC COMMENT

There was no public comment.

APPROVAL OF MINUTES

Upon a motion by Director McNab and seconded by Director Johnson, the February 15, 2023, minutes were unanimously approved. The vote on the matter was as follows:

Ayes: Bert Crane, Couchman, Ben Crane, McNab, Johnson	Nays: None
Absent: None	Abstain: None

BOARD TO CONSIDER APPROVAL OF THE FINANCIAL REPORT AND PAYMENT OF BILLS

Upon a motion by Director Ben Crane and seconded by Director Couchman, the Financial Report and payment of bills were unanimously approved as presented by Mr. Gardner. The vote on the matter was as follows:

Ayes: Bert Crane, Couchman, Ben Crane, McNab, Johnson	Nays: None
Absent: None	Abstain: None

BOARD TO CONSIDER APPROVING A REVISED 2023 MANAGEMENT AGREEMENT WITH WATER & LAND SOLUTIONS (WLS) (WLS would replace Kemper CPA Group (formerly Spinardi & Jones) as the bookkeeper)

Upon a motion by Director McNab and seconded by Director Johnson, the Board took action to elect a committee of two (Ben & Karen) to meet with WLS to understand the breakdown between the accounting services and the WLS increase and bring a new proposal to the next board meeting. The vote on the matter was as follows:

Ayes: Bert Crane, Couchman, Ben Crane, McNab, Johnson	Nays: None
Absent: None	Abstain: None

PROJECTS: PROP 68 WATER PROJECTS UPDATE

Mr. Samuelson reported that Merced Subbasin received a total of 7.6 million dollars for 10 projects. Merced Irrigation District (MID) is the applicant for the Merced Subbasin. Amsterdam Water District (AWD) received \$100,000 from the Prop 68 grant for planning purposes. Per the Governors orders, all recharge projects are exempt from CEQA. WLS is currently in the process of getting proposals from hydrogeologic firms to perform the borings.

PROJECTS: TEMPORARY WATER RIGHTS APPLICATION

Mr. Samuelson will be giving testimony in a meeting in Sacramento on April 18th on how difficult it was diverting flood waters, due to regulatory restrictions.

Mr. Samuelson would like AWD to sign a letter of support on behalf of Merced Subbasin Groundwater Sustainability Agency to Chairwoman Bauer-Kahan and Assemblywoman Soria. The letter would support AB 830-A common-sense approach to supporting groundwater recharge and fighting floods.

Upon a motion by Director Ben Crane and seconded by Director McNab, the Board approved signing the letter of support. The vote on the matter was as follows:

Ayes: Bert Crane, Couchman, Ben Crane, McNab, Johnson	Nays: None
Absent: None	Abstain: None

GROUNDWATER SUSTAINABILITY AGENCY UPDATE

Mr. Samuelson reported that there is a strategic planning Ad-Hoc committee of the GSA Board comprised of Mike Gallo, Eric Swensen, and Gino Pedretti that are tasked with planning the groundwater allocation program. The committee has separated 3 different kinds of ag properties: irrigated ag, irrigated wetlands (which will get sustainable yields) and non-irrigated.

Mr. Samuelson also reported that the Merced Subbasin GSP was approved and the Chowchilla subbasin was rejected by the State Water Board. The Madera Subbasin is currently in the process of re-submitting their GSP and the GSA has asked the State Water Board to get involved.

BOARD MEMBER REPORTS

Director Bert Crane Jr:	No report
Director Couchman:	No report
Director Benjamin Crane:	No report
Director Johnson:	No report
Director McNab:	Director McNab gave Alan Doud a chance to speak and said he has a lot to offer because of his knowledge in the Bakersfield/Kern area.

ANY OTHER BUSINESS

Mr. Samuelson reported that MID is very concerned about flood control this year. There is 1.7 MAF of water that still must go through Exchequer Dam. We are confident that they are going to make extra water available (as much as needed) this year and are hoping at the in-district price of \$50/af. Mr. Samuelson is hoping that we can keep all groundwater wells off this year.

