



DESCANSO COMMUNITY WATER DISTRICT

March 17, 2026

NOTICE

A Regular Meeting of the Board of Directors of the Descanso Community Water District (DCWD) has been called for:

Tuesday, March 17, 2026, 7:00 pm

Descanso Town Hall, Viejas Grade Blvd., Descanso, CA

AGENDA

1. **CALL TO ORDER, PLEDGE OF ALLEGIANCE.**
2. **ROLL CALL.**
3. **APPROVAL OF AGENDA.**
4. **PUBLIC COMMENT:** An opportunity for the public to comment on any topic that is within the jurisdiction of the Board and not on this agenda. No Board action is authorized for items not on this agenda. The total amount of time allocated for public comment may be limited, and each speaker may be limited to no more than 3 minutes (Brown Act, Section 54954.3).
5. **APPROVAL OF THE MINUTES:** The Board will review the draft minutes from the following meetings and take appropriate action:
 - Regular Meeting held on December 16, 2025
6. **FINANCIAL REPORT:** The district's accountant will present the financial report to the Board. The Board will consider its approval and take appropriate action.
7. **REQUEST FOR BUDGET REVISION:** The district's accountant will present the budget revision to the Board. The Board will consider its approval and take appropriate action.
8. **AMENDMENT TO THE ADMINISTRATIVE CODE:** The Board will discuss amending the Administrative Code to include other potential meeting sites and any other changes to the Administrative Code as needed. Action possible.
9. **ENGINEERING STATUS REPORT:** The district's engineer will present a project update to the board.
10. **REQUESTED AMENDMENT TO TASK ORDER 08:** The district's engineer will present an amendment for Task Order 08. The Board will consider its approval and take appropriate action.
11. **PUMP INSTALLATION AT WELL 7:** The board will review the quote for the pump installation at Well 7 provided by Stehly and take appropriate action.
12. **GENERAL MANAGER'S REPORT:** The GM will provide a report on activities occurring since the last meeting.
 - A. GM Report.
 - B. Q&A.

13. OTHER ITEMS DIRECTLY RELATED TO THE ABOVE-DESCRIBED MATTERS AS MAY BE BROUGHT BEFORE THE BOARD OF DIRECTORS

14. MOTION TO ADJOURN

Board of Directors		
Maureen Phillips President (619) 445-6042	Sheri Minix Director (619) 823-4216	Lee Johnson Financial Officer (619) 445-4122
Vacancy	Vacancy	Dan DeMoss General Manager (916) 616-7761

NOTE: Arrangements will be made for handicapped accessibility as required. Please contact the District by calling (855) 224-6981 (7 days a week-24/7). The next regular meeting of the Descanso Community Water District Board of Directors will be held on December 16, 2025.

Item 1

CALL TO ORDER, PLEDGE OF ALLEGIANCE

Item 2

ROLL CALL:

1. Maureen Phillips
2. Sheri Minix
3. Lee Johnson
4. Dan DeMoss

Item 3

APPROVAL OF AGENDA:

The Board will review and discuss any last-minute revisions to the posted agenda.

Notes:

Item 4

PUBLIC COMMENT:

An opportunity for the public to comment on any topic that is within the jurisdiction of the Board and not on this agenda. No board action is authorized for items not on this agenda. The total amount of time allocated for public comment may be limited and each speaker may be limited to no more than 3 minutes (Brown Act Section 54854.3).

Notes:

Minutes

A Meeting of the Board of Directors of the Descanso Community Water District (DCWD) has been called for:

*Tuesday, December 16th, 2025, 7:00 pm
Descanso Town Hall, Viejas Grade Blvd., Descanso, CA*

1. **CALL TO ORDER, PLEDGE OF ALLEGIANCE:** The meeting was called to order by President Phillips at 7:04 PM.
2. **ROLL CALL:** Members present were Phillips, Johnson, and Minix. Dan DeMoss with SUSP, SUSP/DCWD Administrative Assistant Cierra Creamer and SUSP/DCWD Supervisor Cameron West. SUSP/JCSD Area Manager Emilio Gonzalez. Jason Kaminsky with HNK CPAs, James Owens with NV5 and via zoom Anabel Cruz with Nigro and Nigro.
3. **APPROVAL OF AGENDA:** No changes were made to the agenda. A motion to approve the agenda as is was given by Minix and a second by Phillips. A vote was taken, 3 approved and 0 opposed.
4. **PUBLIC COMMENT:** No public comment was made. No action needed.
5. **DCWD FINANCIAL AUDIT OF 2024-25:** Anabel Cruz with Nigro and Nigro went over the financial audit with the board and answered all questions. Jason Kaminsky with HNK CPAs was able to help answer a few questions from the board president regarding. A motion to accept the auditor's report was given by Johnson and a second by Minix. A vote was taken, 3 approved and 0 opposed.
6. **APPROVAL OF THE MINUTES FROM THE REGULAR SEPTEMBER 2025 AND SPECIAL NOVEMBER 2025 MEETINGS:** The board reviewed the minutes from the regular meeting held on September 16th and the special meeting held on November 25th and had no changes. A motion to approve both sets of minutes with no changes was made by Johnson and a second by Minix. A vote was taken, 3 approved and 0 opposed.
7. **FINANCIAL REPORT:** Kaminsky went over the financial report with the board and answered all questions. Kaminsky stated that going forward he will be dividing the chemical order cost over a seven-month period to avoid it all being in the same month. A motion to accept the financial report was made by Johnson and a second by Minix. A vote was taken, 3 approved and 0 opposed.

8. **MANDATORY ELECTRONIC FILING OF STATEMENTS OF ECONOMIC INTERESTS:** The Board President reminded the other board members to file their 700 forms and then to send a copy to Cierra to be filed in the office. No action needed.

9. **ENGINEERING STATUS REPORT:** James Owens went over the engineering status report with the board and answered all questions. Cameron West was asked about the water results to which he answered. A motion to accept the engineering status report was made by Johnson and a second by Minix. A vote was taken, 3 approved and 0 opposed.

10. **GENERAL MANAGER’S REPORT:** DeMoss and West went over the GM report with the board and answered all questions. Johnson had some questions about the tank cleaning and how it went to which West answered. No action needed.

11. **OTHER ITEMS DIRECTLY RELATED TO THE ABOVE-DESCRIBED MATTERS AS MAY BE BROUGHT BEFORE THE BOARD OF DIRECTORS:** N/A

12. **MOTION TO ADJOURN:** A motion was given by Johnson and a second by Minix to adjourn the meeting at 8:16 PM.

Board of Directors		
Maureen Phillips President (619) 445-6042	Sheri Minix Director (619) 823-4216	Lee Johnson Finance Officer (619) 445-4122
Vacancy	Vacancy	Dan DeMoss General Manager (916) 616-7761

Item 6

FINANCIAL REPORT:

The district’s accountant will present the financial report to the Board. The Board will consider its approval and take appropriate action.

