



DESCANSO COMMUNITY WATER DISTRICT

June 18, 2024

POSTED:

NOTICE

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

Tuesday, June 18th, 2024, 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 March 19th, 2024
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. **PROPOSED FY 2024/2025 BUDGET:** The Districts accountant will present the proposed FY 2024/2025 budget to the Board for review and approval. The Board will discuss the matter and take appropriate action.
8. **ACCOUNTING SERVICES ENGAGEMENT RENEWAL:** The Board will review the proposed accounting services renewal and take appropriate action.
9. **ENGINEERING STATUS REPORT:** The District's engineer will present a project update to the board.
10. **GENERAL MANAGER'S REPORT:** The GM will provide a report on activities occurring since the last meeting.
 - A. GM Report.
 - B. Q&A.
11. **DCWD BOARD OF DIRECTORS NEWSLETTER:** The Board will discuss a draft outline of the DCWD Board of Directors Newsletter and take appropriate action.
12. **OTHER ITEMS DIRECTLY RELATED TO THE ABOVE-DESCRIBED MATTERS AS MAY BE BROUGHT BEFORE THE BOARD OF DIRECTORS**
13. **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 September 24, 2024.

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:

Item 5

APPROVAL OF THE MINUTES:

The Board will review the draft minutes from the following meetings and take appropriate action:

- Regular Meeting held on March 19th, 2024

Notes:

Minutes

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

***Tuesday, March 19th, 2024, 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 7:02 PM.
2. **ROLL CALL:** Members present were Phillips, Johnson, and Minix. Dan DeMoss with CRWA, SUSP/DCWD Administrative Assistant Cierra Creamer, SUSP/DCWD Field Technician Cameron West. Jason Kaminsky with HNK CPAs.
3. **APPROVAL OF AGENDA:** The agenda was approved with one correction of switching items number 6 and 7. A motion to approve the agenda with the one adjustment was given by Minix and a second by Johnson. A vote was taken, 3 approved and 0 opposed.
4. **PUBLIC COMMENT:** A customer had some questions for the board regarding the base rate and whether it will ever go down once the debts are paid off, to which Phillips responded that it can hopefully happen within the next few years. He also asked about the uranium notices and status of the project to which DeMoss answered with an explanation on why the letters were sent out and what they mean. We had another customer attend who was just there to listen in. No action needed.
5. **APPROVAL OF THE MINUTES OF THE DECEMBER 2023 MEETING:** The board looked over the minutes and had no changes. A motion to approve the minutes with no changes was made by Minix and a second by Johnson. A vote was taken, 3 approved and 0 opposed.
6. **DCWD FINANCIAL AUDIT OF 2022-2023:** Paul with Nigro & Nigro went over his presentation of the 2022-23 financial audit and answered all questions asked by the board. A motion to approve the auditor's report was made by Minix and a second by Johnson. A vote was taken, 3 approved and 0 opposed.
7. **FINANCIAL REPORT:** Kaminsky went over the financial report and answered all questions. He also briefly went over the arrearage program that will help clean up the delinquent accounts in the system. A motion to approve the financial report was made by Johnson and a second by Minix. A vote was taken, 3 approved and 0 opposed.

8. **ENGINEERING REPORT:** Dan briefly went over current updates on the project because James Owens with NV5 was not there to present the updates himself. It was mentioned that the bid should be going out at the end of March to beginning of April. No action needed.

9. **GENERAL MANAGERS REPORT:** DeMoss went over a few things happening within the district such as an issue with a customer’s toilet water, getting the tractor within the next month and the price increase with NV5. Phillips had questions regarding the insurance to which DeMoss answered. Board member Johnson brought up tank cleaning and inspection and DeMoss replied that he may have a potential company to make that happen. The board agreed to hold off on the approval of the NV5 change order until Phillips speaks with James Owens from NV5. No action needed.

10. **DCWD BOARD OF DIRECTORS NEWSLETTER:** A newsletter is not needed at this time. No action needed.

11. **SUCH OTHER ITEMS DIRECTLY RELATED TO THE PREVIOUS AGENDA ITEMS ABOVE AS MAY BE BROUGHT BEFORE THE BOARD OF DIRECTORS:** N/A

12. **MOTION TO ADJOURN:** A motion was given by Phillips and a second by Minix to adjourn the meeting at 8:07 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 approval and take appropriate action.

Notes:

Descanso Community Water District
Statement of Net Position
As of March 31, 2024

	Mar 31, 24
ASSETS	
Current Assets	
Checking/Savings	
Cash and Cash Equivalents	
Cash	
General Fund7573-Cal Bank	359,806
Checking7680-Cal Bank	16,283
Emgncy/Cap ImproveFund-Cal Bank	583,138
Installment Fund - US Bank	19,834
Reserve Fund - US Bank	37,801
Deposits In Transit	333
Total Cash	1,017,195
Total Cash and Cash Equivalents	1,017,195
Total Checking/Savings	1,017,195
Accounts Receivable	
Customer Accounts Receivable	165,857
Allowance for Doubtful Accounts	-167,010
Total Accounts Receivable	-1,153
Other Current Assets	
Security Deposits	3,710
Materials and Supplies	29,231
Prepayments	805
Total Other Current Assets	33,746
Total Current Assets	1,049,788
Fixed Assets	
Utility Plant-At Original Cost	
Utility plant-original cost	4,052,764
Total Utility Plant-At Original Cost	4,052,764
Accumulated Depreciation	-1,228,606
Total Fixed Assets	2,824,158
Other Assets	
Uncapitalized Fixed Assets -WIP	24,606
Total Other Assets	24,606
TOTAL ASSETS	3,898,552
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	55,456
Other Current Liabilities	
Current Portion of LTD	53,665
Interest Accrued	17,627
Total Other Current Liabilities	71,292
Total Current Liabilities	126,748
Long Term Liabilities	1,896,444
Total Liabilities	2,023,192