Director Couchman reported that Mark Couchman had been pumping flood water into a recharge pond and it is leaching two feet per day into the underground aquifer.

NEXT BOARD MEETING DATE

May 9, 2023, at 1:00 pm.

ACTION ITEMS

1. Show a breakdown between accounting services and WLS increase.
2. Find out if Mechanics Bank can submit electronic checks to our vendors.
3. Send a letter of support to all board members.
4. Get a monthly schedule of flood water releases from Hicham Eltal.

ADJOURNMENT

President Crane adjourned the meeting at 2:18 pm.

Secretary

Benjamin C. Crane

AMSTERDAM WATER DISTRICT

INDEPENDENT AUDITOR'S REPORT

AND

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Amsterdam Water District
Merced, California

Opinion

We have audited the accompanying financial statements of Amsterdam Water District (the "District"), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District, as of December 31, 2022, and the changes in financial position and its 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 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.

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

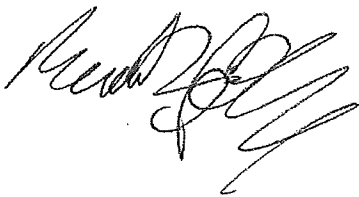
In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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.

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

April 25, 2023

AMSTERDAM WATER DISTRICT
Management's Discussion and Analysis
December 31, 2022

The Management Discussion & Analysis of the Amsterdam Water District (the "District") is designed to provide an overview of the District's financial activities and administrative oversight for the year ending December 31, 2022. Please read this in conjunction with the District's basic financial statements.

History & Background

The District was formed in 2019 and has approximately 6,662 acres (10.4 square miles) and is located in eastern Merced County. There are 109 parcels in the District and several landowners. The topography ranges from flat to rolling hills and generally slopes from the northwest to the southwest with an elevation change of approximately 120 feet.

Several canals and creeks traverse the District, including Canal Creek, Escaladian Canal, Edendale Creek and the Henderson Lateral, all Merced Irrigation District (MID) facilities. Some of the natural creeks serve as hybrid natural water ways/irrigation canals. Many of these waterways could potentially be the future sources of surface water deliveries for the District.

The District property owners have sixteen active irrigation wells. Irrigation wells are typically 500 to 700 feet deep and perforated from around 200 to 600 feet. Wells were constructed during two main periods: the mid 1990's and 2012 to 2015.

Financial Statements

This annual report consists of management's discussion and analysis, the basic financial statements and notes to financial statements. Management's discussion and analysis provides a narrative of the District's financial performance and activities for the year ended December 31, 2022. The basic financial statements provide readers with a broad overview of the District's finances. The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The basic financial statements consist of three statements:

Statement of net position – It presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in fund retained earnings may serve as a useful indicator of whether the District's financial position is improving or deteriorating.

Statement of revenues, expenses and changes in net position – It presents information showing how the District's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Certain revenues and expenses are reported in this statement that will result in cash flows in future periods.

Statement of cash flows – It presents information showing how the District's cash changed during the year. It shows the sources and uses of cash and cash equivalents.

AMSTERDAM WATER DISTRICT
Management's Discussion and Analysis
December 31, 2022

Financial Highlights

The District's financial statements are presented in accordance with the requirements of Governmental Accounting Standards Board Statement #34 (GASB 34).

At the close of year 2022:

- The assets exceeded liabilities, resulting in a net position of \$165,167.
- The District's net position increased by \$42,092, a 34% increase from the prior year.
- The District's revenues decreased by \$157,867 or 56%.
- The District's expenses decreased by \$105,693 or 56%.
- Operating revenues exceeded operating expenses by \$42,092.
- The District's cash balance was \$170,880, an increase of \$41,611 from the prior year.

Financial Analysis of the District

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report the net position of the District and the changes in them. Increases or decreases in the District's net position serve over time as a useful indicator of whether its financial health is improving or deteriorating.

