



DESCANSO COMMUNITY WATER DISTRICT

August 2, 2022

POSTED:

NOTICE

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

Tuesday, August 2, 2022, 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 15, 2022
6. **FINANCIAL REPORT:** The District's accountant will present the financial report to the Board. The Board will consider approval and take appropriate action. Final Acceptance for Viejas Boulevard Pipeline Improvements
7. **PROPOSED FY 2022/2023 BUDGET:** The Districts accountant will present the proposed FY 2022/2023 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. **AUDIT SERVICES AGREEMENT:** The District's Board will review and take appropriate action.
10. **AMENDMENT NO. 5 TO TASK ORDER NO. 8 WITH NV5 – WELL AND TREATMENT FACILITY DESIGN:** This amendment addresses a change in the project scope, where a new Well No. 7 will be drilled and equipped, and the existing Well No. 6 will be destroyed. Drilling contractors declined to submit bids on the Redevelopment of Well No. 6 project. USDA requires a Preliminary Engineering Report Amendment to document change in scope and to update the project budget. The design documents for the new well will require reviews by DDW, USDA, and County of San Diego. The treatment facility design needs to be modified to receive water from the new Well No. 7 instead of Well No. 6. The treatment facility will also include the equipping of the new well.
11. **AMENDMENT NO. 2 TO TASK ORDER NO. 11 WITH NV5 – CLOMR:** (This item was on the December 2021 agenda, but there wasn't a quorum at that BoD meeting. This item was not placed onto the March 2022 meeting agenda. The only changes from the previous version are the date of the contract amendment and the signatory for NV5). The Certified Letter of Map Revision, or CLOMR, was required for the Well No. 6 and treatment facility site as it is located in a floodplain. The

CLOMR effort and NV5’s contracted services for this effort are complete. DCWD’s outstanding item is to certify the elevations of the floor slab during/following construction, which is normally done by a licensed land surveyor. NV5 requests an increase of \$1,900 in compensation for this task order to add surveying of the constructed slab’s elevation, and for higher than anticipated costs for the CLOMR processing. Coordinating with FEMA and the County of San Diego exceeded NV5’s anticipated effort and was hampered by COVID-19 agency office shutdowns in 2020.

12. **AMENDMENT NO. 3 TO MASTER SERVICES AGREEMENT WITH NV5:** Amendment No. 3 to Master Services Agreement with NV5

13. **GENERAL MANAGER’S REPORT:** The GM will provide a report for activities occurring since the last meeting.

- A. Engineering and Project Status Report.
- B. GM Report.
- C. Q&A.

13. **DCWD BOARD OF DIRECTORS NEWSLETTER:** The Board will discuss a draft outline of the DCWD Board of Directors Newsletter and take appropriate action.

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

15. **MOTION TO ADJOURN**

Board of Directors		
Maureen Phillips President (619) 445-6042	Gary Sanner Vice President (619) 445-9138	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 20, 2022.

Item 1

CALL TO ORDER, PLEDGE OF ALLEGIANCE

Item 2

ROLL CALL:

1. Lee Johnson
2. Dan DeMoss
4. Gary Sanner
5. Maureen Phillips

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:

- Regular Meeting held on March 15, 2022

Notes:

POSTED:

NOTICE

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

**Tuesday, July 26, 2022, 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 15, 2022
6. **FINANCIAL REPORT:** The District's accountant will present the financial report to the Board. The Board will consider approval and take appropriate action. Final Acceptance for Viejas Boulevard Pipeline Improvements
7. **ACCOUNTING SERVICES ENGAGEMENT RENEWAL:** The Board will review the proposed accounting services renewal and take appropriate action.
8. **AUDIT SERVICES AGREEMENT:** The District's Board will review and take appropriate action.
9. **AMENDMENT NO. 5 TO TASK ORDER NO. 8 WITH NV5 – WELL AND TREATMENT FACILITY DESIGN:** This amendment addresses a change in the project scope, where a new Well No. 7 will be drilled and equipped, and the existing Well No. 6 will be destroyed. Drilling contractors declined to submit bids on the Redevelopment of Well No. 6 project. USDA requires a Preliminary Engineering Report Amendment to document change in scope and to update the project budget. The design documents for the new well will require reviews by DDW, USDA, and County of San Diego. The treatment facility design needs to be modified to receive water from the new Well No. 7 instead of Well No. 6. The treatment facility will also include the equipping of the new well.
10. **AMENDMENT NO. 2 TO TASK ORDER NO. 11 WITH NV5 – CLOMR:** (This item was on the December 2021 agenda, but there wasn't a quorum at that BoD meeting. This item was not placed onto the March 2022 meeting agenda. The only changes from the previous version are the date of the contract amendment and the signatory for NV5). The Certified Letter of Map Revision, or CLOMR, was required for the Well No. 6 and treatment facility site as it is located in a floodplain. The CLOMR effort and NV5's contracted services for this effort are complete. DCWD's outstanding item is to certify the elevations of the floor slab during/following construction, which is normally done by a licensed land surveyor. NV5 requests an increase of \$1,900 in compensation for this task order to add surveying of the constructed slab's elevation, and for higher than anticipated costs for the CLOMR processing. Coordinating with FEMA and the County of San Diego exceeded NV5's anticipated effort, and was hampered by COVID-19 agency office shutdowns in 2020.

Minutes

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

*Tuesday, March 15th, 2022, 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, Sanner and Johnson. Dan DeMoss with CRWA. Operations Manager Julianna Meeks with SUSP, SUSP/DCWD Operations Manager Travis Creamer and SUSP/DCWD Billing Specialist Cierra Boykin. Jason Kaminsky with HNK, CPAs and James Owens with NV5.
3. **APPROVAL OF AGENDA:** DeMoss and Meeks requested that the last sentence of Item 6 be removed. A motion was given by Sanner and second by Johnson, all were in favor.
4. **PUBLIC COMMENT:** No comments were made from the public.
5. **APPROVAL OF THE MINUTES OF THE DECEMBER 2021, MEETING:** The minutes were approved unanimously. A motion was given by Johnson and a second by Sanner, all were in favor.
6. **FINANCIAL REPORT:** Jason Kaminsky went over the financial report and answered all questions, as well as went over the company name changing to HNK, CPAs. A motion was given by Johnson and a second by Sanner, all were in favor.
7. **GENERAL MANAGERS REPORT:** James Owens went over the Engineering and Project status report stating that two pipeline sections have been completed and that there is a lot of interest on the well project, but no bids have been received at this point. Owens and Meeks have both been soliciting well drillers one on one and trying to get proposals, but there hasn't been any interest yet. Meeks contacted Dierkop Drilling and they may be interested depending on numbers which he will get back to us shortly with estimates for both new wells and rehab. Owens went on to explain that the FEMA map shows an

elevated pad on the NE corner of the building for a potential future well, so there is a backup plan. DeMoss asked if we should advertise else where and Owens agreed. Kaminsky asked about the timeline and Owens responded with that if the board awards in June and construction starts in August, then we should be done by January 2023 and online. Board President Phillips asked about solar, and Owens explained that there will be a roof to put solar on.

DeMoss then went over the DCWD operations report. He explained that we had a 20pcu/L which was not over the MCL. Tuba with the state insisted that we send out a notice regarding this. Dan stepped in and explained that unless we are being ordered to send out a notification, we will not be sending it out.

Johnson asked when we will be doing tank maintenance and Creamer explained that it will happen in May 2022.

8. **DCWD BOARD OF DIRECTOR’S NEWSLETTER:** Phillips said she will wait on a newsletter until June when there is more information on the project.

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

10. **MOTION TO ADJOURN:** A motion was given by Johnson and a second from Sanner to adjourn the meeting at 7:42 PM.