Notes:

Descanso Community Water District
Statement of Net Position
As of December 31, 2025

Dec 31, 25

ASSETS	
Current Assets	
Checking/Savings	
Cash and Cash Equivalents	
Cash	
General Fund7573-Cal Bank	
Installment Fund-USDA Series 21	35,201
Reserve Fund-USDA Series 2021	27,723
Depr Reserve-USDA Series 2021	22,936
General Fund7573-Cal Bank - Other	112,752
Total General Fund7573-Cal Bank	198,612
Checking7680-Cal Bank	7,500
Emgncy/Cap ImproveFund-Cal Bank	677,819
Installment Fund - US Bank	304
Reserve Fund - US Bank	37,231
Deposits In Transit	211
Total Cash	921,677
Total Cash and Cash Equivalents	921,677
Total Checking/Savings	921,677
Accounts Receivable	
Customer Accounts Receivable	
Customer Accounts Receivable	222,666
Total Customer Accounts Receivable	222,666
Allowance for Doubtful Accounts	-149,705
Total Accounts Receivable	72,961
Other Current Assets	61,379
Total Current Assets	1,056,017
Fixed Assets	
Utility Plant-At Original Cost	4,052,764
Accumulated Depreciation	-1,513,082
Total Fixed Assets	2,539,682
Other Assets	
Uncapitalized Fixed Assets -WIP	139,404
Total Other Assets	139,404
TOTAL ASSETS	3,735,103

Descanso Community Water District
Statement of Net Position
As of December 31, 2025

	Dec 31, 25
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	65,944
Other Current Liabilities	
Current Portion of LTD	
Loan Payable - US Bank	19,900
Loan Payable - SD County	4,613
USDA Series 2021A Short Term	26,000
USDA Series 2021B Short Term	7,000
Total Current Portion of LTD	57,513
Interest Accrued	22,634
Total Other Current Liabilities	80,147
Total Current Liabilities	146,091
Long Term Liabilities	
Long-Term Debt	
Loan Payable - US Bank 4/2038	311,336
Loan Payable-SD County 1/2041	90,596
USDA Series 2021A Long Term	1,370,000
USDA Series 2021B Long Term	51,435
Total Long-Term Debt	1,823,367
Total Long Term Liabilities	1,823,367
Total Liabilities	1,969,458
Equity	1,765,645
TOTAL LIABILITIES & EQUITY	3,735,103

Descanso Community Water District

Statement of Revenues, Expenses, & Change in Net Position

October through December 2025

Ordinary Income/Expense	Oct 25	Budget	\$ Over Budget	% of Budget	Nov 25	Budget	\$ Over Budget	% of Budget
Income								
Operating Revenues	42,711	45,248	-2,537	94%	41,968	43,346	-1,378	97%
Total Income	42,711	45,248	-2,537	94%	41,968	43,346	-1,378	97%
Gross Profit	42,711	45,248	-2,537	94%	41,968	43,346	-1,378	97%
Expense								
Operating Expenses	1,364	2,194	-830	62%	1,123	1,482	-359	76%
Water Treatment	2,806	925	1,881	303%	0	925	-925	0%
Repairs and Maintenance	3,168	3,376	-208	94%	1,204	3,376	-2,172	36%
Transmission & Distribution	29,663	29,610	53	100%	30,328	29,610	718	102%
Depreciation	13,543	13,543	0	100%	13,543	13,543	0	100%
General & Administrative	12,892	11,667	1,225	111%	11,764	9,293	2,471	127%
Total Expense	63,436	61,315	2,121	103%	57,962	58,229	-267	100%
Net Ordinary Income	-20,725	-16,067	-4,658	129%	-15,994	-14,883	-1,111	107%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,639	7,688	-49	99%	7,615	7,687	-72	99%
Viejas Grade Project Charge	1,581	1,591	-10	99%	1,576	1,591	-15	99%
Supp Debt Charge	4,505	4,533	-28	99%	4,490	4,533	-43	99%
Interest Income	649	600	49	108%	528	600	-72	88%
Total Other Income	14,374	14,412	-38	100%	14,209	14,411	-202	99%
Other Expense								
Interest Expense	4,166	4,166	0	100%	4,166	4,166	0	100%
Total Other Expense	4,166	4,166	0	100%	4,166	4,166	0	100%
Net Other Income	10,208	10,246	-38	100%	10,043	10,245	-202	98%
Net Income	-10,517	-5,821	-4,696	181%	-5,951	-4,638	-1,313	128%

Descanso Community Water District

Statement of Revenues, Expenses, & Change in Net Position

October through December 2025

	TOTAL							
Ordinary Income/Expense	Dec 25	Budget	\$ Over Budget	% of Budget	Oct - Dec 25	Budget	\$ Over Budget	% of Budget
Income								
Operating Revenues	41,605	43,558	-1,953	96%	126,284	132,152	-5,868	96%
Total Income	<u>41,605</u>	<u>43,558</u>	<u>-1,953</u>	<u>96%</u>	<u>126,284</u>	<u>132,152</u>	<u>-5,868</u>	<u>96%</u>
Expense								
Gross Profit	41,605	43,558	-1,953	96%	126,284	132,152	-5,868	96%
Operating Expenses	924	26	898	3,554%	3,411	3,702	-291	92%
Water Treatment	2,625	925	1,700	284%	5,431	2,775	2,656	196%
Repairs and Maintenance	1,841	3,376	-1,535	55%	6,213	10,128	-3,915	61%
Transmission & Distribution	30,886	29,610	1,276	104%	90,877	88,830	2,047	102%
Depreciation	13,527	13,527	0	100%	40,613	40,613	0	100%
General & Administrative	13,772	12,994	778	106%	38,428	33,954	4,474	113%
Total Expense	<u>63,575</u>	<u>60,458</u>	<u>3,117</u>	<u>105%</u>	<u>184,973</u>	<u>180,002</u>	<u>4,971</u>	<u>103%</u>
Net Ordinary Income	<u>-21,970</u>	<u>-16,900</u>	<u>-5,070</u>	<u>130%</u>	<u>-58,689</u>	<u>-47,850</u>	<u>-10,839</u>	<u>123%</u>
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,615	7,687	-72	99%	22,869	23,062	-193	99%
Viejias Grade Project Charge	1,576	1,592	-16	99%	4,733	4,774	-41	99%
Supp Debt Charge	4,490	4,533	-43	99%	13,485	13,599	-114	99%
Interest Income	594	600	-6	99%	1,771	1,800	-29	98%
Total Other Income	<u>14,275</u>	<u>14,412</u>	<u>-137</u>	<u>99%</u>	<u>42,858</u>	<u>43,235</u>	<u>-377</u>	<u>99%</u>
Other Expense								
Interest Expense	4,166	4,166	0	100%	12,498	12,498	0	100%
Total Other Expense	<u>4,166</u>	<u>4,166</u>	<u>0</u>	<u>100%</u>	<u>12,498</u>	<u>12,498</u>	<u>0</u>	<u>100%</u>
Net Other Income	<u>10,109</u>	<u>10,246</u>	<u>-137</u>	<u>99%</u>	<u>30,360</u>	<u>30,737</u>	<u>-377</u>	<u>99%</u>
Net Income	<u>-11,861</u>	<u>-6,654</u>	<u>-5,207</u>	<u>178%</u>	<u>-28,329</u>	<u>-17,113</u>	<u>-11,216</u>	<u>166%</u>

Descanso Community Water District
Statement of Revenues, Expenses, & Change in Net Position
 July through December 2025

	<u>Jul 25</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Aug 25</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense								
Income								
Operating Revenues	44,783	46,608	-1,825	96%	47,750	46,236	1,514	103%
Total Income	44,783	46,608	-1,825	96%	47,750	46,236	1,514	103%
Gross Profit	44,783	46,608	-1,825	96%	47,750	46,236	1,514	103%
Expense								
Operating Expenses	2,150	2,449	-299	88%	2,198	2,442	-244	90%
Water Treatment	350	20,493	-20,143	2%	300	925	-625	32%
Repairs and Maintenance	1,213	3,369	-2,156	36%	14,004	3,369	10,635	416%
Transmission & Distribution	32,678	29,610	3,068	110%	30,631	29,610	1,021	103%
Depreciation	13,543	13,543	0	100%	13,543	13,543	0	100%
General & Administrative	11,409	9,357	2,052	122%	11,178	9,293	1,885	120%
Total Expense	61,343	78,821	-17,478	78%	71,854	59,182	12,672	121%
Net Ordinary Income	-16,560	-32,213	15,653	51%	-24,104	-12,946	-11,158	186%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,615	7,687	-72	99%	7,615	7,687	-72	99%
Viejas Grade Project Charge	1,576	1,591	-15	99%	1,576	1,591	-15	99%
Supp Debt Charge	4,490	4,534	-44	99%	4,490	4,533	-43	99%
Interest Income	623	600	23	104%	591	600	-9	99%
Total Other Income	14,304	14,412	-108	99%	14,272	14,411	-139	99%
Other Expense								
Interest Expense	1,063	4,204	-3,141	25%	4,204	4,204	0	100%
Total Other Expense	1,063	4,204	-3,141	25%	4,204	4,204	0	100%
Net Other Income	13,241	10,208	3,033	130%	10,068	10,207	-139	99%
Net Income	-3,319	-22,005	18,686	15%	-14,036	-2,739	-11,297	512%

Descanso Community Water District
Statement of Revenues, Expenses, & Change in Net Position
 July through December 2025

	Sep 25	Budget	\$ Over Budget	% of Budget	Oct 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
Operating Revenues	43,438	45,394	-1,956	96%	42,711	45,248	-2,537	94%
Total Income	43,438	45,394	-1,956	96%	42,711	45,248	-2,537	94%
Gross Profit	43,438	45,394	-1,956	96%	42,711	45,248	-2,537	94%
Expense								
Operating Expenses	1,620	2,302	-682	70%	1,364	2,194	-830	62%
Water Treatment	160	925	-765	17%	2,806	925	1,881	303%
Repairs and Maintenance	1,725	3,369	-1,644	51%	3,168	3,376	-208	94%
Transmission & Distribution	29,900	29,610	290	101%	29,663	29,610	53	100%
Depreciation	13,543	13,543	0	100%	13,543	13,543	0	100%
General & Administrative	12,535	9,394	3,141	133%	12,892	11,667	1,225	111%
Total Expense	59,483	59,143	340	101%	63,436	61,315	2,121	103%
Net Ordinary Income	-16,045	-13,749	-2,296	117%	-20,725	-16,067	-4,658	129%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,615	7,687	-72	99%	7,639	7,688	-49	99%
Viejas Grade Project Charge	1,576	1,592	-16	99%	1,581	1,591	-10	99%
Supp Debt Charge	4,490	4,533	-43	99%	4,505	4,533	-28	99%
Interest Income	642	600	42	107%	649	600	49	108%
Total Other Income	14,323	14,412	-89	99%	14,374	14,412	-38	100%
Other Expense								
Interest Expense	4,204	4,204	0	100%	4,166	4,166	0	100%
Total Other Expense	4,204	4,204	0	100%	4,166	4,166	0	100%
Net Other Income	10,119	10,208	-89	99%	10,208	10,246	-38	100%
Net Income	-5,926	-3,541	-2,385	167%	-10,517	-5,821	-4,696	181%

Descanso Community Water District
Statement of Revenues, Expenses, & Change in Net Position
 July through December 2025

	Nov 25	Budget	\$ Over Budget	% of Budget	Dec 25	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
Operating Revenues	41,968	43,346	-1,378	97%	41,605	43,558	-1,953	96%
Total Income	41,968	43,346	-1,378	97%	41,605	43,558	-1,953	96%
Gross Profit	41,968	43,346	-1,378	97%	41,605	43,558	-1,953	96%
Expense								
Operating Expenses	1,123	1,482	-359	76%	924	26	898	3,554%
Water Treatment	0	925	-925	0%	2,625	925	1,700	284%
Repairs and Maintenance	1,204	3,376	-2,172	36%	1,841	3,376	-1,535	55%
Transmission & Distribution	30,328	29,610	718	102%	30,886	29,610	1,276	104%
Depreciation	13,543	13,543	0	100%	13,527	13,527	0	100%
General & Administrative	11,764	9,293	2,471	127%	13,772	12,994	778	106%
Total Expense	57,962	58,229	-267	100%	63,575	60,458	3,117	105%
Net Ordinary Income	-15,994	-14,883	-1,111	107%	-21,970	-16,900	-5,070	130%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,615	7,687	-72	99%	7,615	7,687	-72	99%
Viejas Grade Project Charge	1,576	1,591	-15	99%	1,576	1,592	-16	99%
Supp Debt Charge	4,490	4,533	-43	99%	4,490	4,533	-43	99%
Interest Income	528	600	-72	88%	594	600	-6	99%
Total Other Income	14,209	14,411	-202	99%	14,275	14,412	-137	99%
Other Expense								
Interest Expense	4,166	4,166	0	100%	4,166	4,166	0	100%
Total Other Expense	4,166	4,166	0	100%	4,166	4,166	0	100%
Net Other Income	10,043	10,245	-202	98%	10,109	10,246	-137	99%
Net Income	-5,951	-4,638	-1,313	128%	-11,861	-6,654	-5,207	178%

Descanso Community Water District
Statement of Revenues, Expenses, & Change in Net Position
 July through December 2025

	TOTAL			
Ordinary Income/Expense	Jul - Dec 25	Budget	\$ Over Budget	% of Budget
Income				
Operating Revenues	262,255	270,390	-8,135	97%
Total Income	<u>262,255</u>	<u>270,390</u>	<u>-8,135</u>	<u>97%</u>
Expense				
Gross Profit	262,255	270,390	-8,135	97%
Operating Expenses	9,379	10,895	-1,516	86%
Water Treatment	6,241	25,118	-18,877	25%
Repairs and Maintenance	23,155	20,235	2,920	114%
Transmission & Distribution	184,086	177,660	6,426	104%
Depreciation	81,242	81,242	0	100%
General & Administrative	73,550	61,998	11,552	119%
Total Expense	<u>377,653</u>	<u>377,148</u>	<u>505</u>	<u>100%</u>
Net Ordinary Income	<u>-115,398</u>	<u>-106,758</u>	<u>-8,640</u>	<u>108%</u>
Other Income/Expense				
Other Income				
Treatment Plant Project Charge	45,714	46,123	-409	99%
Viejias Grade Project Charge	9,461	9,548	-87	99%
Supp Debt Charge	26,955	27,199	-244	99%
Interest Income	3,627	3,600	27	101%
Total Other Income	<u>85,757</u>	<u>86,470</u>	<u>-713</u>	<u>99%</u>
Other Expense				
Interest Expense	21,969	25,110	-3,141	87%
Total Other Expense	<u>21,969</u>	<u>25,110</u>	<u>-3,141</u>	<u>87%</u>
Net Other Income	<u>63,788</u>	<u>61,360</u>	<u>2,428</u>	<u>104%</u>
Net Income	<u>-51,610</u>	<u>-45,398</u>	<u>-6,212</u>	<u>114%</u>

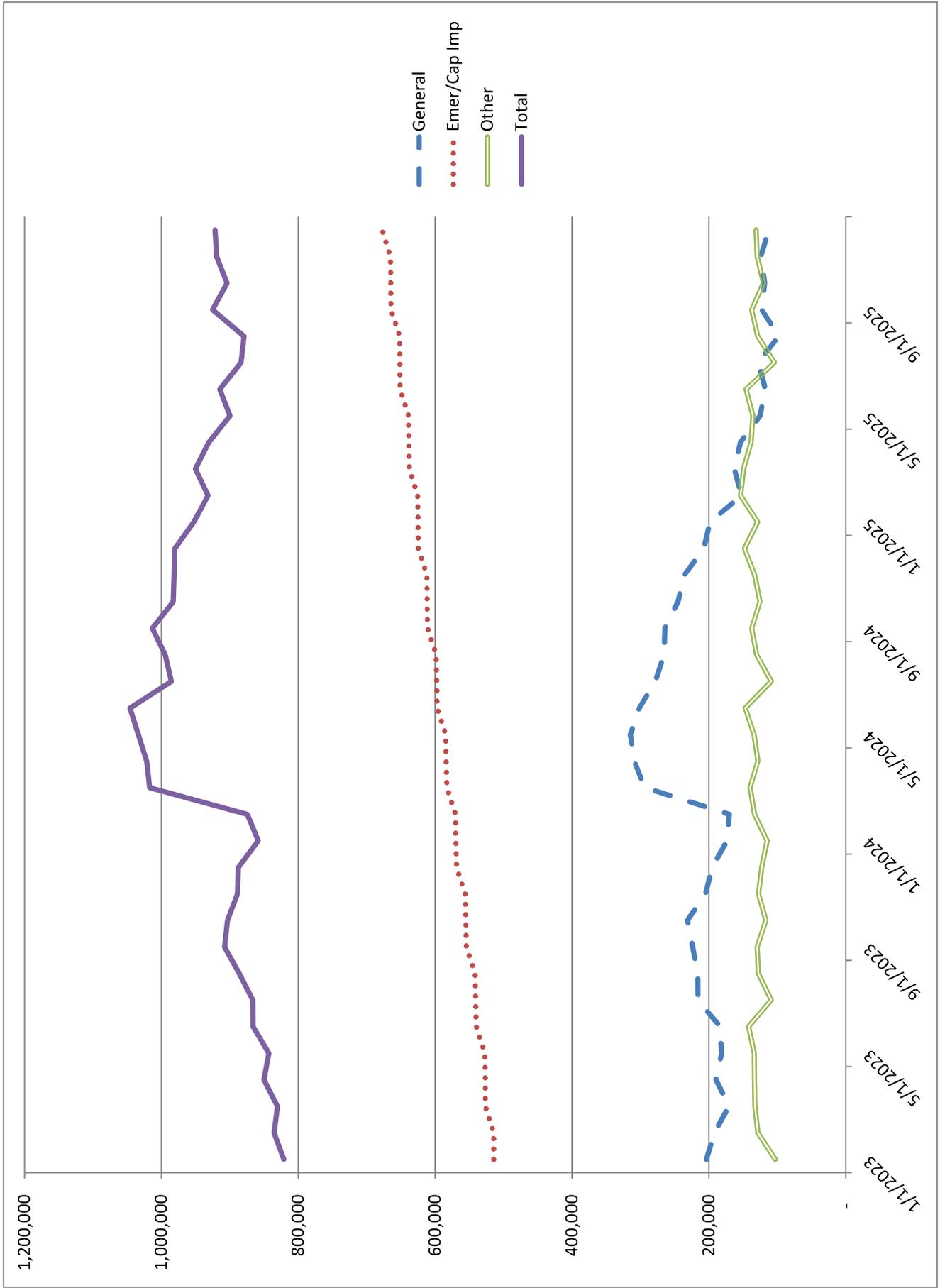
Descanso Community Water District
Statement of Cash Flows
October through December 2025

	Oct - Dec 25
OPERATING ACTIVITIES	
Net Income	-28,328
Adjustments to reconcile Net Income to net cash provided by operations:	
Customer Accounts Receivable:Customer Accounts Receivable	-8,614
Customer Accounts Receivable:Customer Accounts Receivable:Customer Prepayments	-1,989
Allowance for Doubtful Accounts	8,730
Prepayments:G&A	3,221
Prepayments:Taxes/Fees	-454
Materials and Supplies:Chemicals	-22,477
Accts Pay - General	20,533
Accts Pay - Accrued	-776
Interest Accrued:Int Accr-LTD-Outside	4,404
Net cash provided by Operating Activities	-25,750
INVESTING ACTIVITIES	
Accumulated Depreciation:Utility Plant-Acc Depr	40,612
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 09 (\$158.61K)	-4,348
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 09 (\$158.61K)	-4,348
Net cash provided by Investing Activities	31,916
FINANCING ACTIVITIES	
Current Portion of LTD:Loan Payable - US Bank	500
Long-Term Debt:Loan Payable - US Bank 4/2038	-10,100
Net cash provided by Financing Activities	-9,600
Net cash increase for period	-3,433
Cash at beginning of period	925,111
Cash at end of period	921,677

Descanso Community Water District
Statement of Cash Flows
July through December 2025

	Jul - Dec 25
OPERATING ACTIVITIES	
Net Income	-51,611
Adjustments to reconcile Net Income to net cash provided by operations:	
Customer Accounts Receivable:Customer Accounts Receivable	-9,881
Customer Accounts Receivable:Customer Accounts Receivable:Customer Prepayments	-1,788
Allowance for Doubtful Accounts	17,730
Security Deposits:County of San Diego	1,160
Prepayments:G&A	-6,059
Prepayments:Taxes/Fees	-509
Materials and Supplies:Chemicals	-22,477
Accts Pay - General	13,262
Accts Pay - Accrued	-429
Interest Accrued:Int Accr-LTD-Outside	1,178
Current Portion of LTD:USDA Series 2021A Short Term	1,000
	-58,423
Net cash provided by Operating Activities	-58,423
INVESTING ACTIVITIES	
Accumulated Depreciation:Utility Plant-Acc Depr	81,240
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 09 (\$158.61K)	-4,348
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 09 (\$158.61K)	-4,348
	72,544
Net cash provided by Investing Activities	72,544
FINANCING ACTIVITIES	
Current Portion of LTD:Loan Payable - US Bank	500
Long-Term Debt:Loan Payable - US Bank 4/2038	-10,100
Long-Term Debt:USDA Series 2021A Long Term	-26,000
Long-Term Debt:USDA Series 2021B Long Term	28,435
	-7,165
Net cash provided by Financing Activities	-7,165
Net cash increase for period	6,956
Cash at beginning of period	914,722
Cash at end of period	921,677

DCWD Cash Flow Balances



Unaudited - No assurance is provided on these financial statements

Item 7

REQUEST FOR BUDGET REVISION:

The district’s accountant will present the budget revision to the Board. The Board will consider its approval and take appropriate action.

Notes:

**DESCANSO COMMUNITY WATER DISTRICT
OPERATING BUDGET
7/01/25-6/30/26**

	Accepted Total	July	August	September	October	November	December	January	February	March	April	May	June
Operating Income/Expense, see note													
Revenues													
14400 Water Sales	75,785	8,903	8,531	7,689	7,543	5,641	5,853	4,532	4,322	3,638	4,826	5,907	8,400
14430 Service Charge*	437,460	36,455	36,455	36,455	36,455	36,455	36,455	36,455	36,455	36,455	36,455	36,455	36,455
14450 Late Fees	6,000	500	500	500	500	500	500	500	500	500	500	500	500
18800 Other Income	9,000	750	750	750	750	750	750	750	750	750	750	750	750
Total Operating Revenues	528,245	46,608	46,236	45,394	45,248	43,346	43,558	42,237	42,027	41,343	42,531	43,612	46,105
Operating Expenses - Pumping													
25546 Telemetry	-	-	-	-	-	-	-	-	-	-	-	-	-
25545 Utilities (electric)	17,980	2,449	2,440	2,302	2,194	1,482	26	1,003	1,040	1,594	751	1,043	1,654
Total Pumping	17,980	2,449	2,440	2,302	2,194	1,482	26	1,003	1,040	1,594	751	1,043	1,654
WATER TREATMENT													
35515 Chemicals	39,136	19,568	-	-	-	-	-	-	-	19,568	-	-	-
Testing	11,100	925	925	925	925	925	925	925	925	925	925	925	925
Total Treatment	50,236	20,493	925	20,493	925	925	925						
REPAIRS AND MAINTENANCE													
Waste Disposal	2,511	204	204	204	211	211	211	211	211	211	211	211	211
55556 Vehicle Repair & Maint	-	-	-	-	-	-	-	-	-	-	-	-	-
55557 Repair & Maintenance/Valve Repair	37,980	3,165	3,165	3,165	3,165	3,165	3,165	3,165	3,165	3,165	3,165	3,165	3,165
55558 System Mapping	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Repairs & Maintenance	40,491	3,369	3,369	3,369	3,376								
TRANSMISSION & DIST.													
65575 Misc. Security	1,200	100	100	100	100	100	100	100	100	100	100	100	100
65545 Underground Service Alert Engineering Expense	240	20	20	20	20	20	20	20	20	20	20	20	20
65531 Contract Labor (SUSP Contract)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Transmission & Dist.	353,880	29,490											
Total	355,320	29,610											
46700 DEPRECIATION	162,404	13,543	13,543	13,543	13,543	13,543	13,527						

**DESCANSO COMMUNITY WATER DISTRICT
OPERATING BUDGET
7/01/25-6/30/26**

Accepted	July	August	September	October	November	December	January	February	March	April	May	June
GENERAL & ADMINISTRATION												
Telephone & Internet	2,400	200	200	200	200	200	200	200	200	200	200	200
Internet-Office	-	-	-	-	-	-	-	-	-	-	-	-
76711 Misc. Administrative Exp.	384	32	32	32	32	32	32	32	32	32	32	32
76505 Account & Audit	12,500	1,042	1,042	1,042	1,042	1,041	1,042	1,042	1,041	1,042	1,042	1,041
Bad Debt Expense	36,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
76579 Bank Service Charges	780	65	65	65	65	65	65	65	65	65	65	65
Billing Supplies	1,600	133	133	133	133	134	133	133	134	133	133	134
76560 General Liability Ins.	4,900	-	-	-	-	-	-	-	4,900	-	-	-
76565 Legal	2,500	208	209	208	208	209	208	208	209	208	208	209
Licenses, Taxes, & Fees	3,875	125	125	125	125	125	125	125	125	125	125	125
Merchant Discount	120	10	10	10	10	10	10	10	10	10	10	10
76580 Office Expenses	2,400	200	200	200	200	200	200	200	200	200	200	200
76625 Postage	2,760	230	230	230	230	230	230	230	230	230	230	230
76635 Rent Office & Town Hall	25,800	2,100	2,100	2,100	2,100	2,200	2,200	2,100	2,200	2,100	2,100	2,200
Utilities: Office	7,080	590	590	590	590	590	590	590	590	590	590	590
75574 State Health Op Fee	3,600	-	-	-	-	3,600	-	-	-	-	-	-
76660 Accounting Services	15,457	1,256	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291
76669 Admin Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
Loan Trust Trustee Fee	1,220	-	-	-	-	-	-	-	1,220	-	-	-
Website	560	-	-	-	-	-	-	-	-	-	-	560
76690 Board Expenses	800	66	67	67	66	67	66	67	67	66	67	67
76571 Advertising & Printing	-	-	-	-	-	-	-	-	-	-	-	-
Total General & Administration	124,736	9,357	9,293	9,394	11,667	12,994	9,392	9,293	15,514	9,292	9,293	9,954
Total Operating Expense	751,167	78,821	59,180	59,143	61,315	60,458	57,833	57,771	84,114	57,481	57,774	59,046
Income/Loss From Ops.	(222,922)	(32,213)	(12,944)	(13,749)	(16,067)	(16,900)	(15,596)	(15,744)	(42,771)	(14,950)	(14,162)	(12,941)
Non Operating Inc/Exp.												
88440 Supp Debt Charge*	54,397	4,533	4,533	4,533	4,533	4,533	4,533	4,533	4,533	4,533	4,533	4,533
Treatment Plant Project Charge*	92,247	7,687	7,687	7,687	7,687	7,687	7,687	7,687	7,687	7,687	7,687	7,687
Viejas Grade Project Charge*	19,096	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591
88805 Other Non Operating Income	-	-	-	-	-	-	-	-	-	-	-	-
88810 Interest Income	7,200	600	600	600	600	600	600	600	600	600	600	600
89000 Interest Expense	(49,911)	(4,204)	(4,204)	(4,166)	(4,166)	(4,166)	(4,153)	(4,153)	(4,153)	(4,114)	(4,114)	(4,114)
Total Non-Operational Inc/Exp.	123,029	10,208	10,208	10,246	10,246	10,246	10,259	10,259	10,259	10,298	10,298	10,298
Net Income/Loss	(99,892)	(22,006)	(2,736)	(5,821)	(4,637)	(6,654)	(5,338)	(5,486)	(32,513)	(4,652)	(3,865)	(2,643)

*Based on 317 active connections

PROPOSED CASH FLOW ANALYSIS
7/01/25-6/30/26

	Total	July	August	September	October	November	December	January	February	March	April	May	June
Cash Balance Beginning of Period	914,722	914,722	862,625	877,636	874,147	886,034	899,106	910,145	899,174	911,369	878,867	891,856	905,632
Cash Provided or (Used) by Operations:													
Revenues	528,245	46,608	46,236	45,394	45,248	43,346	43,558	42,237	42,027	41,343	42,531	43,612	46,105
Operating Expenses**	(588,763)	(65,278)	(45,637)	(45,600)	(47,772)	(44,686)	(46,931)	(44,306)	(44,244)	(70,587)	(43,954)	(44,247)	(45,519)
RDA Loan Payment	(35,364)			(17,695)						(17,669)			
USDA Loan Payment Fe/Mh	-												
SDCO Loan Payment	(7,755)							(7,755)					
RDA Deposit to Reserve(Fully Funded)	-												
USDA Series A	(49,649)	(37,434)						(12,215)					
USDA Series B	(13,747)	(10,404)						(3,343)					
Deposit to Emerg/Cap Improve Fund	(48,000)			(12,000)			(12,000)			(12,000)			(12,000)
Deposit to New Project Annual O&M	-												
Total Cash Provided (Used) by Operations	(215,033)	(66,508)	599	(29,901)	(2,524)	(1,340)	(15,373)	(25,382)	(2,217)	(58,913)	(1,423)	(635)	(11,414)
Cash Provided or (used) by Non-Operations*:													
Total Cash Provided (used) by Non-Operations	172,940	14,412	14,412	14,412	14,412	14,412	14,412	14,412	14,412	14,412	14,412	14,412	14,412
Cash (Used) by Long Term Items:													
Fe/Mn Expenditures	-												
Fe/Mn Grant	-												
Fe/Mn USDA Loan	-												
Gravel at Well 5	-												
Well 5 Bldg Improvement	-												
Fe/Mn-Uranium Plant Engineering	-												
Tractor/Back Hoe	-												
Reserve for Future Capital Improvements	48,000			12,000			12,000			12,000			12,000
Reserve for New Project Annual O&M	-												
Total Cash (Used) by Long Term Items	48,000	-		12,000			12,000			12,000			12,000
Total Cash Increase (Decrease)	5,908	(52,097)	15,011	(3,489)	11,888	13,072	11,039	(10,971)	12,194	(32,502)	12,989	13,776	14,998
Cash Balance End of Period	920,630	862,625	877,636	874,147	886,034	899,106	910,145	899,174	911,369	878,867	891,856	905,632	920,630

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*Less Interest Expense (\$49,911)

** Less Depreciation (\$162,404)

**DESCANSO COMMUNITY WATER DISTRICT
OPERATING BUDGET
7/01/25-6/30/26**

	Accepted Total	July	August	September	October	November	December	January	February	March	April	May	June
Operating Income/Expense, see note													
Revenues													
14400 Water Sales	75,785	8,903	8,531	7,689	7,543	5,641	5,853	4,532	4,322	3,638	4,826	5,907	8,400
14430 Service Charge*	437,460	36,455	36,455	36,455	36,455	36,455	36,455	36,455	36,455	36,455	36,455	36,455	36,455
14450 Late Fees	6,000	500	500	500	500	500	500	500	500	500	500	500	500
18800 Other Income	9,000	750	750	750	750	750	750	750	750	750	750	750	750
Total Operating Revenues	528,245	46,608	46,236	45,394	45,248	43,346	43,558	42,237	42,027	41,343	42,531	43,612	46,105
Operating Expenses - Pumping													
25546 Telemetry	-	-	-	-	-	-	-	-	-	-	-	-	-
25545 Utilities (electric)	17,980	2,449	2,440	2,302	2,194	1,482	26	1,003	1,040	1,594	751	1,043	1,654
Total Pumping	17,980	2,449	2,440	2,302	2,194	1,482	26	1,003	1,040	1,594	751	1,043	1,654
WATER TREATMENT													
35515 Chemicals	19,266	-	-	-	-	-	-	3,211	3,211	3,211	3,211	3,211	3,211
Testing	11,100	925	925	925	925	925	925	925	925	925	925	925	925
Total Treatment	30,366	925	925	925	925	925	925	4,136	4,136	4,136	4,136	4,136	4,136
REPAIRS AND MAINTENANCE													
Waste Disposal	2,511	204	204	204	211	211	211	211	211	211	211	211	211
55556 Vehicle Repair & Maint	-	-	-	-	-	-	-	-	-	-	-	-	-
55557 Repair & Maintenance/Valve Repair	37,980	3,165	3,165	3,165	3,165	3,165	3,165	3,165	3,165	3,165	3,165	3,165	3,165
55558 System Mapping	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Repairs & Maintenance	40,491	3,369	3,369	3,369	3,376								
TRANSMISSION & DIST.													
65575 Misc.	-	-	-	-	-	-	-	-	-	-	-	-	-
Security	1,200	100	100	100	100	100	100	100	100	100	100	100	100
65545 Underground Service Alert	240	20	20	20	20	20	20	20	20	20	20	20	20
Engineering Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
65531 Contract Labor (SUSP Contract)	353,880	29,490	29,490	29,490	29,490	29,490	29,490	29,490	29,490	29,490	29,490	29,490	29,490
Total Transmission & Dist	355,320	29,610											
46700 DEPRECIATION	162,404	13,543	13,543	13,543	13,543	13,543	13,527						

**DESCANSO COMMUNITY WATER DISTRICT
OPERATING BUDGET
7/01/25-6/30/26**

Accepted	July	August	September	October	November	December	January	February	March	April	May	June
GENERAL & ADMINISTRATION												
Telephone & Internet	2,400	200	200	200	200	200	200	200	200	200	200	200
Internet-Office	-	-	-	-	-	-	-	-	-	-	-	-
76711 Misc. Administrative Exp.	384	32	32	32	32	32	32	32	32	32	32	32
76505 Account & Audit	12,500	1,042	1,042	1,042	1,042	1,041	1,042	1,042	1,041	1,042	1,042	1,041
Bad Debt Expense	36,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
76579 Bank Service Charges	780	65	65	65	65	65	65	65	65	65	65	65
Billing Supplies	1,600	133	133	133	133	134	133	133	134	133	133	134
76560 General Liability Ins.	4,900	-	-	-	-	-	-	-	4,900	-	-	-
76565 Legal	2,500	208	208	208	208	209	208	208	209	208	208	209
Licenses, Taxes, & Fees	3,875	125	125	125	125	125	125	125	125	125	125	125
Merchant Discount	120	10	10	10	10	10	10	10	10	10	10	10
76580 Office Expenses	2,400	200	200	200	200	200	200	200	200	200	200	200
76625 Postage	2,760	230	230	230	230	230	230	230	230	230	230	230
76635 Rent Office & Town Hall	25,800	2,100	2,100	2,100	2,100	2,200	2,200	2,100	2,200	2,100	2,100	2,200
Utilities: Office	7,080	590	590	590	590	590	590	590	590	590	590	590
75574 State Health Op Fee	3,600	-	-	-	-	3,600	-	-	-	-	-	-
76660 Accounting Services	15,457	1,256	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291	1,291
76669 Admin Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
Loan Trust Trustee Fee	1,220	-	-	-	-	-	-	-	1,220	-	-	-
Website	560	-	-	-	-	-	-	-	-	-	-	560
76690 Board Expenses	800	66	67	67	66	67	66	67	67	66	67	67
76571 Advertising & Printing	-	-	-	-	-	-	-	-	-	-	-	-
Total General & Administration	124,736	9,357	9,293	9,394	11,667	12,994	9,392	9,293	15,514	9,292	9,293	9,954
Total Operating Expense	731,297	59,253	59,180	59,143	61,315	60,458	61,044	60,982	67,757	60,692	60,985	62,257
Income/Loss From Ops.	(203,052)	(12,645)	(12,944)	(13,749)	(16,067)	(16,900)	(18,807)	(18,955)	(26,414)	(18,161)	(17,373)	(16,152)
Non Operating Inc/Exp.												
88440 Supp Debt Charge*	54,397	4,533	4,533	4,533	4,533	4,533	4,533	4,533	4,533	4,533	4,533	4,533
Treatment Plant Project Charge*	92,247	7,687	7,687	7,687	7,687	7,687	7,687	7,687	7,687	7,687	7,687	7,687
Viejas Grade Project Charge*	19,096	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591	1,591
88805 Other Non Operating Income	-	-	-	-	-	-	-	-	-	-	-	-
88810 Interest Income	7,200	600	600	600	600	600	600	600	600	600	600	600
89000 Interest Expense	(49,911)	(4,204)	(4,204)	(4,204)	(4,166)	(4,166)	(4,153)	(4,153)	(4,153)	(4,114)	(4,114)	(4,114)
Total Non-Operational Inc/Exp.	123,029	10,208	10,208	10,208	10,246	10,246	10,259	10,259	10,259	10,298	10,298	10,298
Net Intgrme/Loss	(80,022)	(2,438)	(2,736)	(3,541)	(5,821)	(6,654)	(6,549)	(6,697)	(16,156)	(7,863)	(7,076)	(5,854)

*Based on 317 active connections

PROPOSED CASH FLOW ANALYSIS
7/01/25-6/30/26

	Total	July	August	September	October	November	December	January	February	March	April	May	June
Cash Balance Beginning of Period	914,722	914,722	882,193	897,204	893,715	905,602	918,674	929,713	915,531	924,515	908,370	918,148	928,713
Cash Provided or (Used) by Operations:													
Revenues	528,245	46,608	46,236	45,384	45,248	43,346	43,558	42,237	42,027	41,343	42,531	43,612	46,105
Operating Expenses**	(568,893)	(45,710)	(45,637)	(45,600)	(47,772)	(44,686)	(46,931)	(47,517)	(47,455)	(54,230)	(47,165)	(47,458)	(48,730)
RDA Loan Payment	(35,364)			(17,695)						(17,669)			
USDA Loan Payment	-												
SDCO Loan Payment	(7,755)							(7,755)					
RDA Deposit to Reserve(Fully Funded)	-												
USDA Series A	(49,649)	(37,434)						(12,215)					
USDA Series B	(13,747)	(10,404)						(3,343)					
Deposit to Emerg/Cap Improve Fund	(48,000)			(12,000)			(12,000)			(12,000)			(12,000)
Deposit to New Project Annual O&M	-												
Total Cash Provided (Used) by Operations	(195,163)	(46,940)	599	(29,901)	(2,524)	(1,340)	(15,373)	(28,593)	(5,428)	(42,566)	(4,634)	(3,846)	(14,625)
Cash Provided or (used) by Non-Operations*:													
Total Cash Provided (used) by Non-Operations	172,940	14,412	14,412	14,412	14,412	14,412	14,412	14,412	14,412	14,412	14,412	14,412	14,412
Cash (Used) by Long Term Items:													
Fe/Mn Expenditures	-												
Fe/Mn Grant	-												
Fe/Mn USDA Loan	-												
Gravel at Well 5	-												
Well 5 Bldg Improvement	-												
Fe/Mn-Uranium Plant Engineering	-												
Tractor/Back Hoe	-												
Reserve for Future Capital Improvements	48,000			12,000			12,000			12,000			12,000
Reserve for New Project Annual O&M	-												
Total Cash (Used) by Long Term Items	48,000	-	-	12,000	-	-	12,000	-	-	12,000	-	-	12,000
Total Cash Increase (Decrease)	25,778	(32,529)	15,011	(3,489)	11,888	13,072	11,039	(14,182)	8,983	(16,145)	9,778	10,565	11,787
Cash Balance End of Period	940,500	882,193	897,204	893,715	905,602	918,674	929,713	915,531	924,515	908,370	918,148	928,713	940,500

*Less Interest Expense (\$49,911)

** Less Depreciation (\$162,404)

Item 8

AMENDMENT TO THE ADMINISTRATIVE CODE:

The Board will discuss amending the Administrative Code to include other potential meeting sites and any other changes to the Administrative Code as needed. Action possible.

Notes:

MEMORANDUM

To:	Maureen Phillips, Board President Descanso Community Water District	Date:	12 March 2026
From:	NV5, Inc. James F. Owens, PE; Ivana Halim	Subject:	2017 Water System Improvements
Subject:	Update to Board of Directors		

Purpose of Memorandum

This memorandum provides updates on the status of the 2017 Water System Improvements Project (Project). Specifically, this memorandum provides an update on the status of construction and funding of the Well Drilling and Destruction Project and the Iron and Manganese Treatment Facility Project.

Well Drilling and Destruction Project

Stehly Brothers Drilling, Inc. (Stehly Brothers) completed the drilling and reaming of the new well (Well No. 7) and the placement of the well casing in February 2025. Following the step pump testing conducted on March 18, 2025 by Stehly Brothers, NV5 met with the State Water Resources Control Board, Department of Drinking Water (DDW) to review the well's initial production capacity and water quality, and to confirm DDW's required pump testing duration for determining the well's pumping capacity. DDW shared that they would not be able to accept constant rate pump test results prior to the dry season (August, September, October).

From September 30, 2025 to October 4, 2025, Stehly conducted the constant rate pump test at Well No. 7 at approximately 300 gallons per minute. On October 3, 2025, NV5 and DCWD's General Manager (Dan DeMoss) had a call with DDW to discuss the length of pump testing required. Initially, the constant rate pump test was planned for 72 hours (as contracted with Stehly). Due to the encountered hard rock geology during drilling, it was anticipated that the length of pump testing may be required to be extended up to 10 days. Based on conversations with DDW and a review of the California Waterworks Standards, it was decided that the pump test would be extended by an additional day (to 96 hours) to allow for the water levels in Well No. 7 to further demonstrate a stabilized state. A 10-day pump test was not conducted due to foreseeable cost increase greater than \$60,000. After the constant rate pump test was concluded at a sustained rate of 290 gpm, the water levels were monitored for their recovery to initial static water levels. Stehly Brothers provided NV5 the water level data from handwritten records and the transducers within both Well Nos. 6 and 7. NV5 is completing a pump testing technical memorandum to discuss the results of the Well No. 7 pump testing, calculate a production rate (for permitting purposes), and recommend a pumping rate (for equipping). NV5 and DCWD anticipate participating in a status review meeting with the Division of Drinking Water in mid-March 2026.

On October 1, 2025, DCWD acquired samples from Well No. 7 during pump testing for Title 22 water quality analysis by DCWD's laboratory. Uranium, gross alpha, and radium results were all favorable and below the maximum contaminant level (MCL). Key contaminants of concern are noted on the next page.

	Well No. 5	Well No. 6	Well No. 7 (October 1, 2025)	Secondary Maximum Contaminant Level (SMCL)
Iron (mg/L)	710 – 960*	2,430 - 2880	1,300	300
Manganese (mg/L)	180 - 220	231-246	180	50

*Measurements ~2013 and 2014 were considerably higher, greater than 2,500 mg/L.

As suspected and previously tested, iron and manganese exceed the secondary maximum contaminant concentrations. However, the measured iron concentrations in Well No. 7 were significantly lower than at Well No. 6. The iron concentrations were higher than recent measurements at Well No. 5, but were lower than iron measurements at Well No. 5 in 2013-2014.

The measured manganese concentrations were lower than historic concentrations at Well No. 6, and measured equal to the lower end of the range of recent measurements at Well No. 5.

The principal remaining work items are the following:

- Destruction of Well No. 6 and its building, following analysis of pump testing results.
- Video log of completed Well No. 7 and installation of above-ground casing in anticipation of treatment facility construction.
- General site restoration to pre-construction conditions.

NV5 is in progress of scheduling these final work items with Stehly Brothers and last contacted Stehly Brothers on March 5, 2026 to follow up regarding their schedule.

DCWD submitted the Partial Payment Request No. 1 for USDA’s review on April 1, 2025. The processing and payment of the request took longer than expected from USDA. USDA approved DCWD’s Partial Payment Request No. 1 on September 3, 2025. USDA suspected delays were caused by confusion with DCWD’s bank account for the disbursement. If these details are now clarified, it is expected that future payment request will be processed in a shorter timeline.

NV5 submitted the Partial Payment Request No. 2 for USDA’s review on February 24, 2026, following USDA’s approval of Change Order No. 1 and signatures and concurrence from the contractor (Stehly) and DCWD (General Manager, Dan DeMoss). NV5 followed up with USDA to confirm receipt of this request on March 5, 2026.

Future Partial Payment Requests and Change Order(s) are expected to be completed as construction efforts for the project resume. As a result of the well construction revisions, at least two contract change orders with Stehly Brothers will be required. Change Order No. 1 was a decrease in Stehly Brothers’ contract amount. Change Order No. 2 will be an increase in Stehly Brothers’ contract amount. The decrease and increase in the contract amount between Change Orders No. 1 and 2 are anticipated to offset each other.

At an upcoming Board Meeting, Final Acceptance of the well’s construction and authorization to file a Notice of Completion should be considered for an agenda item.

Iron and Manganese Treatment Facility

DCWD previously completed two public solicitations for bids for the construction of the iron and manganese treatment facility. A third public solicitation for bids was completed in January 2025. Two bids

were received and opened on January 22, 2025. At its March board meeting, DCWD authorized issuing a Notice of Award to the low bidder, Jennette Company, Inc. (JCI), whose base bid was \$3,199,379 with an additive bid item price of \$75,000 (solar panel).

Following issuance of the Notice of Award, JCI provided its bonds and certificate of insurance to DCWD for review. These should be reviewed by DCWD's legal counsel. The unexecuted construction contract has been prepared and is ready for circulation. Progress on this project has been paused pending the procurement of additional funds. In April 2025, NV5 prepared an update to the overall USDA project budget, and presented details on the remaining budget to DCWD staff throughout 2025. NV5 has reviewed this budget and potential capital sources for the additional funding required.

The proposed treatment facility would commence field construction after Well No. 6 destruction and site restoration. This would prevent two contractors working at the site simultaneously.

NV5 is currently assisting DCWD with applying for funding from the State Water Resources Control Board. Efforts heretofore focused on the Expedited Drinking Water Grant (EDWG) program. On December 4, 2025, NV5 submitted the required General Information Package documents to the State's FFAST portal. These documents allowed the State to assign a Division of Financial Assistance (DFA) Project Manager to DCWD. It was originally anticipated, based on conversations with DFA, that a DFA Project Manager would extend an invitation to the EDWG program to DCWD in early 2026, and NV5 began work on the EDWG application documents to assist DCWD with meeting the 30-day deadline following the receipt of the invitation from DFA. On December 8, 2026, DFA notified DCWD that a DFA Project Manager (Karen Kahlon) will be assigned to the project. On January 6, 2026, DFA notified DCWD that there is a delay in the next round of EDWG funding and recommended DCWD to submit a Drinking Water State Revolving Fund (DWSRF) application rather than an EDWG application. Following authorization from DCWD, NV5 can prepare DWSRF application materials. NV5 has provided DCWD an amendment that includes these services.

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EXHIBIT A

Descanso Community Water District Descanso, San Diego County, CA Iron and Manganese Facility and Pipelines - Final Design Scope of Services Task Order 08 Contract Amendment 07

Assumptions and Understanding

The Descanso Community Water District (DCWD) has completed two portions of its capital improvements plan which have funding from the United States Department of Agriculture, Rural Development (USDA): Viejas Grade Pipeline and Viejas Boulevard Pipeline. A third component (Well Drilling and Destruction) is nearly complete. The fourth project is the construction of a treatment facility for the removal of iron and manganese. In late 2023, DCWD solicited bids for the drilling of a well (Well No. 7) to replace the existing Well No. 6 and for the destruction of Well No. 6. DCWD received two bids, and awarded the contract to Stehly Brothers Drilling. Construction of this project is nearly complete.

In late 2023, DCWD solicited bids for the construction of the water treatment facility. From this solicitation, DCWD did not receive any bids. Following this, DCWD requested NV5's support in soliciting bids anew for the treatment facility's construction. DCWD advertised the project's call for bids on May 3, 2024. One bid was received on July 27, 2024. For this second bid solicitation, DCWD rejected all bids and authorized a third solicitation of bids for the construction of the treatment facility. More favorable bids were received in early 2025, for which DCWD issued a Notice of Award to JCI. No agreement has been executed. The funding budget from USDA for the construction of the iron and manganese plant is not sufficient. Therefore, DCWD and NV5 have been pursuing supplemental funding from the State Water Resources Control Board's Division of Financial Assistance (DFA) for the construction of the iron and manganese treatment facility.

This scope of services augments NV5's support to DCWD during the third bidding solicitation for bids for the treatment facility construction. This scope of services also augments NV5's scope of services to provide support for application development for supplemental funding from the State Water Resources Control Board for the construction of the iron and manganese treatment facility.

Task 9B – Bidding Assistance – Treatment Facility Improvements

As noted above, DCWD authorized a third solicitation of construction bids for the iron and manganese treatment facility in 2024. DCWD and NV5 completed the third bid solicitation, and results were more favorable than the two previous bid solicitations. However, DCWD expended greater than anticipated effort during this bid solicitation. This amendment augments NV5's compensation for this task.

NV5's efforts for this task are generally complete. The principal remaining item is execution of a construction agreement, participating in a pre-construction meeting, registering the treatment facility construction project with the Department of Industrial Relations, and coordination with USDA (bid award checklist).

Participation in a fourth solicitation for construction bids is not included in this scope of services.

Task 10A – Funding Application Assistance – State Water Resources Control Board

DCWD does not have adequate budget for the construction of the iron and manganese treatment facility, based on bids received in January 2025. DCWD issued a Notice of Award for the construction of the iron and manganese treatment facility in spring 2025 (Jennette Company, Inc. or JCI). To supplement the USDA budget for this project, DCWD requested NV5’s assistance in pursuing funding from the Division of Financial Assistance of the State Water Resources Control Board (SWRCB). NV5 provided funding application assistance to DCWD for the Expedited Drinking Water Grant (EDWG) program in late 2025 and early 2026. In early 2026, the State Water Resources Control Board advised DCWD to pursue funding through its State Revolving Fund (SRF) program. This task includes efforts that NV5 previously undertook for the EDWG, and for the current pursuit of SRF funding. The SRF funding application efforts can consist of participating in application review calls with SWRCB staff (up to five calls to a duration of one hour each); preparation of summary documents based on previously prepared technical or environmental documents; compiling general, technical, and environmental application packages based on previously prepared documents; preparation of an Environmental Alternatives Analysis; air emissions calculations (CalEEMod); Comprehensive Response to Climate Change; TMF Assessment (mandatory items only); and updates to project budgets.

This scope of services does not include environmental surveys or addenda to CEQA or NEPA documentation, rebidding of the proposed construction of the treatment facility.

Fee

The additional task order time and materials fee to complete the above scope of services is \$37,271, based on the modified Charge Rate Schedule presented in Change Order 03 dated 27 July 2022 to the Master Services Agreement between DCWD and NV5, Inc.

Task	Additional Fee
Task 9B – Bidding Assistance – Treatment Facility Improvements (Additional Compensation)	\$19,371
Task 10A – Funding Application Assistance – State Water Resources Control Board	\$17,900
Total Fee	\$37,271

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DCWD OPERATIONS REPORT

March 17th, 2026

SUMMARY

- Normal day-to-day operations of the district
- Reminder to Board: File 700 forms and send copy to Cierra for in office filing.
- Fixed pin holes and sealed rust spots on north summit tank.
- Landscaped around well sites, office and around hydrants.
- Reroofed well 5 pump house.
- Ordered and received phosphate.
- Paint meter lids throughout the system.
- Vehicle maintenance

3 MONTHS LOOK AHEAD

- Continue the monthly past due process for customers with outstanding balances.
- Continue meter replacements
- Continue to replace unusable standpipes
- Flushing throughout the system
- Cleaning and landscaping throughout the system
- Painting meter lids and hydrants
- Clear brush pile at well 6
- Continue vehicle maintenance
- Replace main injectors off the well head at well 5