Statement of Net Position

A summary of net position for years ended December 31, 2022, and 2021 are presented below:

Condensed Statements of Net Position				
	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	<u>Percent Change</u>
Current assets	\$ 170,880	\$ 129,269	\$ 41,611	32%
Total assets	<u>170,880</u>	<u>129,269</u>	<u>41,611</u>	32%
Current liabilities	5,713	6,194	(481)	-8%
Total liabilities	<u>5,713</u>	<u>6,194</u>	<u>(481)</u>	-8%
Net position:				
Unrestricted	165,167	123,075	42,092	34%
Total net position	<u>\$ 165,167</u>	<u>\$ 123,075</u>	<u>\$ 42,092</u>	34%

The District's current assets increased by \$41,611 or 32% in year 2022. Cash and cash equivalents increased by \$41,611 in year 2022 due to a net gain in operating revenue.

The decrease in current liabilities of \$481 or 8% was due to a lower volume of expenses in 2022 not paid until the early part of 2023.

The District's net position increased by \$42,092 or 34% between year 2021 and 2022. This was due to an current year operating income.

AMSTERDAM WATER DISTRICT
Management's Discussion and Analysis
December 31, 2022

Statement of Revenues, Expenses and Changes in Net Position

Condensed Statement of Revenues, Expenses and Changes in Net Position

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>	Percent Change
Operating revenues	\$ 125,281	\$ 283,148	\$ (157,867)	-56%
Operating expenses	<u>(83,189)</u>	<u>(188,882)</u>	<u>105,693</u>	-56%
Operating income	42,092	94,266	(52,174)	55%
Non-operating revenues/(expenses)	<u>-</u>	<u>-</u>	<u>-</u>	0%
Change in net position	42,092	94,266	(52,174)	55%
Beginning net position	123,075	28,809	94,266	327%
Prior period adjustment	<u>-</u>	<u>-</u>	<u>-</u>	0%
Ending net position	<u>\$ 165,167</u>	<u>\$ 123,075</u>	<u>\$ 42,092</u>	34%

Operating revenues decreased by \$157,867 or 56% in year 2022 due to a decrease in water sales and voluntary assessments. Operating expenses decreased by \$105,693 or 56% due to a decrease in water purchases.

Economic Factors and Other Issues

This narrative summarizes the primary factors affecting the District's finances and operations.

Water Supply

The District, a California Water district formed under the California Water Code, does not currently have a contractual surface water supply with either the State of California or the U.S. Bureau of Reclamation. The District does have a 10-Year Water Supply Agreement with Merced Irrigation District that expires in 2031. Water used to irrigate lands within the District is primarily from landowner owned groundwater wells. The District and its landowners must be diligent in its efforts to purchase supplemental surface water supplies from willing sellers.

Appropriative Water Rights

The District, working in conjunction with adjacent landowners, filed an appropriative water right application with the State of California's Water Resource Control Board (State Board). The appropriated water would originate from the Merced Irrigation District (MID) watershed and be diverted from the MID Main Canal. This appropriated water would serve as a supplemental surface water supply in wet years for either direct delivery or recharged to the local aquifer for use later within the approved "place of use" as identified in the water rights application. This water would help meet the goals and objectives of the local Groundwater Sustainability Plan under the State of California's Sustainable Groundwater Management Act.

AMSTERDAM WATER DISTRICT
Management's Discussion and Analysis
December 31, 2022

Appropriative Water Rights (continued)

The District will file for temporary water right that must be applied for and issued annually up and to the point that the permanent water right is acquired. To pay for the all the costs attributable for the water right process (administrative, engineering, legal, etc.), the District approved a line item in their fiscal year 2022 budget.

Infrastructure

The District has been awarded a State of California's Prop 68 round 2 grant to plan groundwater recharge infrastructure.

District Reserves

The board has determined that it is prudent to maintain one full year of the District's average O&M budget (\$94,056) in reserves. This will allow for unforeseen events that may occur at any time during the course of the Districts activities. The goal will be to collect this reserve over the next three fiscal years.