Descanso Community Water District
Statement of Net Position
As of March 31, 2024

	<u>Mar 31, 24</u>
Equity	1,875,361
TOTAL LIABILITIES & EQUITY	<u>3,898,553</u>

Descanso Community Water District

Statement of Revenues, Expenses, & Change in Net Position

January through March 2024

	Jan 24	Budget	\$ Over Budget	% of Budget	Feb 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
Operating Revenues	40,774	40,939	-165	100%	40,733	40,937	-204	100%
Total Income	40,774	40,939	-165	100%	40,733	40,937	-204	100%
Gross Profit	40,774	40,939	-165	100%	40,733	40,937	-204	100%
Expense								
Operating Expenses	765	1,124	-359	68%	653	1,018	-365	64%
Water Treatment	530	774	-244	68%	825	942	-117	88%
Repairs and Maintenance	1,150	1,481	-331	78%	1,088	1,481	-393	73%
Transmission & Distribution	27,064	29,148	-2,084	93%	26,889	29,147	-2,258	92%
Depreciation	13,557	13,557	0	100%	13,557	13,557	0	100%
General & Administrative	6,110	18,743	-12,633	33%	5,831	5,644	187	103%
Total Expense	49,176	64,827	-15,651	76%	48,843	51,789	-2,946	94%
Net Ordinary Income	-8,402	-23,888	15,486	35%	-8,110	-10,852	2,742	75%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,639	7,687	-48	99%	7,615	7,688	-73	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%
Other Non-Operating Income	0				0			
Interest Income	1,214	230	984	528%	1,028	230	798	447%
Total Other Income	14,939	14,041	898	106%	14,709	14,042	667	105%
Other Expense								
Interest Expense	1,276	4,458	-3,182	29%	4,417	4,458	-41	99%
Total Other Expense	1,276	4,458	-3,182	29%	4,417	4,458	-41	99%
Net Other Income	13,663	9,583	4,080	143%	10,292	9,584	708	107%
Net Income	5,261	-14,305	19,566	-37%	2,182	-1,268	3,450	-172%

Descanso Community Water District

Statement of Revenues, Expenses, & Change in Net Position

January through March 2024

	TOTAL							
	Mar 24	Budget	\$ Over Budget	% of Budget	Jan - Mar 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
Operating Revenues	35,751	40,559	-4,808	88%	117,258	122,435	-5,177	96%
Total Income	35,751	40,559	-4,808	88%	117,258	122,435	-5,177	96%
Gross Profit	35,751	40,559	-4,808	88%	117,258	122,435	-5,177	96%
Expense								
Operating Expenses	734	1,166	-432	63%	2,152	3,308	-1,156	65%
Water Treatment	195	1,134	-939	17%	1,550	2,850	-1,300	54%
Repairs and Maintenance	1,478	1,481	-3	100%	3,716	4,443	-727	84%
Transmission & Distribution	27,243	29,148	-1,905	93%	81,196	87,443	-6,247	93%
Depreciation	13,557	20,224	-6,667	67%	40,671	47,338	-6,667	86%
General & Administrative	11,454	7,076	4,378	162%	23,395	31,463	-8,068	74%
Total Expense	54,661	60,229	-5,568	91%	152,680	176,845	-24,165	86%
Net Ordinary Income	-18,910	-19,670	760	96%	-35,422	-54,410	18,988	65%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,615	7,687	-72	99%	22,869	23,062	-193	99%
Viejas 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%
Other Non-Operating Income	3,677				3,677			
Interest Income	1,004	230	774	437%	3,246	690	2,556	470%
Total Other Income	18,362	14,042	4,320	131%	48,010	42,125	5,885	114%
Other Expense								
Interest Expense	4,417	4,458	-41	99%	10,110	13,374	-3,264	76%
Total Other Expense	4,417	4,458	-41	99%	10,110	13,374	-3,264	76%
Net Other Income	13,945	9,584	4,361	146%	37,900	28,751	9,149	132%
Net Income	-4,965	-10,086	5,121	49%	2,478	-25,659	28,137	-10%

Descanso Community Water District
Statement of Revenues, Expenses, & Change in Net Position
 July 2023 through March 2024

	Jul 23	Budget	\$ Over Budget	% of Budget	Aug 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
Operating Revenues	56,762	44,473	12,289	128%	46,365	44,473	1,892	104%
Total Income	56,762	44,473	12,289	128%	46,365	44,473	1,892	104%
Gross Profit	56,762	44,473	12,289	128%	46,365	44,473	1,892	104%
Expense								
Operating Expenses	2,360	1,570	790	150%	3,818	1,615	2,203	236%
Water Treatment	405	6,127	-5,722	7%	180	6,743	-6,563	3%
Repairs and Maintenance	1,017	1,470	-453	69%	6,383	1,470	4,913	434%
Transmission & Distribution	27,484	29,148	-1,664	94%	26,889	29,148	-2,259	92%
Depreciation	13,574	13,574	0	100%	13,574	13,574	0	100%
General & Administrative	9,362	6,662	2,700	141%	4,970	5,644	-674	88%
Total Expense	54,202	58,551	-4,349	93%	55,814	58,194	-2,380	96%
Net Ordinary Income	2,560	-14,078	16,638	-18%	-9,449	-13,721	4,272	69%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,663	7,687	-24	100%	7,663	7,687	-24	100%
Viejas Grade Project Charge	1,586	1,591	-5	100%	1,586	1,591	-5	100%
Supp Debt Charge	4,519	4,534	-15	100%	4,519	4,533	-14	100%
Other Non-Operating Income	69				0			
Interest Income	1,166	230	936	507%	1,242	230	1,012	540%
Total Other Income	15,003	14,042	961	107%	15,010	14,041	969	107%
Other Expense								
Interest Expense	1,323	4,505	-3,182	29%	4,464	4,505	-41	99%
Total Other Expense	1,323	4,505	-3,182	29%	4,464	4,505	-41	99%
Net Other Income	13,680	9,537	4,143	143%	10,546	9,536	1,010	111%
Net Income	16,240	-4,541	20,781	-358%	1,097	-4,185	5,282	-26%

Descanso Community Water District
Statement of Revenues, Expenses, & Change in Net Position
 July 2023 through March 2024

	Sep 23	Budget	\$ Over Budget	% of Budget	Oct 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
Operating Revenues	43,611	43,638	-27	100%	43,160	43,592	-432	99%
Total Income	43,611	43,638	-27	100%	43,160	43,592	-432	99%
Gross Profit	43,611	43,638	-27	100%	43,160	43,592	-432	99%
Expense								
Operating Expenses	2,480	1,292	1,188	192%	1,855	1,346	509	138%
Water Treatment	400	1,703	-1,303	23%	7,139	6,247	892	114%
Repairs and Maintenance	505	1,470	-965	34%	3,486	1,481	2,005	235%
Transmission & Distribution	26,959	29,148	-2,189	92%	26,767	29,147	-2,380	92%
Depreciation	13,574	13,574	0	100%	13,557	13,557	0	100%
General & Administrative	6,271	5,876	395	107%	6,841	7,352	-511	93%
Total Expense	50,189	53,063	-2,874	95%	59,645	59,130	515	101%
Net Ordinary Income	-6,578	-9,425	2,847	70%	-16,485	-15,538	-947	106%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,663	7,687	-24	100%	7,687	7,688	-1	100%
Viejias Grade Project Charge	1,586	1,592	-6	100%	1,591	1,591	0	100%
Supp Debt Charge	4,519	4,533	-14	100%	4,533	4,533	0	100%
Other Non-Operating Income	0				0			
Interest Income	1,200	230	970	522%	1,320	230	1,090	574%
Total Other Income	14,968	14,042	926	107%	15,131	14,042	1,089	108%
Other Expense								
Interest Expense	4,464	4,505	-41	99%	4,429	4,470	-41	99%
Total Other Expense	4,464	4,505	-41	99%	4,429	4,470	-41	99%
Net Other Income	10,504	9,537	967	110%	10,702	9,572	1,130	112%
Net Income	3,926	112	3,814	3,505%	-5,783	-5,966	183	97%

Descanso Community Water District
Statement of Revenues, Expenses, & Change in Net Position
 July 2023 through March 2024

	Nov 23	Budget	\$ Over Budget	% of Budget	Dec 23	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
Operating Revenues	41,822	40,962	860	102%	39,907	41,619	-1,712	96%
Total Income	41,822	40,962	860	102%	39,907	41,619	-1,712	96%
Gross Profit	41,822	40,962	860	102%	39,907	41,619	-1,712	96%
Expense								
Operating Expenses	2,016	1,552	464	130%	935	1,050	-115	89%
Water Treatment	690	1,103	-413	63%	13,238	6,335	6,903	209%
Repairs and Maintenance	6,092	1,481	4,611	411%	924	1,481	-557	62%
Transmission & Distribution	27,204	29,148	-1,944	93%	27,519	29,148	-1,629	94%
Depreciation	13,557	13,557	0	100%	13,557	13,557	0	100%
General & Administrative	11,984	5,644	6,340	212%	15,287	5,876	9,411	260%
Total Expense	61,543	52,485	9,058	117%	71,460	57,447	14,013	124%
Net Ordinary Income	-19,721	-11,523	-8,198	171%	-31,553	-15,828	-15,725	199%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,663	7,687	-24	100%	7,639	7,687	-48	99%
Viejias Grade Project Charge	1,586	1,591	-5	100%	1,581	1,592	-11	99%
Supp Debt Charge	4,519	4,533	-14	100%	4,505	4,533	-28	99%
Other Non-Operating Income	0				0			
Interest Income	1,244	230	1,014	541%	1,185	230	955	515%
Total Other Income	15,012	14,041	971	107%	14,910	14,042	868	106%
Other Expense								
Interest Expense	4,429	4,470	-41	99%	4,429	4,470	-41	99%
Total Other Expense	4,429	4,470	-41	99%	4,429	4,470	-41	99%
Net Other Income	10,583	9,571	1,012	111%	10,481	9,572	909	109%
Net Income	-9,138	-1,952	-7,186	468%	-21,072	-6,256	-14,816	337%

Descanso Community Water District
Statement of Revenues, Expenses, & Change in Net Position
 July 2023 through March 2024

	Jan 24	Budget	\$ Over Budget	% of Budget	Feb 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
Operating Revenues	40,774	40,939	-165	100%	40,733	40,937	-204	100%
Total Income	40,774	40,939	-165	100%	40,733	40,937	-204	100%
Gross Profit	40,774	40,939	-165	100%	40,733	40,937	-204	100%
Expense								
Operating Expenses	765	1,124	-359	68%	653	1,018	-365	64%
Water Treatment	530	774	-244	68%	825	942	-117	88%
Repairs and Maintenance	1,150	1,481	-331	78%	1,088	1,481	-393	73%
Transmission & Distribution	27,064	29,148	-2,084	93%	26,889	29,147	-2,258	92%
Depreciation	13,557	13,557	0	100%	13,557	13,557	0	100%
General & Administrative	6,110	18,743	-12,633	33%	5,831	5,644	187	103%
Total Expense	49,176	64,827	-15,651	76%	48,843	51,789	-2,946	94%
Net Ordinary Income	-8,402	-23,888	15,486	35%	-8,110	-10,852	2,742	75%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,639	7,687	-48	99%	7,615	7,688	-73	99%
Viejias 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%
Other Non-Operating Income	0				0			
Interest Income	1,214	230	984	528%	1,028	230	798	447%
Total Other Income	14,939	14,041	898	106%	14,709	14,042	667	105%
Other Expense								
Interest Expense	1,276	4,458	-3,182	29%	4,417	4,458	-41	99%
Total Other Expense	1,276	4,458	-3,182	29%	4,417	4,458	-41	99%
Net Other Income	13,663	9,583	4,080	143%	10,292	9,584	708	107%
Net Income	5,261	-14,305	19,566	-37%	2,182	-1,268	3,450	-172%

Descanso Community Water District
Statement of Revenues, Expenses, & Change in Net Position
 July 2023 through March 2024

	Mar 24	Budget	\$ Over Budget	% of Budget	Jul '23 - Mar 24	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
Operating Revenues	35,751	40,559	-4,808	88%	388,885	381,192	7,693	102%
Total Income	35,751	40,559	-4,808	88%	388,885	381,192	7,693	102%
Gross Profit	35,751	40,559	-4,808	88%	388,885	381,192	7,693	102%
Expense								
Operating Expenses	734	1,166	-432	63%	15,616	11,733	3,883	133%
Water Treatment	195	1,134	-939	17%	23,602	31,108	-7,506	76%
Repairs and Maintenance	1,478	1,481	-3	100%	22,123	13,296	8,827	166%
Transmission & Distribution	27,243	29,148	-1,905	93%	244,018	262,330	-18,312	93%
Depreciation	13,557	20,224	-6,667	67%	122,064	128,731	-6,667	95%
General & Administrative	11,454	7,076	4,378	162%	78,110	68,517	9,593	114%
Total Expense	54,661	60,229	-5,568	91%	505,533	515,715	-10,182	98%
Net Ordinary Income	-18,910	-19,670	760	96%	-116,648	-134,523	17,875	87%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,615	7,687	-72	99%	68,847	69,185	-338	100%
Viejas Grade Project Charge	1,576	1,592	-16	99%	14,249	14,322	-73	99%
Supp Debt Charge	4,490	4,533	-43	99%	40,599	40,798	-199	100%
Other Non-Operating Income	3,677				3,746			
Interest Income	1,004	230	774	437%	10,603	2,070	8,533	512%
Total Other Income	18,362	14,042	4,320	131%	138,044	126,375	11,669	109%
Other Expense								
Interest Expense	4,417	4,458	-41	99%	33,648	40,299	-6,651	83%
Total Other Expense	4,417	4,458	-41	99%	33,648	40,299	-6,651	83%
Net Other Income	13,945	9,584	4,361	146%	104,396	86,076	18,320	121%
Net Income	-4,965	-10,086	5,121	49%	-12,252	-48,447	36,195	25%

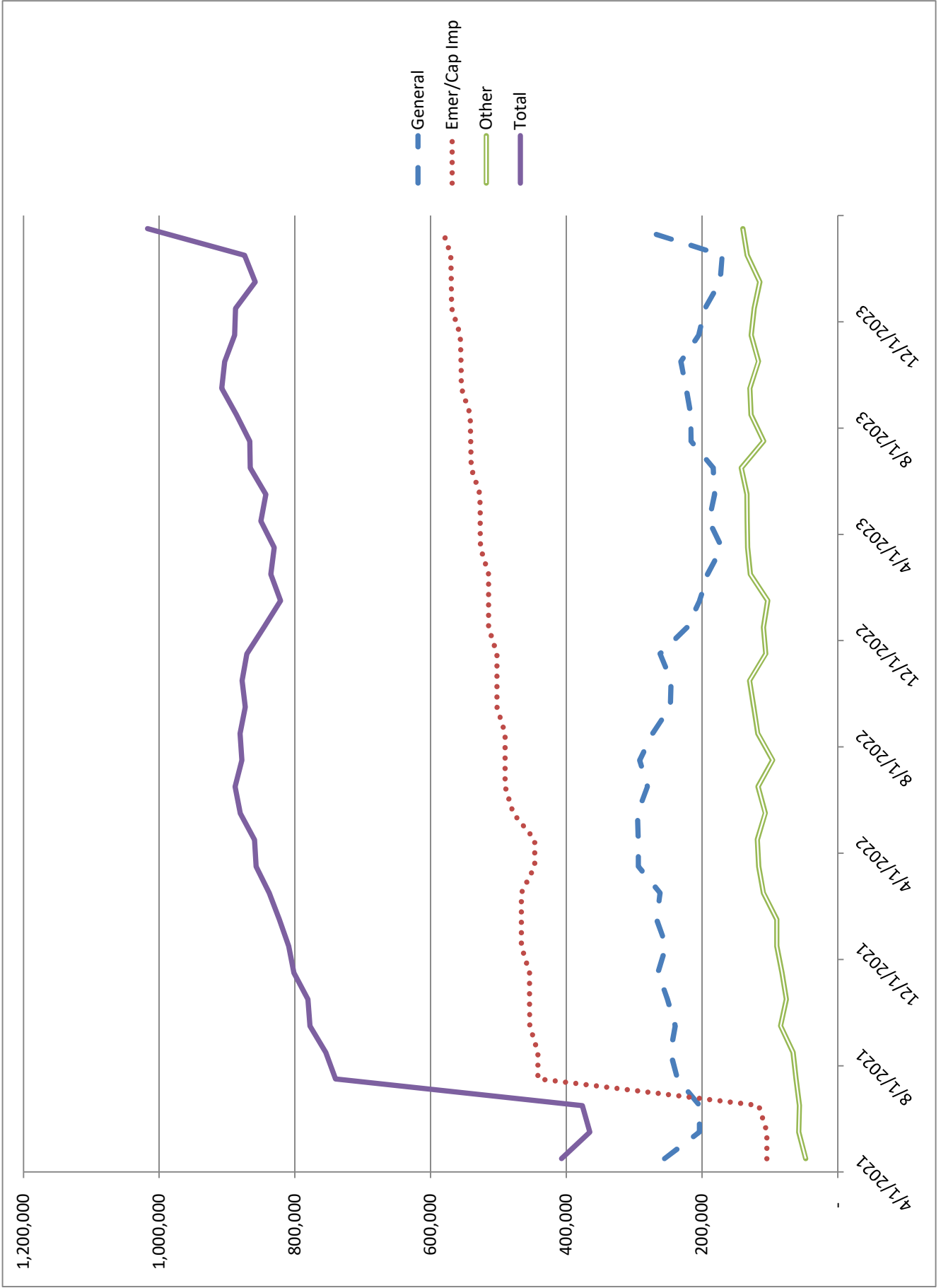
Descanso Community Water District
Statement of Cash Flows
 January through March 2024

	Jan - Mar 24
OPERATING ACTIVITIES	
Net Income	2,476
Adjustments to reconcile Net Income to net cash provided by operations:	
Customer Accounts Receivable:Customer Accounts Receivable	106,338
Customer Accounts Receivable:Customer Accounts Receivable:Customer Prepayments	2,430
Allowance for Doubtful Accounts	2,490
Prepayments:G&A	-276
Prepayments:Taxes/Fees	278
Accts Pay - General	4,625
Accts Pay - Accrued	-53
Interest Accrued:Int Accr-LTD-Outside	-6,289
	112,020
INVESTING ACTIVITIES	
Accumulated Depreciation:Utility Plant-Acc Depr	40,670
Uncapitalized Fixed Assets -WIP	-414
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 08 (\$232209)	-9,054
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 08 (\$232209)	-9,054
	22,148
FINANCING ACTIVITIES	
Current Portion of LTD:Loan Payable - SD County	143
Long-Term Debt:Loan Payable-SD County 1/2041	-4,465
	-4,323
Net cash provided by Operating Activities	112,020
Net cash provided by Investing Activities	22,148
Net cash provided by Financing Activities	-4,323
Net cash increase for period	129,846
Cash at beginning of period	887,349
Cash at end of period	1,017,195

Descanso Community Water District
Statement of Cash Flows
 March 31 through July 1, 2024

	Mar 31 - Jul 1, 24
OPERATING ACTIVITIES	
Net Income	-47,025
Adjustments to reconcile Net Income to net cash provided by operations:	
Customer Accounts Receivable:Customer Accounts Receivable	118,631
Customer Accounts Receivable:Customer Accounts Receivable:Customer Prepayments	2,183
Allowance for Doubtful Accounts	830
Prepayments:G&A	90
Prepayments:Taxes/Fees	278
Accts Pay - General	-37,506
Accts Pay - Accrued	93
Interest Accrued:Int Accr-LTD-Outside	4,417
Net cash provided by Operating Activities	41,992
INVESTING ACTIVITIES	
Accumulated Depreciation:Utility Plant-Acc Depr	13,557
Uncapitalized Fixed Assets -WIP	-276
Net cash provided by Investing Activities	13,281
Net cash increase for period	55,273
Cash at beginning of period	846,950
Cash at end of period	902,222

DCWD Cash Flow Balances



Unaudited - No assurance is provided on these financial statements

**DESCANSO COMMUNITY WATER DISTRICT
OPERATING BUDGET
7/01/24-6/30/25**

	Accepted Total	July	August	September	October	November	December	January	February	March	April	May	June
Operating Income/Expense, see note													
Revenues													
14400 Water Sales	65,000	7,618	7,618	6,783	6,737	4,107	4,764	4,084	4,082	3,704	3,705	5,901	5,897
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	2,400	200	200	200	200	200	200	200	200	200	200	200	200
18800 Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Revenues	504,860	44,273	44,273	43,438	43,392	40,762	41,419	40,739	40,737	40,359	40,360	42,556	42,552
Operating Expenses - Pumping													
25546 Telemetry	600	-	-	-	-	600	-	-	-	-	-	-	-
25545 Utilities (electric)	18,000	1,884	1,939	1,590	1,635	1,142	1,260	1,349	1,222	1,399	1,340	1,444	1,796
Total Pumping	18,600	1,884	1,939	1,590	1,635	1,742	1,260	1,349	1,222	1,399	1,340	1,444	1,796
WATER TREATMENT													
35515 Chemicals	30,000	4,314	4,776	996	4,404	546	4,470	228	354	498	4,263	450	4,701
Testing	5,070	375	375	375	375	375	375	470	470	470	470	470	470
Total Treatment	35,070	4,689	5,151	1,371	4,779	921	4,845	698	824	968	4,733	920	5,171
REPAIRS AND MAINTENANCE													
Waste Disposal	2,454	197	197	197	207	207	207	207	207	207	207	207	207
55556 Vehicle Repair & Maint	-	-	-	-	-	-	-	-	-	-	-	-	-
55557 Repair & Maintenance/Valve Repair	20,000	1,667	1,667	1,666	1,667	1,667	1,666	1,667	1,667	1,666	1,667	1,667	1,666
55558 System Mapping	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Repairs & Maintenance	22,454	1,864	1,864	1,863	1,874	1,874	1,873	1,874	1,874	1,873	1,874	1,874	1,873
TRANSMISSION & DIST.													
65575 Misc. Security	1,032	86	86	86	86	86	86	86	86	86	86	86	86
65545 Underground Service Alert Engineering Expense	-	-	-	-	-	-	-	-	-	-	-	-	-
65531 Contract Labor (SUSP Contract)	329,568	27,464	27,464	27,464	27,464	27,464	27,464	27,464	27,464	27,464	27,464	27,464	27,464
Total Transmission & Dist	330,600	27,550	27,550	27,550	27,550	27,550	27,550	27,550	27,550	27,550	27,550	27,550	27,550
46700 DEPRECIATION	162,567	13,557	13,557	13,557	13,556	13,543	13,542	13,543	13,542	13,543	13,542	13,543	13,542

**DESCANSO COMMUNITY WATER DISTRICT
OPERATING BUDGET
7/01/24-6/30/25**

	July	August	September	October	November	December	January	February	March	April	May	June
Accepted Total												
GENERAL & ADMINISTRATION												
Telephone & Internet	185	185	185	185	185	185	185	185	185	185	185	185
Internet-Office	-	-	-	-	-	-	-	-	-	-	-	-
76711 Misc. Administrative Exp.	-	-	-	-	-	-	-	-	-	-	-	-
76505 Account & Audit	13,000	-	-	-	-	-	13,000	-	-	-	-	-
Bad Debt Expense	21,600	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800
76579 Bank Service Charges	948	79	79	79	79	79	79	79	79	79	79	79
Billing Supplies	1,600	133	134	133	133	134	133	133	134	133	133	134
76560 General Liability Ins.	4,248	354	354	354	354	354	354	354	354	354	354	354
76565 Legal	2,500	208	209	208	208	209	208	208	209	208	208	209
Licenses, Taxes, & Fees	4,900	93	94	93	1,394	1,973	93	93	94	93	93	694
Merchant Discount	120	10	10	10	10	10	10	10	10	10	10	10
76580 Office Expenses	900	75	75	75	75	75	75	75	75	75	75	75
76625 Postage	2,208	144	264	144	144	264	144	144	264	144	144	264
76635 Rent Office & Town Hall	25,800	2,100	2,200	2,100	2,100	2,200	2,200	2,100	2,200	2,100	2,100	2,200
Utilities: Office	-	-	-	-	-	-	-	-	-	-	-	-
75574 State Health Op Fee	3,025	252	252	252	252	252	252	252	252	252	252	253
76660 Accounting Services	15,015	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256
76669 Admin Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
Loan Trust Trustee Fee	1,200	-	-	-	-	-	-	-	1,200	-	-	-
Website	600	50	50	50	50	50	50	50	50	50	50	50
76690 Board Expenses	800	67	67	66	67	67	66	67	67	66	67	67
76571 Advertising & Printing	-	-	-	-	-	-	-	-	-	-	-	-
Total General & Administration	100,684	6,806	7,029	6,805	8,107	8,908	19,905	6,806	8,229	6,805	6,806	7,630
Total Operating Expense	669,975	56,867	52,960	56,199	53,737	57,978	64,919	51,818	53,562	55,844	52,137	57,562
Income/Loss From Ops.	(165,115)	(12,594)	(9,522)	(12,807)	(12,975)	(16,559)	(24,180)	(11,081)	(13,203)	(15,484)	(9,581)	(15,010)
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	13,000	1,083	1,084	1,083	1,083	1,084	1,083	1,083	1,084	1,083	1,083	1,084
89000 Interest Expense	(51,516)	(4,336)	(4,336)	(4,299)	(4,299)	(4,299)	(4,287)	(4,287)	(4,287)	(4,250)	(4,250)	(4,250)
Total Non-Operational Inc/Exp.	127,224	10,559	10,560	10,596	10,596	10,597	10,608	10,608	10,609	10,645	10,645	10,646
Net Income/Loss	(37,891)	(2,035)	1,038	(2,211)	(2,380)	(5,962)	(13,572)	(473)	(2,595)	(4,840)	1,064	(4,365)

*Based on 317 active connections

PROPOSED CASH FLOW ANALYSIS
7/01/24-6/30/25

	Total	July	August	September	October	November	December	January	February	March	April	May	June
Cash Balance Beginning of Period	1,017,195	1,017,195	986,419	1,002,276	1,003,470	1,019,114	1,034,576	1,046,455	1,027,120	1,044,476	1,041,993	1,054,946	1,073,803
Cash Provided or (Used) by Operations:													
Revenues	504,860	44,273	44,273	43,438	43,392	40,762	41,419	40,739	40,737	40,359	40,360	42,556	42,552
Operating Expenses**	(507,408)	(42,835)	(43,310)	(39,403)	(42,643)	(40,194)	(44,436)	(51,376)	(38,276)	(40,019)	(42,302)	(38,594)	(44,020)
RDA Loan Payment	(35,455)			(17,737)						(17,718)			
USDA Loan Payment	(40,629)												
SDCO Loan Payment	(7,755)							(7,755)					(40,629)
RDA Deposit to Reserve(Fully Funded)	-												
USDA Series A	(49,078)	(36,644)						(12,434)					
USDA Series B	(13,869)	(10,465)						(3,404)					
Deposit to Emerg/Cap Improve Fund				(12,000)						(12,000)			(12,000)
Deposit to New Project Annual O&M	(48,000)												
Total Cash Provided (Used) by Operations	(197,334)	(45,671)	963	(25,702)	749	568	(15,017)	(34,230)	2,461	(29,378)	(1,942)	3,962	(54,097)
Cash Provided or (used) by Non-Operations*:	178,740	14,895	14,895	14,896	14,895	14,895	14,896	14,895	14,895	14,896	14,895	14,895	14,896
Total Cash Provided (used) by Non-Operations	178,740	14,895	14,895	14,896	14,895	14,895	14,896	14,895	14,895	14,896	14,895	14,895	14,896
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
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)	29,406	(30,776)	15,858	1,194	15,644	15,462	11,879	(19,335)	17,356	(2,483)	12,952	18,857	(27,202)
Cash Balance End of Period	1,046,601	986,419	1,002,276	1,003,470	1,019,114	1,034,576	1,046,455	1,027,120	1,044,476	1,041,993	1,054,946	1,073,803	1,046,601

*Less Interest Expense (\$51,516)

** Less Depreciation (\$162,567)



1950 Cordell Court, Ste 101
El Cajon, CA 92020
619-442-3386

923 Seacoast Drive
Imperial Beach, CA 91932
619-423-7093

Board of Directors
Descanso Community Water District
PO Box 610
Descanso, CA 91916-0610

June 10, 2024

Proposal for Extending Accounting Services

Honorable Board Members,

First and most importantly, I must tell you how delighted I am to give you a bid for services.

HNK, CPAs provides you with over 100 years of combined tax, accounting, bookkeeping, and consulting experience. We have built our successful practice helping hundreds of businesses and individuals. We have won national and international recognition for creating management practice strategies to boost profits. We have been written up as well as having authored many articles and been noted in two books on practice management.

As CPAs, we know your information is absolutely confidential. We hold ourselves to standards higher than any other profession. In fact, our code of ethics and standards of conduct governed by California law insist upon this.

In addition, we are computer savvy. That means your programs will run smoothly with us. We are certified QuickBook Professional Advisors, meaning your down time for training is nonexistent. We can step in and immediately begin services.

We are flexible. Should you want different services, we will immediately provide you with a change order listing out the estimated savings or increase in fees.

Proposal

HNK, CPAs (formerly Nakawatase & Kaminsky, CPAs and Nakawatase & Co., CPAs) previously entered into an agreement on August 1, 2009 whereby HNK, CPAs would provide accounting services to the District. That agreement called for a term of one (1) year, with four (4) additional one (1) year terms. Effective August 1, 2013 the final option year commenced, leaving no further option years under the original agreement. That agreement has since been extended annually.

HNK, CPAs desires to extend its contract for one (1) additional year, maintaining all terms of that certain Agreement for Accounting Services for Descanso Community Water District dated August 1, 2009 and its amendments, if desirable by Descanso Community Water District. This extension is effective August 1, 2023 through July 31, 2024. Pursuant to Section 3.3.1 of the Agreement, the monthly fee for services performed under this Agreement will be \$1,256.08 (one thousand two hundred fifty-six and 08/100 dollars) as calculated in Exhibit A to this proposal and the Consumer Price Index extract (Exhibit B).

Unanticipated Services

While the fixed price entitles your company to unlimited consultation with us, if your question or issue requires additional research and analysis beyond the consultation, that work will be subject to an additional price negotiation before the service is to be performed, and a Change Order will be issued before delivery of the additional service, with payment terms agreed to in advance.

We hate to do it, but we have the absolute right, without limitation and/or penalty, to stop all work in the event there is a dispute and/or delinquent payment. In extreme situations we may choose to terminate the engagement without completing the work. Reasons for termination may include, but are not limited to: failure on your part to provide the information needed to complete the work, failure to respond to inquiries completely or truthfully, failure to pay our fees in a reasonable time.

It is understood that any unpaid services that are outstanding at the date of termination are to be paid in full within 10 days from the date of termination.

Invoices are required to be paid within thirty days of the date mailed. Invoices not paid within the thirty-day period shall thereafter accrue interest at the rate of 1.5% per month until paid. In the event we hire an attorney to collect unpaid fees, you agree to pay reasonable attorney's fees incurred in collection of those unpaid fees.

If you agree that the above adequately sets forth the understanding of our mutual responsibilities, please authorize this Agreement and return it to our office by July 31, 2024. A copy is provided for your records.

Again, we would like to take this opportunity to express our appreciation to provide you with this proposal.

Sincerely,



Jason B. Kaminsky, CPA
HNK, CPAs

Approved by and for Descanso Community Water District:

Name (Printed)

Title

Signature

Date

Fee Adjustment for 2024/2025 Fiscal Year
Pursuant to Agreement for Accounting Services for
Descanso Community Water District dated August 1, 2009
Section 3.3.1

Base Index - Consumer Price Index for All Urban Consumers (CPI-U), San Diego Jun. 2009

CPI-U Index 240.855
Base Fee for Services \$ 500.00

2021/2022 Fiscal Year

Current CPI-U (Dec 2020) 305.823
Prior CPI-U (Dec 2019) 300.718
Increase/(Decrease) 1.70%

Fee for Services (2021/2022 FY) \$ 1,050.91

2022/2023 Fiscal Year

Current CPI-U (Dec 2021) 325.241
Prior CPI-U (Dec 2020) 305.823
Increase/(Decrease) 6.35%

Fee for Services (2022/2023 FY) \$ 1,117.64

2023/2024 Fiscal Year

Current CPI-U (Dec 2022) 348.945
Prior CPI-U (Dec 2021) 325.241
Increase/(Decrease) 7.29%

Fee for Services (2023/2024 FY) \$ 1,199.09

2024/2025 Fiscal Year

Current CPI-U (Dec 2023) 365.529
Prior CPI-U (Dec 2022) 348.945
Increase/(Decrease) 4.75%

Fee for Services (2023/2024 FY) \$ 1,256.08



Databases, Tables & Calculators by Subject

[Special Notices](#) 4/25/2024

Change Output Options:

From: To:



include graphs

include annual averages

[More Formatting Options](#)

Data extracted on: June 10, 2024 (5:27:58 PM)

Consumer Price Index for All Urban Consumers (CPI-U)

Series Id: CUURS49ESA0
 Not Seasonally Adjusted
Series Title: All items in San Diego-Carlsbad, CA, all urban consumers, not seasonally adjusted
Area: San Diego-Carlsbad, CA
Item: All items
Base Period: 1982-84=100

Download: [.xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2014													265.145	265.251	265.039
2015													269.436	267.346	271.526
2016													274.732	272.628	276.837
2017											285.961		283.012	281.561	284.464
2018	288.331		290.810		289.243		295.185		295.883		293.858		292.547	290.076	295.018
2019	295.761		297.226		300.303		299.333		301.033		301.520		299.433	298.147	300.718
2020	302.564		302.589		301.317		305.611		304.443		306.334		303.932	302.040	305.823
2021	307.688		315.035		317.141		323.906		324.138		326.422		319.761	314.282	325.241
2022	332.990		339.852		343.502		347.462		350.721		348.145		344.416	339.886	348.945
2023	354.453		358.026		361.339		362.412		367.185		366.343		362.022	358.515	365.529
2024	367.917		370.858												

U.S. BUREAU OF LABOR STATISTICS Postal Square Building 2 Massachusetts Avenue NE Washington, DC 20212-0001

Telephone:1-202-691-5200_ Telecommunications Relay Service:7-1-1_ www.bls.gov [Contact Us](#)

DCWD OPERATIONS REPORT

June 19th, 2024

SUMMARY

- Normal day to day operations of the district
- On 06/04, we had a bigger leak on Hwy 79 that required calling TC Construction for help with the repairs which were completed on 06/05.
- We have had a low-pressure complaint from a customer which Fernando, Cameron and Estevan are looking into. The resident wants to know if there is a possibility of installing a main across the street from his house and if so, whether the cost would fall on him or the district. We are also working on getting a cost estimate for this project if it were to happen.
- Abigail and Cameron have been keeping up on yard maintenance around the well sites and the office.
- The 2023 CCR was posted to the website on 05/31, with copies being posted at the usual posting spots around town and a note being added to the current bills on where customers can find the CCR online and to call the office if they would like a hard copy mailed to them.
- Flushing has been done to try and clear up a customer's water issue that was mentioned at the last meeting.
- The SWRWB Arrearage Payment Program funds were added to the approved customer accounts and helped bring some outstanding balances down.

3 MONTHS LOOK AHEAD

- Since the Arrearage Funds have been added to the approved customer accounts, we will now be working on completing the reporting requirements for those funds.
- We plan to continue changing out old/dead meters.
- Continue with usual routines such as daily rounds, meter reading, weekly deposits and billing.
- Purchase a tractor for the district.
- Routine flushing.
- Distribute shut off notices and door tags for non-payment.

Item 12

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

Notes:
