

February 8, 2021

**VIA EMAIL ONLY**

Dustin Cooper, Esq.  
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Re: North Yuba Water District (“NYWD”) / South Feather Water and Power Agency (“SFWPA”)

Dear Dustin:

This letter is part of NYWD’s ongoing efforts to access accounting and financial records pursuant to the 2005 Agreement between NYWD and SFWPA. On January 25, 2021, NYWD’s consultant conducted an initial inspection of records. NYWD now requires additional information. Within the next few days, please let me know some dates and times during which your client will be available for NYWD’s consultant to return to the SFWPA offices.

In order to conduct a complete and thorough review, NYWD requires records going back to 2010. NYWD’s contractor was only able to obtain certain records for the 2015-2020 time period. Please have SFWPA make the records identified below available in softcopy (i.e., electronic) format if possible. In order to help SFWPA identify the necessary records, file names of corresponding records NYWD already obtained are included in parentheses:

- 2010-2014 Check listing (Warr & Pay [month year].xlsx)
- 2010-2014 Accounts Payable listing ([year] ap-checks by date.xls)
- 2010-2014 GL detail ([year] gl-detailed trial balance.xls)
- 2010-2014 JF P&L by month ([year] jfof p&l.xlsx)
- 2010-2014 NYWD Allocation (Overhead distribution from GF.xlsx)

NYWD also requests invoice documentation to support a sampling of the expenses that SFWPA has paid. Please provide documentation to support each of the checks listed on the enclosed Excel spreadsheet. For an example of the documentation that NYWD requires, please refer to the December 2020 Ramos Oil Co. record of check and invoice attached to the Excel spreadsheet.

It appears that SFWPA owns the financing company, South Feather Water & Power Agency Financing Corporation, as this company has the same employees and board members as SFWPA. NYWD requests copies of all financial records for this company dating back to 2010.

Finally, can you please provide a copy of any “internal audit” that SFWPA commissioned in the last ten years regarding payments made or owed to NYWD, including the one that Mr. Mosely referenced in the third paragraph of his November 4, 2019 letter to Mr. Maupin.

After an initial review of the documents NYWD obtained, a couple issues require clarification from SFWPA.

First, the professional services provided by your firm, Minasian, Meith, Soares, Sexton & Cooper, LLP, to SFWPA have been expensed to different accounts over the years [e.g., 1-50-50208 (in 2015 and 2020) and 07-60-60208 (in 2016)]. Furthermore, it appears that none of these services were billed to SFWPA’s General Account for the years 2016-2020, but rather were billed to the Joint Account. Can you or your client please explain?

Second, SFWPA’s General Fund Financial Report for the January 26, 2021 Board Meeting shows the General Fund as having Interest Earnings of \$520,275.00 for 2020. However, at the same time, SFWPA’s financial records do not show the General Fund having enough funds in 2020 to earn that much interest. Can you or your client please explain?

Feel free to reach out to me with any questions.

Regards,

BOUTIN JONES INC.



Daniel S. Stouder

Enclosures

cc: NYWD c/o Jeff Maupin  
Barbara Brenner, Esq.