Contacting the District's Management Staff

This financial report is designed to provide a general overview of the District's accountability for its assets. Questions concerning information provided in this report or requests for additional financial information should be addressed to the Board President, Amsterdam Water District, P.O. Box 2657, 643 "J" Street, Los Banos, CA 93635, or by visiting the District's web page at www.amsterdamwater.org.

AMSTERDAM WATER DISTRICT

STATEMENT OF NET POSITION DECEMBER 31, 2022

ASSETS

Current assets

Cash and investments	\$ 170,880
Total current assets	<u>170,880</u>
Total assets	<u>\$ 170,880</u>

LIABILITIES

Current liabilities

Accounts payable	\$ 5,713
Total current liabilities	<u>5,713</u>

NET POSITION

Unrestricted	165,167
Total net position	<u>\$ 165,167</u>

AMSTERDAM WATER DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2022

Operating Revenues

Assesments	\$	125,281
Total operating revenues		<u>125,281</u>

Operating Expenses

Management fee		67,956
Engineering fees		3,789
Legal and accounting		9,734
Office		196
Insurance		816
Website Develop/Hosting		698
Total operating expenses		<u>83,189</u>

Operating income/(loss)		<u>42,092</u>
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Change in Net Position

42,092

Net Position

Beginning of year		<u>123,075</u>
End of year	\$	<u><u>165,167</u></u>

AMSTERDAM WATER DISTRICT

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022

Operating Activities

Receipts from landowners	\$ 125,281
Payments to suppliers for goods and services	<u>(83,670)</u>
Net cash provided by (used in) operating activities	<u>41,611</u>

Net Increase (Decrease) in Cash

41,611

Cash and Investments

Beginning of year	<u>129,269</u>
End of year	<u>\$ 170,880</u>

Cash Flows from Operating Activities

Operating income (loss)	\$ 42,092
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:	
Increase (Decrease) in accounts payable and accrued expenses	<u>(481)</u>

Net Cash Provided by (Used in) Operating Activities

\$ 41,611

AMSTERDAM WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

Note 1 – Summary of Significant Accounting Policies

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

Reporting Entity

The Amsterdam Water District was reorganized on February 26, 2019, this involves the formation of 6,662 acres, a California Water District, and the parallel detachment of 19.11 acres from the Merced Irrigation District, constituting a governmental reorganization application for the purpose of representing this territory in Sustainable Groundwater Management Act (SGMA). The governing board of the District consists of five directors elected at large by land-owners voters of the District serving four year staggered terms.

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

Basis of Accounting and Measurement Focus

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

An enterprise fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal ongoing operations. The principle operating revenues of the District are assessment charges. Operating expenses for enterprise funds mainly include consulting fees and some administrative fees. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

AMSTERDAM WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

Financial Statement Amounts

Cash and Investments – Cash represents the District’s cash bank account. The District currently has no investments.

Revenues and Expenses – The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District’s principle ongoing operations. The principle operating revenues of the District will be financed through fees charged to the landowners on a per-acre basis for management, administrative and SGMA related costs. Operating expenses for enterprise funds include consulting and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

AMSTERDAM WATER DISTRICT

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2022

Note 2 – Cash and Investments

Cash as of December 31, 2022 consist of the following:

Statement of Net Position

Cash - Deposits with financial institutions	\$ 170,880
	<u>\$ 170,880</u>

Note 3 – Accounts Payable and Accrued Expenses

Accounts payable at December 31, 2022 consist of trade accounts payable amounting to \$5,713.

Note 4 – Subsequent Events

The District evaluated subsequent events for recognition and disclosure through April 25, 2023, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since December 31, 2022 that required recognition or disclosure in such financial statements.

AMSTERDAM WATER DISTRICT
MANAGEMENT REPORT
FOR THE YEAR ENDED DECEMBER 31, 2022

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Required Communications	1 – 3

BRYANT L. JOLLEY

CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Directors
Amsterdam Water District
Merced, California

We have audited the financial statements of the Amsterdam Water District (the "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 engagement letter dated March 17, 2023. Professional standards require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by 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. There were no sensitive estimates affecting the District's financial statements.

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

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. We did not identify any significant audit adjustments.

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 April 25, 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 District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

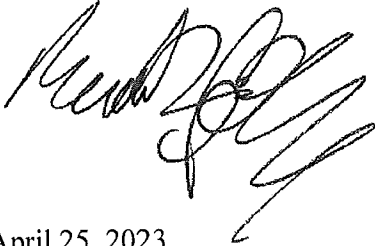
We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not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

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, which are 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 the District and is not intended to be, and should not be, used by anyone other than these specified parties.

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

April 25, 2023

**Amsterdam Water District
Payable List**

June 13, 2023

CK#	Date	Name	Deposit	Expense	Bank Balance	Description
					\$208,638.51	
1215	4/10/2023	Bryant L. Jolley, CPA		\$4,400.00	\$204,238.51	2022 Financial Audit
1216	4/27/2023	Kemper CPA Group		\$316.50	\$203,922.01	April Professional Services
1217	4/18/2023	Provost & Pritchard		\$50.50	\$203,871.51	March Website Hosting
1218	4/30/2023	RBG&M Attorneys at Law		525.00	\$203,346.51	April Professional Services
1219	4/30/2023	Water and Land Solutions		\$5,663.00	\$197,683.51	April Management Fee
	5/25/2023	Kemper CPA Group		\$150.00	\$197,533.51	May Professional Services
	5/12/2023	Provost & Pritchard		\$234.40	\$197,299.11	April Website Hosting
	5/31/2023	RBG&M Attorneys at Law		\$70.00	\$197,229.11	May Professional Services
	5/31/2023	Water and Land Solutions		\$5,663.00	\$191,566.11	May Management Fee
		Totals	\$0.00	\$17,072.40	\$191,566.11	

Amsterdam Water District

FY 2023 Assessments

January - December

June 13, 2023

Description	Budget	Actual	%	Estimated to Complete		
				Jun-Dec	Total	%
Revenue						
Assessment	\$124,308	\$62,154	50%	\$62,154	\$124,308	100%
Expenses						
O&M	\$124,308	\$37,805	30%	\$86,503	\$124,308	100%
Water						
Total	\$124,308					

Voluntary Assessment Irrigable(\$)	\$122,941
Voluntary Assessment Irrigable (\$/Ac)	\$29.96
Voluntary Assessment Non-Irrigable(\$)	\$1,367
Voluntary Assessment Non-Irrigable (\$/Ac)	\$0.54

Total Revenue \$124,308

Landowner Name	Acres			Total Assessment
	Irrigable	Non-Irrigable	Total	
Bert Crane Jr.	43.00	0.00	43.00	\$1,288.09
Bert Crane Orchards	1,287.00	166.00	1,453.00	\$38,642.07
Bert S. Crane & Nancy M. Crane 2004 Trust	0.00	736.60	736.60	\$396.08
Crane Ag Land and Farming	45.40	0.00	45.40	\$1,359.98
Bert S. Crane & Nancy M. Crane Irrevocable 1993 Trust	268.00	605.00	873.00	\$8,353.41
Craig and Maureen Johnson	76.00	55.00	131.00	\$2,306.20
Johnson Family 1992 Trust	361.00	0.00	361.00	\$10,813.96
Karen Crane McNabb LLC	1,021.00	475.33	1,496.33	\$30,840.22
Mary Crane Couchman Trust	598.70	455.19	1,053.89	\$18,179.16
Mary Crane Couchman Family Partnership L. P.	404.00	49.85	453.85	\$12,128.85
	4,104.10	2,542.97	6,647.07	\$124,308.00
	62%	38%	100%	

Adjusted Mary Crane Couchmans Acres (email dated 8-18-20)

Separated out Nancy's and Bens Acres on the 2004 Trust as per phone call from Ben (9-17-2020)

Added 212 irrigated acres to Mary Crane Couchman Trust (July 2021)

The District will have \$94,056 in Reserves (2023)

Added 28 irrigated acres to Karen Crane McNab LLC-email May 11, 2022-will reflect in 2023 budget

Added 21 irrigated acres to Mary Crane Couchman Trust-email May 11, 2022-will reflect in 2023 budget

Added 38 irrigated acres to Mary Crane Couchman Trust-email June 5, 2023-will reflect in 2024 budget

Amsterdam Water District
FY 2023 Budget to Actual
January - December
June 13, 2023
Operation & Maintenance

	Description	Budget	2023		Estimated to Complete		
			Actual	%	Jun-Dec	Total	%
I.	Administration						
a.	Management: Water & Land Solutions	\$67,956	\$28,315	42%	\$39,641	\$67,956	100%
b.	General Counsel	\$10,000	\$2,030	20%	\$7,970	\$10,000	100%
c.	Insurance	\$1,500	\$816	54%	\$684	\$1,500	100%
d.	Audit	\$4,400	\$4,400	100%	\$0	\$4,400	100%
e.	Supplies, Misc.	\$100	\$0	0%	\$100	\$100	100%
f.	Accounting Services	\$3,000	\$1,598	53%	\$1,402	\$3,000	100%
g.	District Reserves (\$31,352)-Final Payment	\$31,352	\$0	0%	\$31,352	\$31,352	100%
h.	Website: Provost and Pritchard	\$1,000	\$646	65%	\$354	\$1,000	100%
	Sub	\$119,308	\$37,805	32%	\$81,503	\$119,308	100%
II.	Appropriative Water Right (SWRCB)						
a.	Flood Water Application *						
b.	Temporary Water Right Application	\$5,000	\$0.0	0%	\$5,000	\$5,000	100%
	Sub	\$5,000	\$0	\$0	\$5,000	\$5,000	100%
	TOTAL	\$124,308	\$37,805	30%	\$86,503	\$124,308	100%

* \$3788.80 out of the budgeted amount of \$85,000 was spent in 2022, so \$80,914.32 will carryover into 2023.



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Amsterdam Water District
May 3, 2023

19-036-01

Consulting Services Agreement Addendum #1

This CSA Addendum #1 to the Consulting Services Agreement (CSA) dated March 6, 2019 between Water & Land Solutions, LLC and Amsterdam Water District.

Scope of Services

This addendum is in addition to the scope of services provided in the March 6, 2019 CSA and provides an updated monthly fee. It shall include the following:

Accounting

Provide general bookkeeping for AWD. This shall include preparing the annual budget, bank reconciliation, and AR/AP.

Fees

The Monthly Fee shall increase \$300/month for the additional Accounting services and \$800/month to account for the additional cost of business since the original CSA was signed over four years ago. The combined monthly fee is \$6,763.

Sincerely,

Brad Samuelson
Managing Member

Chase Hurley
Managing Member

Terms and Conditions Accepted

Amsterdam Water District

Signature

Date

Printed Name

Title

Brad Samuelson, *Managing Member*
209.658.8487
bsamuelson@waterandlandsolutions.com

Chase Hurley, *Managing Member*
209.704.5105
churley@waterandlandsolutions.com



Amsterdam Water District
2023 Surface Water Deliveries

Landowner	Meter #	AF Purchased @ \$325/AF	AF Delivered to Date	Balance
Bert Crane (Oakdale Rd)	XE-S-622	125	0	125
Bert Crane (Castle Dam)	XL-I-19	125	0	125
Mary Crane Couchman (Bridge)	XL-I-120	358	0	358
Mary Crane Couchman Mark Couchman	XL-I-28	391	87	304
Karen Crane McNab Mark Couchman	XL-I-21	391	151	240
Total Purchased		1,390	238	1,152

Notes:

Mark Couchman diverted 72 AF of flood water into his recharge pond

Once the \$325 water gets used, AWD can purchase surface water from MID for \$75/AF