Board of Directors		
Maureen Phillips President (619) 445-6042	Gary Sanner Vice President (619) 445-9138	Lee Johnson Finance Officer (619) 445-4122
	Vacant Director	Dan DeMoss General Manager (916) 616-7761

Descanso Community Water District
Statement of Net Position
As of March 31, 2022

	Mar 31, 22
ASSETS	
Current Assets	
Checking/Savings	
Cash and Cash Equivalents	
Cash	
General Fund7573-Cal Bank	
Installment Fund-USDA Series 21	33,217
Reserve Fund-USDA Series 2021	4,680
General Fund7573-Cal Bank - Other	293,796
Total General Fund7573-Cal Bank	331,693
Checking7680-Cal Bank	22,753
Emgncy/Cap ImproveFund-Cal Bank	446,636
Installment Fund - US Bank	17,758
Reserve Fund - US Bank	36,993
Deposits In Transit	
Cash	1,121
Total Deposits In Transit	1,121
Total Cash	856,954
Total Cash and Cash Equivalents	856,954
Total Checking/Savings	856,954
Accounts Receivable	
Customer Accounts Receivable	
Customer Accounts Receivable	
Customer Prepayments	-2,495
Customer Accounts Receivable - Other	205,688
Total Customer Accounts Receivable	203,193
Total Customer Accounts Receivable	203,193
Allowance for Doubtful Accounts	-2,581
Total Accounts Receivable	200,612
Other Current Assets	
Security Deposits	
Town Hall	100
Office 28857B Old Hwy 80	450
County of San Diego	1,160
Total Security Deposits	1,710
Materials and Supplies	
Plant Material	29,588
Total Materials and Supplies	29,588
Prepayments	
G&A	332
Taxes/Fees	399
Total Prepayments	731
Total Other Current Assets	32,029
Total Current Assets	1,089,595

Descanso Community Water District
Statement of Net Position
As of March 31, 2022

	<u>Mar 31, 22</u>
Fixed Assets	
Utility Plant-At Original Cost	
Utility plant-original cost	
Land & Ld Rights-TD	152,779
Struct & Improv-Pump	7,764
Pumping Struct & Improvement	4,139
Pumping Struct & Improvements	9,419
Wells & Springs	
Well #1	11,463
Well #5	92,804
Well #6	31,078
Total Wells & Springs	<u>135,345</u>
Dist Res & Standpipes	6,250
Dist. Res & Standpipes	279,803
T & D Mains-4" and less	3,635
T & D Mains-6"-8"	2,134,478
T & D Mains -12"	194,866
Services	36,108
Meters	51,594
Hydrants	13,171
Other T&D Plant	44,931
Fencing	5,200
Other P/E - Eng Evaluation	11,148
Power Operated Equipment	854
Tools/Shop/Garage Equip	1,875
Miscellaneous Equipment	24,920
Total Utility plant-original cost	<u>3,118,279</u>
Total Utility Plant-At Original Cost	<u>3,118,279</u>
Accumulated Depreciation	
Utility Plant-Acc Depr	<u>-925,964</u>
Total Accumulated Depreciation	<u>-925,964</u>
Total Fixed Assets	<u>2,192,315</u>
Other Assets	
Uncapitalized Fixed Assets -WIP	
Easement Acquisition (405-190-3)	
Task 13 (\$7690)	7,551
Total Easement Acquisition (405-190-3)	<u>7,551</u>
Well #5-Fe/Mn Plant	
Task 04 (\$29945)	25,808
Task 06 (\$56990)	56,990
Task 08 (\$195309)	205,408
Task 09 (\$151.5K)	96,087
Task 11 (\$13562)	14,122
Well #5-Fe/Mn Plant - Other	42,352
Total Well #5-Fe/Mn Plant	<u>440,767</u>

Descanso Community Water District
Statement of Net Position
As of March 31, 2022

	Mar 31, 22
Well #6-Fe/Mn Plant	
Task 04 (\$29945)	25,808
Task 06 (\$56990)	56,990
Task 08 (\$195309)	205,408
Task 09 (\$151.5K)	96,087
Task 11 (\$13562)	14,122
Well #6-Fe/Mn Plant - Other	42,352
Total Well #6-Fe/Mn Plant	440,767
Uncapitalized Fixed Assets -WIP - Other	3,053
Total Uncapitalized Fixed Assets -WIP	892,138
Total Other Assets	892,138
TOTAL ASSETS	4,174,048

Descanso Community Water District
Statement of Net Position
As of March 31, 2022

	<u>Mar 31, 22</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Accts Pay - General	56,926
Accts Pay - Accrued	375
Total Accounts Payable	<u>57,301</u>
Other Current Liabilities	
Current Portion of LTD	
Loan Payable - Union Bank of Ca	16,600
USDA Series 2021A Short Term	23,000
USDA Series 2021B Short Term	6,000
Total Current Portion of LTD	<u>45,600</u>
Interest Accrued	
Int Accr-LTD-Outside	18,767
Total Interest Accrued	<u>18,767</u>
Total Other Current Liabilities	<u>64,367</u>
Total Current Liabilities	121,668
Long Term Liabilities	
Long-Term Debt	
Loan Payable - UBOC 4/2038	385,836
Loan Payable-SD County 1/2041	108,181
USDA Series 2021A Long Term	1,469,000
USDA Series 2021B Long Term	44,000
Loan Costs USDA Series 2021	-19,173
Total Long-Term Debt	<u>1,987,844</u>
Total Long Term Liabilities	<u>1,987,844</u>
Total Liabilities	2,109,512
Equity	
Previous Net Position	1,568,520
Net Income	496,017
Total Equity	<u>2,064,537</u>
TOTAL LIABILITIES & EQUITY	<u><u>4,174,049</u></u>

Descanso Community Water District
Statement of Revenues, Expenses, & Change in Net Position
 January through March 2022

	<u>Jan 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Feb 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense								
Income								
Operating Revenues	40,440	41,540	-1,100	97%	41,043	41,537	-494	99%
Total Income	40,440	41,540	-1,100	97%	41,043	41,537	-494	99%
Gross Profit	40,440	41,540	-1,100	97%	41,043	41,537	-494	99%
Expense								
Operating Expenses	841	978	-137	86%	824	885	-61	93%
Water Treatment	140	546	-406	26%	380	588	-208	65%
Repairs and Maintenance	889	2,511	-1,622	35%	487	2,512	-2,025	19%
Transmission & Distribution	31,678	25,919	5,759	122%	25,707	25,918	-211	99%
Depreciation	5,869	9,951	-4,082	59%	5,869	9,951	-4,082	59%
General & Administrative	2,392	5,118	-2,726	47%	2,887	3,920	-1,033	74%
Total Expense	41,809	45,023	-3,214	93%	36,154	43,774	-7,620	83%
Net Ordinary Income	-1,369	-3,483	2,114	39%	4,889	-2,237	7,126	-219%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,639	7,639	0	100%	7,639	7,638	1	100%
Viejas Grade Project Charge	1,581	1,581	0	100%	1,581	1,581	0	100%
Supp Debt Charge	4,505	4,505	0	100%	4,505	4,504	1	100%
Interest Income	13	15	-2	87%	12	15	-3	80%
Total Other Income	13,738	13,740	-2	100%	13,737	13,738	-1	100%
Other Expense								
Interest Expense	2,154	4,691	-2,537	46%	4,703	4,691	12	100%
Total Other Expense	2,154	4,691	-2,537	46%	4,703	4,691	12	100%
Net Other Income	11,584	9,049	2,535	128%	9,034	9,047	-13	100%
Net Income	<u>10,215</u>	<u>5,566</u>	<u>4,649</u>	<u>184%</u>	<u>13,923</u>	<u>6,810</u>	<u>7,113</u>	<u>204%</u>

Descanso Community Water District
Statement of Revenues, Expenses, & Change in Net Position
 January through March 2022

					TOTAL			
	Mar 22	Budget	\$ Over Budget	% of Budget	Jan - Mar 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
Operating Revenues	41,145	41,084	61	100%	122,628	124,161	-1,533	99%
Total Income	41,145	41,084	61	100%	122,628	124,161	-1,533	99%
Gross Profit	41,145	41,084	61	100%	122,628	124,161	-1,533	99%
Expense								
Operating Expenses	843	1,014	-171	83%	2,508	2,877	-369	87%
Water Treatment	265	636	-371	42%	785	1,770	-985	44%
Repairs and Maintenance	834	2,511	-1,677	33%	2,210	7,534	-5,324	29%
Transmission & Distribution	25,707	25,919	-212	99%	83,092	77,756	5,336	107%
Depreciation	5,869	9,951	-4,082	59%	17,607	29,853	-12,246	59%
General & Administrative	8,088	5,515	2,573	147%	13,367	14,553	-1,186	92%
Total Expense	41,606	45,546	-3,940	91%	119,569	134,343	-14,774	89%
Net Ordinary Income	-461	-4,462	4,001	10%	3,059	-10,182	13,241	-30%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,639	7,639	0	100%	22,917	22,916	1	100%
Viejas Grade Project Charge	1,581	1,582	-1	100%	4,743	4,744	-1	100%
Supp Debt Charge	4,505	4,505	0	100%	13,515	13,514	1	100%
Interest Income	14	15	-1	93%	39	45	-6	87%
Total Other Income	13,739	13,741	-2	100%	41,214	41,219	-5	100%
Other Expense								
Interest Expense	4,703	4,691	12	100%	11,560	14,073	-2,513	82%
Total Other Expense	4,703	4,691	12	100%	11,560	14,073	-2,513	82%
Net Other Income	9,036	9,050	-14	100%	29,654	27,146	2,508	109%
Net Income	8,575	4,588	3,987	187%	32,713	16,964	15,749	193%

Descanso Community Water District
Statement of Revenues, Expenses, & Change in Net Position
 July 2021 through March 2022

	<u>Jul 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Aug 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense								
Income								
Operating Revenues	49,387	45,787	3,600	108%	46,713	45,787	926	102%
Total Income	49,387	45,787	3,600	108%	46,713	45,787	926	102%
Gross Profit	49,387	45,787	3,600	108%	46,713	45,787	926	102%
Expense								
Operating Expenses	1,737	1,365	372	127%	1,663	1,404	259	118%
Water Treatment	6,643	1,813	4,830	366%	375	1,967	-1,592	19%
Repairs and Maintenance	1,260	2,506	-1,246	50%	3,450	2,506	944	138%
Transmission & Distribution	24,713	25,919	-1,206	95%	24,768	25,919	-1,151	96%
Depreciation	6,134	3,548	2,586	173%	6,132	3,547	2,585	173%
General & Administrative	3,070	4,900	-1,830	63%	2,410	3,919	-1,509	61%
Total Expense	43,557	40,051	3,506	109%	38,798	39,262	-464	99%
Net Ordinary Income	5,830	5,736	94	102%	7,915	6,525	1,390	121%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,590	7,639	-49	99%	7,615	7,639	-24	100%
Viejas Grade Project Charge	1,571	1,581	-10	99%	1,576	1,581	-5	100%
Supp Debt Charge	4,476	4,505	-29	99%	4,490	4,504	-14	100%
Interest Income	7	15	-8	47%	13	15	-2	87%
Grant Funds	380,772				0			
Total Other Income	394,416	13,740	380,676	2,871%	13,694	13,739	-45	100%
Other Expense								
Interest Expense	6,685	4,734	1,951	141%	4,346	4,734	-388	92%
Total Other Expense	6,685	4,734	1,951	141%	4,346	4,734	-388	92%
Net Other Income	387,731	9,006	378,725	4,305%	9,348	9,005	343	104%
Net Income	<u>393,561</u>	<u>14,742</u>	<u>378,819</u>	<u>2,670%</u>	<u>17,263</u>	<u>15,530</u>	<u>1,733</u>	<u>111%</u>

Descanso Community Water District
Statement of Revenues, Expenses, & Change in Net Position
 July 2021 through March 2022

	<u>Sep 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Oct 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense								
Income								
Operating Revenues	45,159	44,785	374	101%	42,064	44,728	-2,664	94%
Total Income	45,159	44,785	374	101%	42,064	44,728	-2,664	94%
Gross Profit	45,159	44,785	374	101%	42,064	44,728	-2,664	94%
Expense								
Operating Expenses	1,954	1,124	830	174%	1,171	1,171	0	100%
Water Treatment	0	707	-707	0%	185	1,843	-1,658	10%
Repairs and Maintenance	599	2,506	-1,907	24%	2,023	2,512	-489	81%
Transmission & Distribution	24,712	25,919	-1,207	95%	24,712	25,918	-1,206	95%
Depreciation	5,881	3,296	2,585	178%	5,869	3,284	2,585	179%
General & Administrative	2,495	6,615	-4,120	38%	4,656	5,357	-701	87%
Total Expense	35,641	40,167	-4,526	89%	38,616	40,085	-1,469	96%
Net Ordinary Income	9,518	4,618	4,900	206%	3,448	4,643	-1,195	74%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,639	7,639	0	100%	7,615	7,638	-23	100%
Viejas Grade Project Charge	1,581	1,582	-1	100%	1,576	1,581	-5	100%
Supp Debt Charge	4,505	4,505	0	100%	4,490	4,504	-14	100%
Interest Income	12	15	-3	80%	12	15	-3	80%
Grant Funds	0				0			
Total Other Income	13,737	13,741	-4	100%	13,693	13,738	-45	100%
Other Expense								
Interest Expense	4,346	4,734	-388	92%	4,309	4,702	-393	92%
Total Other Expense	4,346	4,734	-388	92%	4,309	4,702	-393	92%
Net Other Income	9,391	9,007	384	104%	9,384	9,036	348	104%
Net Income	<u>18,909</u>	<u>13,625</u>	<u>5,284</u>	<u>139%</u>	<u>12,832</u>	<u>13,679</u>	<u>-847</u>	<u>94%</u>

Descanso Community Water District
Statement of Revenues, Expenses, & Change in Net Position
 July 2021 through March 2022

	<u>Nov 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Dec 21</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense								
Income								
Operating Revenues	41,312	41,567	-255	99%	41,460	42,358	-898	98%
Total Income	41,312	41,567	-255	99%	41,460	42,358	-898	98%
Gross Profit	41,312	41,567	-255	99%	41,460	42,358	-898	98%
Expense								
Operating Expenses	1,440	1,427	13	101%	774	913	-139	85%
Water Treatment	1,080	652	428	166%	7,567	1,960	5,607	386%
Repairs and Maintenance	319	2,511	-2,192	13%	627	2,511	-1,884	25%
Transmission & Distribution	24,712	25,919	-1,207	95%	24,712	25,919	-1,207	95%
Depreciation	5,869	3,284	2,585	179%	5,869	3,284	2,585	179%
General & Administrative	2,608	3,920	-1,312	67%	5,305	4,021	1,284	132%
Total Expense	36,028	37,713	-1,685	96%	44,854	38,608	6,246	116%
Net Ordinary Income	5,284	3,854	1,430	137%	-3,394	3,750	-7,144	-91%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,639	7,639	0	100%	7,639	7,639	0	100%
Viejas Grade Project Charge	1,581	1,581	0	100%	1,581	1,582	-1	100%
Supp Debt Charge	4,505	4,505	0	100%	4,505	4,504	1	100%
Interest Income	13	15	-2	87%	13	15	-2	87%
Grant Funds	0				0			
Total Other Income	13,738	13,740	-2	100%	13,738	13,740	-2	100%
Other Expense								
Interest Expense	4,314	4,702	-388	92%	4,314	4,702	-388	92%
Total Other Expense	4,314	4,702	-388	92%	4,314	4,702	-388	92%
Net Other Income	9,424	9,038	386	104%	9,424	9,038	386	104%
Net Income	<u>14,708</u>	<u>12,892</u>	<u>1,816</u>	<u>114%</u>	<u>6,030</u>	<u>12,788</u>	<u>-6,758</u>	<u>47%</u>

Descanso Community Water District
Statement of Revenues, Expenses, & Change in Net Position
 July 2021 through March 2022

	<u>Jan 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Feb 22</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Ordinary Income/Expense								
Income								
Operating Revenues	40,440	41,540	-1,100	97%	41,043	41,537	-494	99%
Total Income	40,440	41,540	-1,100	97%	41,043	41,537	-494	99%
Gross Profit	40,440	41,540	-1,100	97%	41,043	41,537	-494	99%
Expense								
Operating Expenses	841	978	-137	86%	824	885	-61	93%
Water Treatment	140	546	-406	26%	380	588	-208	65%
Repairs and Maintenance	889	2,511	-1,622	35%	487	2,512	-2,025	19%
Transmission & Distribution	31,678	25,919	5,759	122%	25,707	25,918	-211	99%
Depreciation	5,869	9,951	-4,082	59%	5,869	9,951	-4,082	59%
General & Administrative	2,392	5,118	-2,726	47%	2,887	3,920	-1,033	74%
Total Expense	41,809	45,023	-3,214	93%	36,154	43,774	-7,620	83%
Net Ordinary Income	-1,369	-3,483	2,114	39%	4,889	-2,237	7,126	-219%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,639	7,639	0	100%	7,639	7,638	1	100%
Viejas Grade Project Charge	1,581	1,581	0	100%	1,581	1,581	0	100%
Supp Debt Charge	4,505	4,505	0	100%	4,505	4,504	1	100%
Interest Income	13	15	-2	87%	12	15	-3	80%
Grant Funds	0				0			
Total Other Income	13,738	13,740	-2	100%	13,737	13,738	-1	100%
Other Expense								
Interest Expense	2,154	4,691	-2,537	46%	4,703	4,691	12	100%
Total Other Expense	2,154	4,691	-2,537	46%	4,703	4,691	12	100%
Net Other Income	11,584	9,049	2,535	128%	9,034	9,047	-13	100%
Net Income	<u>10,215</u>	<u>5,566</u>	<u>4,649</u>	<u>184%</u>	<u>13,923</u>	<u>6,810</u>	<u>7,113</u>	<u>204%</u>

Descanso Community Water District
Statement of Revenues, Expenses, & Change in Net Position
 July 2021 through March 2022

					TOTAL			
	Mar 22	Budget	\$ Over Budget	% of Budget	Jul '21 - Mar 22	Budget	\$ Over Budget	% of Budget
Ordinary Income/Expense								
Income								
Operating Revenues	41,145	41,084	61	100%	388,723	389,173	-450	100%
Total Income	41,145	41,084	61	100%	388,723	389,173	-450	100%
Gross Profit	41,145	41,084	61	100%	388,723	389,173	-450	100%
Expense								
Operating Expenses	843	1,014	-171	83%	11,247	10,281	966	109%
Water Treatment	265	636	-371	42%	16,635	10,712	5,923	155%
Repairs and Maintenance	834	2,511	-1,677	33%	10,488	22,586	-12,098	46%
Transmission & Distribution	25,707	25,919	-212	99%	231,421	233,269	-1,848	99%
Depreciation	5,869	9,951	-4,082	59%	53,361	50,096	3,265	107%
General & Administrative	8,088	5,515	2,573	147%	33,911	43,285	-9,374	78%
Total Expense	41,606	45,546	-3,940	91%	357,063	370,229	-13,166	96%
Net Ordinary Income	-461	-4,462	4,001	10%	31,660	18,944	12,716	167%
Other Income/Expense								
Other Income								
Treatment Plant Project Charge	7,639	7,639	0	100%	68,654	68,749	-95	100%
Viejas Grade Project Charge	1,581	1,582	-1	100%	14,209	14,232	-23	100%
Supp Debt Charge	4,505	4,505	0	100%	40,486	40,541	-55	100%
Interest Income	14	15	-1	93%	109	135	-26	81%
Grant Funds	0				380,772			
Total Other Income	13,739	13,741	-2	100%	504,230	123,657	380,573	408%
Other Expense								
Interest Expense	4,703	4,691	12	100%	39,874	42,381	-2,507	94%
Total Other Expense	4,703	4,691	12	100%	39,874	42,381	-2,507	94%
Net Other Income	9,036	9,050	-14	100%	464,356	81,276	383,080	571%
Net Income	8,575	4,588	3,987	187%	496,016	100,220	395,796	495%

Descanso Community Water District
Statement of Cash Flows
 January through March 2022

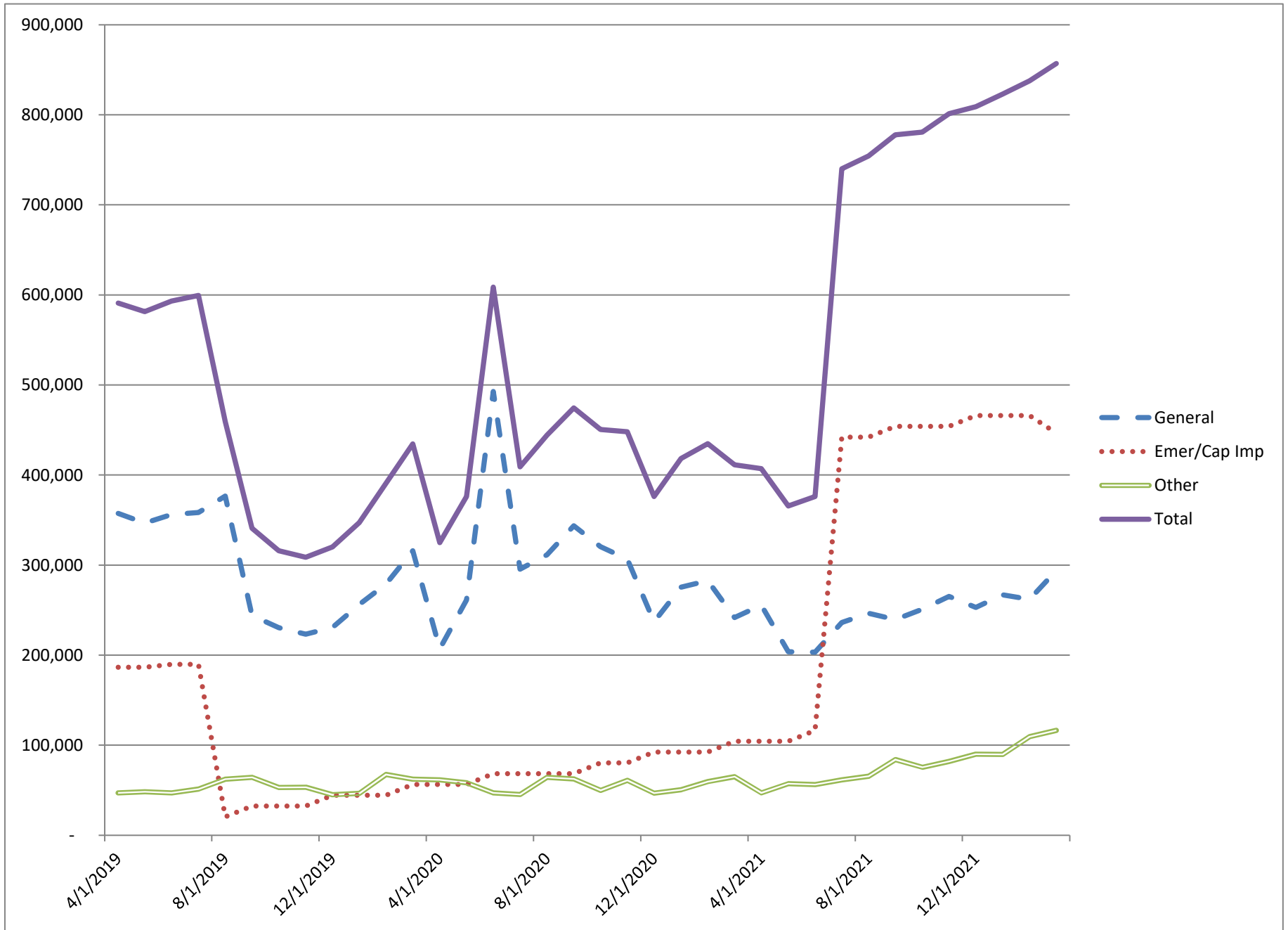
	Jan - Mar 22
OPERATING ACTIVITIES	
Net Income	32,714
Adjustments to reconcile Net Income to net cash provided by operations:	
Customer Accounts Receivable:Customer Accounts Receivable	-3,611
Customer Accounts Receivable:Customer Accounts Receivable:Customer Prepayments	137
Allowance for Doubtful Accounts	600
Prepayments:G&A	-251
Prepayments:Taxes/Fees	200
Security Deposits:Town Hall	-100
Accts Pay - General	8,229
Accts Pay - Accrued	375
Interest Accrued:Int Accr-LTD-Outside	-3,946
	34,346
Net cash provided by Operating Activities	34,346
INVESTING ACTIVITIES	
Accumulated Depreciation:Utility Plant-Acc Depr	17,606
Uncapitalized Fixed Assets -WIP	-414
	17,192
Net cash provided by Investing Activities	17,192
FINANCING ACTIVITIES	
Current Portion of LTD:Loan Payable - SD County	-4,051
Long-Term Debt:Loan Costs USDA Series 2021	122
	-3,929
Net cash provided by Financing Activities	-3,929
Net cash increase for period	47,609
Cash at beginning of period	809,344
Cash at end of period	<u>856,954</u>

Descanso Community Water District
Statement of Cash Flows
July 2021 through March 2022

06/28/22

	Jul '21 - Mar 22
OPERATING ACTIVITIES	
Net Income	496,017
Adjustments to reconcile Net Income to net cash provided by operations:	
Customer Accounts Receivable:Customer Accounts Receivable	-31,640
Customer Accounts Receivable:Customer Accounts Receivable:Customer Prepayments	-329
Allowance for Doubtful Accounts	1,800
Prepayments:G&A	-90
Prepayments:Taxes/Fees	-257
Security Deposits:Town Hall	-100
Accts Pay - General	-52,637
Accts Pay - Accrued	375
Interest Accrued:Int Accr-LTD-Outside	12,041
CoBank Bridge Loan (\$1.492M)	-1,492,000
Current Portion of LTD:USDA Series 2021A Short Term	23,000
Current Portion of LTD:USDA Series 2021B Short Term	6,000
Net cash provided by Operating Activities	-1,037,820
INVESTING ACTIVITIES	
Utility Plant-At Original Cost:Utility plant-original cost:T & D Mains-6"-8"	-1,794,183
Utility Plant-At Original Cost:Utility plant-original cost:T & D Mains- 6"-8"	104,049
Utility Plant-At Original Cost:Utility plant-original cost:T & D Mains -6"-8"	548,970
Accumulated Depreciation:Utility Plant-Acc Depr	53,359
Uncapitalized Fixed Assets -WIP	-1,204
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 08 (\$195309)	-11,844
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 08 (\$195309)	-11,844
Debt and Preferred Stock Expense:Loan Costs	11,052
Uncapitalized Fixed Assets -WIP:Fe/Mn Pipeline	12,450
Uncapitalized Fixed Assets -WIP:Fe/Mn Pipeline:Main Contractor (\$1.147M)	1,098,022
Uncapitalized Fixed Assets -WIP:Fe/Mn Pipeline:Task 12 (\$34670)	30,693
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 09 (\$151.5K)	-802
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 11 (\$13562)	-561
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 09 (\$151.5K)	-802
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 11 (\$13562)	-561
Net cash provided by Investing Activities	36,792
FINANCING ACTIVITIES	
Current Portion of LTD:Loan Payable - Union Bank of Ca	400
Current Portion of LTD:Loan Payable - SD County	-4,051
Long-Term Debt:Loan Payable - UBOC 4/2038	-8,400
Long-Term Debt:USDA Series 2021A Long Term	1,469,000
Long-Term Debt:USDA Series 2021B Long Term	44,000
Long-Term Debt:Loan Costs USDA Series 2021	-19,173
Net cash provided by Financing Activities	1,481,777
Net cash increase for period	480,748
Cash at beginning of period	376,206
Cash at end of period	856,954

DCWD Cash Flow Balances



Unaudited - No assurance is provided on these financial statements

Item 7

PROPOSED FY 2022/2023 BUDGET:

The Districts accountant will present the proposed FY 2022/2023 budget to the Board for review and approval. The Board will discuss the matter and take appropriate action.

Notes:

**DESCANSO COMMUNITY WATER DISTRICT
OPERATING BUDGET
7/01/22-6/30/23**

	Accepted Total	July	August	September	October	November	December	January	February	March	April	May	June
Operating Income/Expense, see note													
Revenues													
14400 Water Sales	78200	9162	9162	8160	8103	4942	5733	4915	4912	4459	4459	7098	7095
14430 Service Charge*	437460	36455	36455	36455	36455	36455	36455	36455	36455	36455	36455	36455	36455
14450 Late Fees	4800	400	400	400	400	400	400	400	400	400	400	400	400
18800 Other Income	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Operating Revenues	520460	46017	46017	45015	44958	41797	42588	41770	41767	41314	41314	43953	43950
Operating Expenses - Pumping													
25546 Telemetry	600	0	0	0	0	600	0	0	0	0	0	0	0
25545 Utilities (electric)	14950	1570	1615	1292	1346	952	1050	1124	1018	1166	1117	1203	1497
Total Pumping	15550	1570	1615	1292	1346	1552	1050	1124	1018	1166	1117	1203	1497
WATER TREATMENT													
35515 Chemicals	20000	2876	3184	664	2936	364	2980	152	236	332	2842	300	3134
Testing	5070	375	375	375	375	375	375	470	470	470	470	470	470
Total Treatment	25070	3251	3559	1039	3311	739	3355	622	706	802	3312	770	3604
REPAIRS AND MAINTENANCE													
Waste Disposal	2703	217	217	217	228	228	228	228	228	228	228	228	228
55556 Vehicle Repair & Maint	0												
55557 Repair & Maintenance/Valve Repair	15000	1250	1250	1250	1250	1250	1250	1250	1250	1250	1250	1250	1250
55558 System Mapping	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Repairs & Maintenance	17703	1467	1467	1467	1478	1478	1478	1478	1478	1478	1478	1478	1478
TRANSMISSION & DIST.													
65575 Misc.	0												
Security	960	80	80	80	80	80	80	80	80	80	80	80	80
65545 Underground Service Alert	0	0	0	0	0	0	0	0	0	0	0	0	0
Engineering Expense	0	0	0	0	0	0	0	0	0	0	0	0	0
65531 Contract Labor (SUSP Contract)	322913	26909	26909	26909	26909	26909	26909	26909	26909	26909	26909	26909	26909
Total Transmission & Dist	323873	26989	26989	26989	26989	26989	26989	26989	26989	26989	26989	26989	26989
46700 DEPRECIATION	70284	5869	5869	5869	5869	5858	5850	5850	5850	5850	5850	5850	5850

**DESCANSO COMMUNITY WATER DISTRICT
OPERATING BUDGET
7/01/21-6/30/22**

Accepted	July	August	September	October	November	December	January	February	March	April	May	June	
Total													
GENERAL & ADMINISTRATION													
Telephone	840	70	70	70	70	70	70	70	70	70	70	70	
76711 Misc. Administrative Exp.	0	0	0	0	0	0	0	0	0	0	0	0	
76505 Account & Audit	6350	0	0	0	0	0	0	0	0	0	0	6350	
Bad Debt Expense	2400	200	200	200	200	200	200	200	200	200	200	200	
76579 Bank Service Charges	924	77	77	77	77	77	77	77	77	77	77	77	
Billing Supplies	1140	95	95	95	95	95	95	95	95	95	95	95	
76560 General Liability Ins.	4200	350	350	350	350	350	350	350	350	350	350	350	
76565 Legal	3600	300	300	300	300	300	300	300	300	300	300	300	
Licenses, Taxes, & Fees	2620	85	85	85	1685	85	85	85	85	85	85	85	
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	1560	120	120	120	120	120	240	120	120	120	120	120	
76635 Rent, Town Hall	9400	750	750	850	750	750	850	750	850	750	750	850	
75574 State Health Op Fee	2700	225	225	225	225	225	225	225	225	225	225	225	
76660 Accounting Services	13349	1051	1118	1118	1118	1118	1118	1118	1118	1118	1118	1118	
76669 Admin Interest Expense	0												
Loan Trust Trustee Fee	1200	0	0	0	0	0	0	0	1200	0	0	0	
Website	600	50	50	50	50	50	50	50	50	50	50	50	
76690 Board Expenses	800	66	67	67	66	67	67	66	67	66	67	67	
76571 Advertising & Printing	1000	0	0	0	0	0	0	0	1000	0	0	0	
Total General & Administration	53703	3524	3592	3692	5191	3592	3812	3591	3592	5892	3591	3592	10042
Total Operating Expense	506183	42670	43091	40349	44185	40208	42535	39655	39633	42177	42337	39882	49461
Income/Loss From Ops.	14277	3347	2926	4666	773	1589	53	2115	2134	-863	-1023	4071	-5511
Non Operating Inc/Exp.													
88440 Supp Debt Charge*	54397.2	4533	4533	4533	4533	4533	4533	4533	4533	4533	4533	4533	
Treatment Plant Project Charge*	92247	7687	7687	7687	7687	7687	7687	7687	7687	7687	7687	7687	
Viejas Grade Project Charge*	19096	1591	1591	1591	1591	1591	1591	1591	1591	1591	1591	1591	
88805 Other Non Operating Income	0												
88810 Interest Income	180	15	15	15	15	15	15	15	15	15	15	15	
89000 Interest Expense	-55080	-4630	-4630	-4630	-4596	-4596	-4596	-4584	-4584	-4584	-4550	-4550	
Total Non-Operational Inc/Exp.	110840	9197	9197	9197	9231	9231	9231	9243	9243	9243	9277	9277	
Net Income/Loss	125118	12543	12123	13863	10004	10820	9284	11358	11376	8379	8254	13347	3766

*Based on 317 active connections

PROPOSED CASH FLOW ANALYSIS
7/01/22-6/30/23

	Total	July	August	September	October	November	December	January	February	March	April	May	June
Cash Balance Beginning of Period	859337	859337	836745	859367	865966	886435	907709	887439	885096	906906	907956	926609	945357
Cash Provided or (Used) by Operations:													
Revenues	520460	46017	46017	45015	44958	41797	42588	41770	41767	41314	41314	43953	43950
Operating Expenses**	-435899	-36801	-37222	-34480	-38316	-34350	-36685	-33805	-33783	-36327	-36487	-34032	-43611
RDA Loan Payment	-35527			-17763						-17764			
USDA Loan Payment Fe/Mn	-40629												-40629
SDCO Loan Payment	-7755							-7755					
RDA Deposit to Reserve(Fully Funded)	0			0						0			
USDA Series A	-48909	-36055						-12854					
USDA Series B	-13105	-9579						-3526					
Deposit to Emerg/Cap Improve Fund	-48000			-12000			-12000			-12000			-12000
Deposit to New Project Annual O&M	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash Provided (Used) by Operations	-109364	-36418	8795	-19228	6642	7447	-6097	-16170	7984	-24777	4827	9921	-52290
Cash Provided or (used) by Non-Operations*:													
	165920	13827	13827	13827	13827	13827	13827	13827	13827	13827	13827	13827	13827
Total Cash Provided (used) by Non-Operations	165920	13827	13827	13827	13827	13827	13827	13827	13827	13827	13827	13827	13827
Cash (Used) by Long Term Items:													
Fe/Mn Expenditures	0												
Fe/Mn Grant	0												
Fe/Mn USDA Loan	0												
Gravel at Well 5	0												
Well 5 Bldg Improvement	-5000											-5000	
Fe/Mn-Uranium Plant Engineering	0												
Tractor/Back Hoe	-40000						-40000						
Reserve for Future Capital Improvements	48000			12000			12000			12000			12000
Reserve for New Project Annual O&M	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Cash (Used) by Long Term Items	3000	0	0	12000	0	0	-28000	0	0	12000	0	-5000	12000
Total Cash Increase (Decrease)	59557	-22592	22622	6599	20469	21274	-20270	-2343	21810	1049	18654	18747	-26463
Cash Balance End of Period	918894	836745	859367	865966	886435	907709	887439	885096	906906	907956	926609	945357	918894

*Less Interest Expense (\$55,080)

** Less Depreciation (\$70,281)

Item 8

ACCOUNTING SERVICES ENGAGEMENT RENEWAL:

The Board will review the proposed accounting services renewal and take appropriate action.

Notes:



Experience. Expertise. Excellence.

Patrick Howard, CPA MT

Shirley E.M. Nakawatase, CPA

Jason B. Kaminsky, CPA

Matthew Howard, CPA

Karen Bennett, EA

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

June 28, 2022

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 QuickBooks Professional Advisors, meaning your down time for training is nonexistent. We can step in and immediately begin services.

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

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

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, 2022 through July 31, 2023. Pursuant to Section 3.3.1 of the Agreement, the monthly fee for services performed under this Agreement will be \$1,117.64 (one thousand one hundred seventeen and 64/100 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, 2022. 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 2022/2023 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

2019/2020 Fiscal Year

Current CPI-U (Dec 2018)	295.018
Prior CPI-U (Dec 2017)	284.464
Increase/(Decrease)	3.71%

Fee for Services (2019/2020 FY)	<u>\$ 1,013.78</u>
---------------------------------	--------------------

2020/2021 Fiscal Year

Current CPI-U (Dec 2019)	300.718
Prior CPI-U (Dec 2018)	295.018
Increase/(Decrease)	1.93%

Fee for Services (2020/2021 FY)	<u>\$ 1,033.37</u>
---------------------------------	--------------------

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)	<u>\$ 1,050.91</u>
---------------------------------	--------------------

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 (2021/2022 FY)	<u>\$ 1,117.64</u>
---------------------------------	--------------------

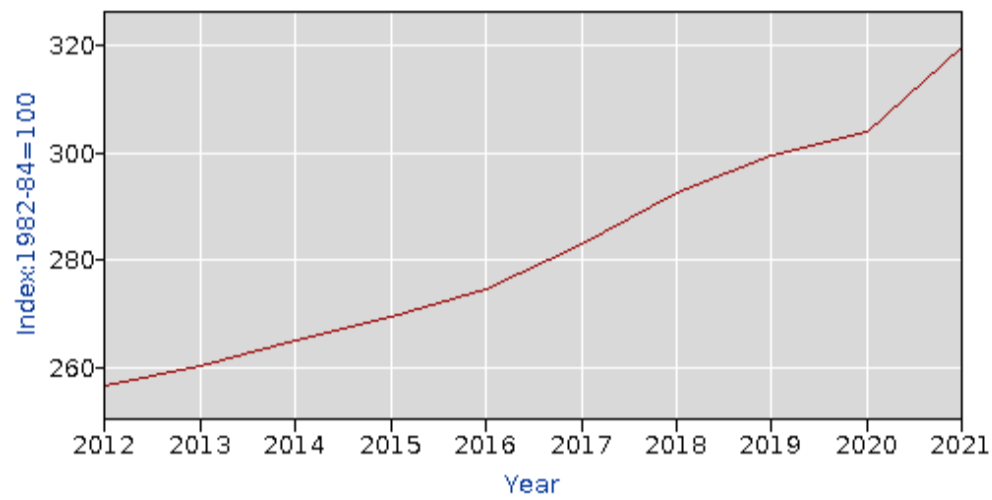
Databases, Tables & Calculators by Subject

Change Output Options: From: 2012 To: 2022 [GO](#)
 include graphs include annual averages [More Formatting Options](#) 

Data extracted on: May 23, 2022 (7:57:07 PM)

CPI 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: [xls](#) [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2	
2012													256.961	256.637	257.285	
2013													260.317	258.955	261.679	
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													

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](#)

Item 9

AUDIT SERVICES AGREEMENT:

The District's Board will review and take appropriate action.

Notes:

June 21, 2022

Descanso Community Water District
P.O. Box 610
Descanso, CA 91916

We are pleased to confirm our understanding of the services we are to provide Descanso Community Water District (District) for the fiscal year ended June 30, 2022. We will audit the financial statements of Descanso Community Water District, which comprise the statement(s) of financial position as of year ended June 30, 2022, the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements (financial statements).

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole.

The objective also includes reporting on—

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will include a paragraph that states that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose.

Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's *Minimum Audit Requirements for Special Districts* and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. Our report will be addressed to the governing board of the District. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the school district or to acts by management or employees acting on behalf of the school district. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*.

In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements, compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Control

Our audit will include obtaining an understanding of the District and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the District in conformity with U.S. generally accepted accounting principles based on information provided by you. These non-audit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

Management Responsibilities

Management is responsible for (1) designing, implementing, and maintaining effective internal controls, including evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements.

You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements and all accompanying information in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the District from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the District involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements.

Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the District received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the District complies with applicable laws, regulations, contracts, agreements, and grants.

Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements and any other non-audit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the non-audit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Wilkinson Hadley King & Co. LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to The California State Controller's Office or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Wilkinson Hadley King & Co. LLP personnel.

Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested oversight agencies. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on or before approximately June 21, 2022 and to issue our reports no later than September 15, 2022. Brian Hadley, CPA is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will not exceed \$6,350. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to Descanso Community District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

A handwritten signature in blue ink that reads "Wilkinson Hadley King & Co., LLP". The signature is written in a cursive, flowing style.

Wilkinson Hadley King & Co. LLP

RESPONSE:

This letter correctly sets forth the understanding of Descanso Community Water District.

Management signature:

Title:

Date:

Governance signature:

Title:

Date:

Item 10

AMENDMENT NO. 5 TO TASK ORDER NO. 8 WITH NV5 – WELL AND TREATMENT FACILITY DESIGN:

This amendment addresses a change in the project scope, where a new Well No. 7 will be drilled and equipped, and the existing Well No. 6 will be destroyed. Drilling contractors declined to submit bids on the Redevelopment of Well No. 6 project. USDA requires a Preliminary Engineering Report Amendment to document change in scope and to update the project budget. The design documents for the new well will require reviews by DDW, USDA, and County of San Diego. The treatment facility design needs to be modified to receive water from the new Well No. 7 instead of Well No. 6. The treatment facility will also include the equipping of the new well.

Notes:



Change Order No. 05
to Task Order No. 08 Dated: 29 December 2015

Date 28 July 2022
Task Order No. 08
NV5 Project No. SDB084308
PM James F. Owens

CLIENT
Descanso Community Water District
c/o SUSP
1234 N. Market Boulevard
Sacramento, CA 95834

NV5 OFFICE
NV5, Inc.
f/k/a Nolte Associates, Inc.
15092 Avenue of Science, Suite 200
San Diego, CA 92128

JOB DESCRIPTION AND LOCATION

Fe and Mn Transmission Pipeline Improvements – Design Services

Descanso, San Diego County, CA

NV5, Inc. will perform the following additional services:

- See scope of services dated 21 July 2022

Fee for Additional Services Described Above:

Original Contract Fee: \$ 188,450.00
Previous Changes: \$ 202,169.00
This Change: \$ 73,800.00
Revised Total Fee: \$ 464,419.00

All remaining terms and conditions of the Master Agreement Contract dated May 1, 2013 as amended through Change Order 03 to the Master Agreement, and Task Order 08 dated 29 December 2015 remain in full force and effect.

**DESCANSO COMMUNITY WATER DISTRICT
AUTHORIZATION:**

BY: _____

PRINT NAME & TITLE: _____

NV5, INC. AUTHORIZATION:

BY: _____

PRINT NAME & TITLE: CYNTHIA S. PERAZA
WATER INFRASTRUCTURE DIR. / ASST. REG. MANAGER

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 05

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. Two components remain outstanding: well improvements and the construction of a treatment facility for the removal of Iron and Manganese. In late 2021, DCWD solicited bids for the construction of improvements to the existing Well No. 6. DCWD did not receive any bids at the public bid opening. Subsequently, DCWD and NV5 requested bids from contractors on a less formal, less competitive basis. No contractors submitted bids. Therefore, DCWD desires to modify the capital improvements plan to drill a new well (Well No. 7) at the Well No. 6/treatment facility site, and to destroy Well No. 6.

This scope of services authorizes the preparation of a Preliminary Engineering Report amendment, modification of the treatment facility design to receive water from the new well (Well No. 7) and not from the existing Well No. 6, design of a new production well and destruction of Well No. 6, and bidding assistance services for the new Well No. 7.

Task 3 – Design Documents – Scope and Compensation Modification

NV5 previously completed design and bidding documents for the proposed treatment facility, assuming that water supplied to the facility would be from the existing Well Nos. 5 and 6. DCWD is revising this arrangement, and will destroy Well No. 6 and drill a new Well No. 7 (See Task 3C below). This Task 3 is expanded to revise the design documents so that water is received from Well Nos. 5 and 7. Well No. 7 will be located immediately northeast of the proposed treatment facility. Equipping of Well No. 7 will be included in the bidding documents for the treatment facility.

Task 3C – Well No. 6 Improvements – Scope and Compensation Modification

NV5 previously completed design and bidding documents for the redevelopment of existing Well No. 6. This scope of services and compensation for this task are expanded to address a new approach, which is to drill a new well immediately northeast of the proposed treatment facility (see Task 3 above), and to destroy the existing Well No. 6. This Task 3C is expanded to include a PER Amendment, design/bidding documents for the Well No. 7 Drilling project, and preparation of a preliminary Drinking Water Source Assessment and Protection Document and a preliminary well drilling permit. This amended task also incorporates additional compensation for services previously provided but exceeded the authorized compensation.

21 July 2022

Page 1 of 3

Contract Amendment 05 – Scope of Services

Iron and Manganese Facility, Viejas Boulevard Pipeline, and Viejas Grade Pipeline – Final Design Services

NV5 will prepare a Preliminary Engineering Report Amendment to document the project components that are already complete (Viejas Grade Road Pipeline and Viejas Boulevard Pipeline), components that have changed (redevelopment of Well No. 6 replaced by Well No. 7 Drilling), and the construction of the treatment facility for iron and manganese removal. The PER Amendment will update the project budget. No changes to or preparation of environmental documents are included in this scope of services. One draft and one final PER Amendment will be submitted to DCWD, USDA, and the State Water Resources Control Board's Division of Drinking Water (DDW) in .pdf format.

The design documents will consist of drawings and specifications for the drilling of a new well, and for the destruction of Well No. 6. This project will be titled Well No. 7 Drilling and Equipping. NV5 anticipates these well improvements will be a stand-alone construction contract, completed in advance of construction of treatment facility improvements. NV5 will submit the well drilling and equipping design documents to DCWD, USDA, and DDW for review and comment at the 80% and 100% stages. All submittals will be in .pdf format. Equipping of the new Well No. 7 will be included in the design documents under Task 3 above.

NV5 will prepare a preliminary Drinking Source Water and Protection Assessment and Protection (DSWAP) document and preliminary well drilling application to DDW for review. NV5 will submit the preliminary well drilling application to San Diego County for preliminary review. As the preliminary application will be submitted in advance of soliciting bids for the drilling and equipping (see Task 9D below), no drilling permit is anticipated to be issued to DCWD as a result of this preliminary application submittal. The purpose of submitting these documents to DDW and to San Diego County is to receive feedback and concurrence on the design documents prior to proceeding to bidding for construction. NV5 will submit these documents in .pdf format.

Task 9D – Bidding Assistance – Well No. 7 Drilling

One construction contract is anticipated to be advertised and bid for the Well No. 7 Drilling project. NV5 will help DCWD prepare the contractor advertisements to solicit bids. NV5 will attend and coordinate the prebid conference and job walk for prospective bidders. NV5 anticipates this event will take place in the Descanso area during normal business hours (Monday through Friday 8am to 4pm) at a date to be determined.

NV5 will maintain the planholders list and will lead efforts to distribute bidding documents to parties that express interest. Bidding documents are anticipated to be distributed via email in .pdf format.

Following the prebid conference and job walk, NV5 will issue responses to contractor questions and issue addenda for the project. NV5 will provide these responses to planholders. NV5 anticipates issuing addenda and question responses via electronic means (email of .pdf files). NV5 has not included attending the bid opening or DCWD Board meeting in this scope of services.

Advertising costs shall be borne directly by DCWD. NV5 will provide .pdf versions of the construction documents to DCWD. Following the bid opening, NV5 will prepare a bid tabulation to compare unit and total pricing from received bids. NV5 will draft PWC-100 Form for the DCWD to upload to the Department of Industrial Relations' webportal.

DCWD will be responsible for payment of advertising costs, allowing access to the project site during the pre-bid meeting, and coordinating the bid opening at a public location in the Descanso area (e.g. Descanso Town Hall).

Fee

The additional task order time and materials fee to complete the above scope of services is \$73,800, 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.

Activity	Total Fee
Task 3 – Design Documents (Additional Compensation)	\$22,600
Task 3C – Well No. 6 Improvements (Additional Compensation)	\$43,960
Task 9D – Bidding Assistance – Well No. 7 Drilling	\$7,240
Total Fee	\$73,800

* * * * *

Item 11

AMENDMENT NO. 2 TO TASK ORDER NO. 11 WITH NV5 – CLOMR:

(This item was on the December 2021 agenda, but there wasn't a quorum at that BoD meeting. This item was not placed onto the March 2022 meeting agenda. The only changes from the previous version are the date of the contract amendment and the signatory for NV5). The Certified Letter of Map Revision, or CLOMR, was required for the Well No. 6 and treatment facility site as it is located in a floodplain. The CLOMR effort and NV5's contracted services for this effort are complete. DCWD's outstanding item is to certify the elevations of the floor slab during/following construction, which is normally done by a licensed land surveyor. NV5 requests an increase of \$1,900 in compensation for this task order to add surveying of the constructed slab's elevation, and for higher than anticipated costs for the CLOMR processing. Coordinating with FEMA and the County of San Diego exceeded NV5's anticipated effort, and was hampered by COVID-19 agency office shutdowns in 2020.

Notes:



**Change Order No. 02
to Task Order No. 11 Dated: 19 June 2019**

Date 22 December 2021
Task Order No. 11
NV5 Project No. 226818-SDB0843.11
PM James F. Owens

CLIENT
Descanso Community Water District
c/o SUSP
1234 N. Market Boulevard
Sacramento, CA 95834

NV5 OFFICE
NV5, Inc.
f/k/a Nolte Associates, Inc.
15092 Avenue of Science, Suite 200
San Diego, CA 92128

JOB DESCRIPTION AND LOCATION

Iron and Manganese Treatment Facility – CLOMR Preparation

Descanso, San Diego County, CA

NV5 will perform the following additional services:

Additional compensation for the scope of services the original Task Order No. 11. NV5 has completed the original scope of services. Additional compensation includes additional scope for one mobilization of a land survey crew to obtain surface elevation shots of the top of the proposed concrete slab of the treatment facility, and submitting a certification to FEMA/County of San Diego.

Fee for Additional Services Described Above:

Original Contract Fee: \$ 21,215.00
Previous Changes: \$ 5,910.00
This Change: \$ 1,900.00
Revised Total Fee: \$ 27,025.00

All remaining terms and conditions of the Master Agreement Contract dated May 1, 2013 as amended through Change Order 02 to the Master Agreement, and Task Order 11 dated 19 June 2019 remain in full force and effect.

**DESCANSO COMMUNITY WATER DISTRICT
AUTHORIZATION:**

BY: _____

PRINT NAME & TITLE: _____

NV5, INC. AUTHORIZATION:

BY: _____

PRINT NAME & TITLE: CARMEN C. KASNER, PE

REGIONAL MANAGING DIRECTOR

Item 12

AMENDMENT NO. 3 TO MASTER SERVICES AGREEMENT WITH NV5:

Amendment No. 3 to Master Services Agreement with NV5

Notes:

Change Order No. 03
to Master Services Agreement Dated: 01 May 2013

Date 27 July 2022
NV5 Job No. SDB0843xx
PM James F. Owens

CLIENT
Descanso Community Water District
24680 Viejas Grade Road
Descanso, CA 91916

NV5, Inc. OFFICE
NV5, Inc. f/k/a Nolte Associates, Inc.
15092 Avenue of Science, Suite 200
San Diego, CA 92128

JOB DESCRIPTION AND LOCATION

Agreement for Professional Engineering Services between Descanso Community Water District and Nolte Associates, Inc. (NV5, Inc.) dated May 1, 2013.

Descanso, San Diego County, CA

NV5 will perform the following additional services:

- The agreement is extended through 31 December 2023
- Replacement of the Charge Rates Schedule contained in Change Order 02 with the attached Exhibit B Schedule of Charges dated 21 July 2022

All remaining terms and conditions of the Contract dated 01 May 2013 remain in full force and effect.

DESCANSO COMMUNITY WATER DISTRICT

NV5, INC.

AUTHORIZATION:

AUTHORIZATION:

BY: _____

BY: _____

PRINT NAME & TITLE: _____

PRINT NAME & TITLE: CYNTHIA S. PERAZA
WATER INFRASTRUCTURE DIR. / ASST. REG. MANAGER

Exhibit B

NV5, INC.

Descanso Community Water District As-Needed Engineering Services Schedule of Charges

NV5 Office:

Technical Services

Office Assistant.....	\$65.00/hour
Project Administrator.....	\$98.00/hour
CADD Technician I.....	\$99.00/hour
CADD Technician II.....	\$110.00/hour
CADD Technician III.....	\$132.00/hour
Senior CADD Technician/Designer.....	\$146.00/hour

Professional

Junior Engineer/Planner/Surveyor.....	\$112.00/hour
Assistant Engineer/Planner/Surveyor.....	\$123.00/hour
Associate Engineer/Planner/Surveyor.....	\$134.00/hour
Senior Engineer/Planner/Surveyor.....	\$175.00/hour
Hydrogeologist.....	\$175.00/hour
Manager.....	\$190.00/hour
Associate.....	\$242.00/hour

NV5 Field:

Construction Management

Junior Field Engineer.....	\$118.00/hour
Assistant Field Engineer.....	\$126.00/hour
Associate Field Engineer.....	\$133.00/hour
Project Geologist.....	\$170.00/hour
Senior Field Engineer.....	\$150.00/hour
Construction Manager.....	\$172.00/hour

Surveying

1-Person Field Crew.....	\$152.00/hour
2-Person Field Crew.....	\$285.00/hour
Survey Manager.....	\$195.00/hour

Geotechnical

Soils/Concrete Technician.....	\$124.00/hour
Staff Engineer.....	\$124.00/hour
Project Engineer/Geologist.....	\$180.00/hour
Principal Engineer.....	\$260.00/hour

Rates shown above may not include all labor classifications required for the various engagements of this Master Services Agreement. Not all labor classifications shown above may be utilized.

Exhibit B

NV5, INC.

Tierra Environmental:

Scientists

Principal/Project Manager	\$178.00
Senior Planner, Archaeologist, Biologist.....	\$139.00
Associate Archaeologist, Biologist	\$94.00
Assistant Archaeologist, Biologist.....	\$88.00

Support Staff

Graphic Coordinator.....	\$115.00
Graphic Artist.....	\$94.00
Technical Editor.....	\$68.00
Word Processor.....	\$65.00
Clerical Support.....	\$60.00

Court Testimony	\$280.00
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Expenses:

Subsistence.....	1.0 x Cost
Other Expenses - Including Subconsultants & Purchased Services through Subcontracts	1.0 x Cost
Mileage - Outside local area	Per accepted IRS rate

For extended construction management and other field efforts, NV5's expenses for data cards, cellular phone, vehicle expenses, and other items will be billed at actual costs.

Rates are effective through December 31, 2022. If contract assignment extends beyond that date, a new rate schedule will be added to the contract. Litigation support will be billed at \$300.00 per hour. Rates based on "Prevailing Wage" for Construction Management and Surveying will be determined by Project and County per California law.

Item 13

GENERAL MANAGERS REPORT:

The GM will provide a report for activities occurring since the last meeting.

- A. Engineering and Project Status Report
- B. GM Report
- C. Q&A

Notes:

DCWD OPERATIONS REPORT

July 26th 2022

SUMMARY

- Installed blue hydrant markers on road
- Several call outs for Low pressure/changed meter
- Normal day to day operations of the district
- Repaired broken blowoffs
- Meetings with NV5 regarding project

3 MONTH LOOK AHEAD

- Well #6 rehab out to bid/completion
- Treatment plant building out to bid
- Meter/meter box changeouts
- Back Flow Testing

MEMORANDUM

To:	Julie Meeks, Operations Manager Descanso Community Water District	Date:	21 July 2022
From:	NV5, Inc. James F. Owens, PE	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 design and bidding of the Redevelopment of Existing Well No. 6 and of the iron and manganese treatment facility, and of a revised approach to water supply (well) improvements.

Environmental Permitting

The status of the Project environmental permits and permit compliance as of 21 September 2021 is provided below.

- 1) Army Corps of Engineers
 - a. Nationwide Permit authorizing crossing of Descanso Creek at Viejas Grade Road (SPL-2017-00803-JDR) – This permit is closed.
- 2) State Water Resources Control Board – 404 Certification
 - a. This permit for the crossing of Descanso Creek is closed
- 3) FEMA CLOMR for Iron and Manganese Facility – See below.

Redevelopment of Well No. 6

DCWD advertised the Call for Bids for this project on October 15, 2021. Six drillers from San Diego County obtained a copy of the bidding documents (plans and specifications). Bids were scheduled to be opened on December 1, 2021. However, no bids were received.

Because no bids were received through the public bidding process, USDA’s Engineer, Mike Starinsky, informed NV5 that DCWD could request bids directly from individual firms with C-57 contractor licenses to provide proposal to perform the work, or the work at Well No. 6 can be incorporated into the Iron and Manganese Treatment Facility project. NV5 and DCWD staff reached out to several local firms, including Dierkop, Stehly Brothers, and Brax Company, among others, to request proposals to perform the redevelopment work at Well No. 6. All drillers, totaling approximately 8 firms, declined to submit a bid to redevelop Well No. 6. Drillers noted there is significant risk in working on a redevelopment project on well with physical deterioration. This redevelopment effort is not as attractive to other drilling opportunities in the current construction market.

After conferring with USDA, DCWD staff and NV5 believe the best approach to securing a second source of water is to drill a new well at the Well No. 6/treatment facility site. This well is contemplated in the CLOMR documentation already submitted to San Diego County and FEMA (see below). As this is a change

in the scope of the project, USDA requires a Preliminary Engineering Report Amendment be prepared to document the completed, future, and modified project components, and to update the project budget. The Well No. 7 Drilling project is described below.

Well No. 7 Drilling Project

A new well will be drilled immediately northeast of the proposed treatment facility. Under this project, the new Well No. 7 will be drilled, tested, and completed. The new well would be equipped as part of the Treatment Facility Improvements. Well No. 6 would be disinfected at the onset of the project to prevent intrusion of iron-consuming bacteria into the new well. Following pump testing of the new Well No. 7, Well No. 6 would be destroyed. Construction of the Well No. 7 Drilling improvements would be complete prior to commencing construction of the Iron and Manganese Treatment Facility.

Iron and Manganese Treatment Facility

NV5 has completed the design of the Treatment Facility and the drawings have been reviewed by DCWD, USDA, and DDW. DDW is requiring minimal changes to the design documents. However, the design documents for the Treatment Facility need to be modified to incorporate equipping and connecting the new Well No. 7. DDW will need to review the modified design documents. DDW may require additional documentation beyond plans and specifications, such as an operations manual.

Ideally, the proposed treatment facility would commence field construction after the future Well No. 7 is completed and Well No. 6 is destroyed. This would prevent two contractors working at the site simultaneously. NV5 recommends advertising the Call for Bids for the Treatment Facility after advertising the Call for Bids for the well improvements, and allow a longer bidding period for the Treatment Facility. This will allow long lead time items, such as the treatment equipment, programmable logic controller, and instruments, to be procured and fabricated prior to starting field construction efforts. See projected schedule of key dates for the Well No. 7 Drilling and Treatment Facility projects below.

DCWD has selected and contracted a manufacturer (AdEdge) for the provision of iron and manganese equipment. Due to ongoing supply chain pressures and cost increases for materials, AdEdge has requested an adjustment of pricing for the provision of the treatment equipment to greater than \$222,000 from \$171,000 originally proposed by AdEdge.

As the proposed treatment facility building is located within a FEMA-mapped flood zone (Zone AO), a Certified Letter of Map Revision (CLOMR) was required. FEMA has approved the CLOMR application documents. Following construction, certification of the elevation of the constructed improvements will be submitted to FEMA.

Date	Well No. 7 Drilling	Iron and Manganese Treatment Facility
Advertise Call for Bids	30 September 2022	-
Advertise Call for Bids		07 October 2022
Bid Opening	03 November 2022	-
Award of Contract	21 November 2022 *	-
Bid Opening		01 December 2022
Start Construction	12 December 2022	
Award of Contract		21 December 2022
Issue Limited Notice to Proceed		09 January 2023
Complete Construction	10 February 2023	-
Start Construction		13 March 2023
Complete Construction		July 2023

*May require a special Board of Directors meeting.

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OFFICES NATIONWIDE

Item 14

DCWD BOARD OF DIRECTOR'S NEWSLETTER:

The Board will discuss a draft outline of the DCWD Board of Directors' newsletter and consider approval and distribution of the newsletter. They will take appropriate action.

Notes:

Item 15

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

Notes:

Item 16

MOTION TO ADJOURN.

Notes:
