

# **DESCANSO COMMUNITY WATER DISTRICT**

*Special Board Meeting*

**July 21<sup>st</sup>, 2020**

POSTED:

## **NOTICE**

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

**Tuesday, July 21, 2020, 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 17<sup>th</sup>, 2020
6. **FINANCIAL REPORT:** The District's accountant will present the financial report to the Board. The Board will consider approval and take appropriate action.
  - Financials as of 12/31/19 (because the March meeting was canceled)
  - Financials as of 3/31/20
7. **PROPOSED FY 2020/2021 BUDGET:** The Districts accountant will present the proposed FY 2020/2021 budget to the Board for review and approval. The Board will discuss the matter and take appropriate action.
8. **ACCOUNTING SERVICES RENEWAL:** The Board will review the proposed accounting services renewal and take appropriate action.
9. **GENERAL MANAGER'S REPORT:** The GM will provide a report for activities occurring since the last meeting.
  - A. Water quality and customer complaints
  - B. Water usage and testing results
  - C. Engineering Report
  - D. Q&A
10. **DCWD BOARD OF DIRECTORS NEWSLETTER:** The Board will discuss a draft outline of the DCWD Board of Directors Newsletter and take appropriate action.
11. **OTHER ITEMS DIRECTLY RELATED TO THE ABOVE-DESCRIBED MATTERS AS MAY BE BROUGHT BEFORE THE BOARD OF DIRECTORS**

**12. MOTION TO ADJOURN**

<b>Board of Directors</b>		
Maureen Phillips President (619) 445-6042	Gary Sanner Vice President (619) 445-9138	Lee Johnson Financial Officer (619) 445-4122
	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 15, 2020.

**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:**

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**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:**

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## Item 5

### APPROVAL OF THE MINUTES:

The Board will review the draft minutes from the following meetings:

- Regular Meeting held on December 17<sup>th</sup>, 2019

### Notes:

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## Minutes

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

***Tuesday, December 17 ,2019, 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 5:00 PM
2. **ROLL CALL.** Members present were Phillips, Sanner, and Johnson. General Manager Dan DeMoss with SUSP and SUSP Operations Manager Julianna Meeks.
3. **APPROVAL OF AGENDA.** The agenda was approved unanimously with the following changes: reverse the order of item #5 & #6, Table #9 add “pending legal review” to the language. #11, correct the spelling on the word “amendment”. A motion was given by Johnson and a second by Sanner, all were in favor.
4. **PUBLIC COMMENT:** None
5. **APPROVAL OF THE MINUTES OF THE JUNE 18<sup>TH</sup>, 2019 MINUTES:** The Board reviewed the September 17, 2019 Minutes. A motion was given by Johnson and a second by Sanner, all were in favor of approval.
6. **ELECTION OF OFFICERS:** A motion was made by Sanner, with a 2<sup>nd</sup> by Johnson to keep the officers the same. All were in favor.
  
7. **PRESENTATION OF THE 2018-2019 AUDIT:** Brian with Wilkinson & Hadley went over the 2018-2018. A motion was given by Johnson and a second by Sanner to accept the 2018-2019 audit as written. All were in favor
  
8. **FINANCIAL REPORT:** Jason with Nakawataske & Kaminsky went over the financial reports and answered any questions. A motion was given by Johnson and a second by Sanner to accept the financial report. All were in favor.
  
9. **T.C. CONSTRUCTION COMPANY CONTRACT:**  
James with NV5 explained that the District received and reviewed 5 bids for construction of the Viejas Blvd blending pipeline. The low bid was received by T.C. Construction. James recommends awarding the contract to T.C. Construction , pending USDA concurrence. Phillips asked if legal had reviewed the contract. James explained that legal created the contract. The Board voted unanimously in favor to approve the award of the contract of the construction of the Viejas Blvd. pipeline to T.C. Construction. A motion was given by Sanner and a second by Johnson. All were in favor.

**10. APPROVE TASK ORDER 12 OF THE ON-CALL SERVICES AGREEMENT WITH NV5, INC:**

James Owens with NV5 explained task order in regard to the Viejas Blvd improvements. The Board voted unanimously to approve Task Order 12, with a motion given by Johnson and a second by Sanner. All in favor.

**11. APPROVE AMENDMENT TASK ORDER 09 OF THE ON-CALL SERVICES AGREEMENT WITH NV5, INC:**

James Owens of NV5 explained the price change to Task Order 09 for on-call services. The Board was approved this item with a motion by Johnson and a second by Sanner. All were in favor.

**12. GENERAL MANAGERS REPORT:**

General Manager DeMoss went of the GM reports in the Board packet and answered any questions.

**13. DCWD BOARD OF DIRECTORS NEWSLETTER:**

President Phillips would like to do a newsletter on the following items:

1. Contract Award
2. Website in January 2020
3. Moving Forward

A motion was given by Johnson and a second by Sanner to approve the outline of the newsletter. All were in favor.

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

None

**15. MOTION TO ADJOURN:**

A motion was given by Johnson and a second by Sanner to adjourn the meeting at 8:53 PM.

<b>Board of Directors</b>		
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

## 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.

- Financials as of 12/31/19 (because the March meeting was canceled)
- Financials as of 3/31/20

### Notes:

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## Descanso Community Water District

## Balance Sheet

As of December 31, 2019

	<u>Dec 31, 19</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
<b>Cash and Cash Equivalents</b>	
<b>Cash</b>	
General Fund7573-Cal Bank	230,776
Checking7680-Cal Bank	6,249
Emgncy/Cap ImproveFund-Cal Bank	44,396
Installment Fund - UBOC	20
Reserve Fund - UBOC	37,216
Deposits In Transit	
PayPal	1,527
<b>Total Deposits In Transit</b>	<u>1,527</u>
<b>Total Cash</b>	<u>320,184</u>
<b>Total Cash and Cash Equivalents</b>	<u>320,184</u>
<b>Total Checking/Savings</b>	320,184
<b>Accounts Receivable</b>	
<b>Customer Accounts Receivable</b>	
<b>Customer Accounts Receivable</b>	
Customer Prepayments	-2,712
Customer Accounts Receivable - Other	153,036
<b>Total Customer Accounts Receivable</b>	<u>150,324</u>
<b>Total Customer Accounts Receivable</b>	150,324
<b>Allowance for Doubtful Accounts</b>	<u>-17,023</u>
<b>Total Accounts Receivable</b>	133,301
<b>Other Current Assets</b>	
<b>Security Deposits</b>	
Office 28857B Old Hwy 80	450
County of San Diego	1,160
<b>Total Security Deposits</b>	<u>1,610</u>
<b>Materials and Supplies</b>	
Plant Material	27,411
<b>Total Materials and Supplies</b>	<u>27,411</u>
<b>Prepayments</b>	
G&A	59
Taxes/Fees	577
<b>Total Prepayments</b>	<u>636</u>
<b>Total Other Current Assets</b>	<u>29,657</u>
<b>Total Current Assets</b>	<u>483,142</u>

## Descanso Community Water District

## Balance Sheet

As of December 31, 2019

	<u>Dec 31, 19</u>
<b>Fixed Assets</b>	
<b>Utility Plant-At Original Cost</b>	
<b>Utility plant-original cost</b>	
Land & Ld Rights-TD	152,779
Struct & Improv-Pump	7,764
Pumping Struct & Improvement	4,139
Pumping Struct & Improvements	9,419
<b>Wells &amp; Springs</b>	
Well #1	11,463
Well #5	80,327
Well #6	31,078
<b>Total Wells &amp; Springs</b>	<u>122,868</u>
Dist Res & Standpipes	6,250
Dist. Res & Standpipes	279,803
T & D Mains-4" and less	3,635
T & D Mains-6"-8"	338,382
T & D Mains- 6"-8"	104,049
T & D Mains -6"-8"	548,970
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
<b>Total Utility plant-original cost</b>	<u>1,962,725</u>
<b>Total Utility Plant-At Original Cost</b>	<u>1,962,725</u>
<b>Accumulated Depreciation</b>	
Utility Plant-Acc Depr	-808,490
Utility Plant-Scrap	-96
<b>Total Accumulated Depreciation</b>	<u>-808,586</u>
<b>Total Fixed Assets</b>	<u>1,154,139</u>
<b>Other Assets</b>	
<b>Uncapitalized Fixed Assets -WIP</b>	
<b>Well #5-Fe/Mn Plant</b>	
Task 04 (\$29945)	25,808
Task 06 (\$56990)	56,990
Task 08 (\$164805)	153,163
Task 09 (\$151.5K)	39,696
Task 11 (\$10.6K)	2,336
Well #5-Fe/Mn Plant - Other	15,071
<b>Total Well #5-Fe/Mn Plant</b>	<u>293,064</u>

## Descanso Community Water District

## Balance Sheet

As of December 31, 2019

	<u>Dec 31, 19</u>
Well #6-Fe/Mn Plant	
Task 04 (\$29945)	25,808
Task 06 (\$56990)	56,990
Task 08 (\$164805)	153,163
Task 09 (\$151.5K)	39,695
Task 11 (\$10.6K)	2,336
Well #6-Fe/Mn Plant - Other	15,071
<b>Total Well #6-Fe/Mn Plant</b>	<u>293,063</u>
<b>Total Uncapitalized Fixed Assets -WIP</b>	<u>586,127</u>
<b>Total Other Assets</b>	586,127
<b>TOTAL ASSETS</b>	<u><u>2,223,408</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accts Pay - General	101,541
<b>Total Accounts Payable</b>	<u>101,541</u>
<b>Other Current Liabilities</b>	
Line of Credit-CoBank (\$250K)	241,454
<b>Current Portion of LTD</b>	
Loan Payable - Union Bank of Ca	7,400
Loan Payable - SD County	3,796
<b>Total Current Portion of LTD</b>	<u>11,196</u>
<b>Interest Accrued</b>	
Int Accr-LTD-Outside	9,103
<b>Total Interest Accrued</b>	<u>9,103</u>
<b>Total Other Current Liabilities</b>	<u>261,753</u>
<b>Total Current Liabilities</b>	363,294
<b>Long Term Liabilities</b>	
<b>Long-Term Debt</b>	
Loan Payable - UBOC 4/2038	425,836
Loan Payable-SD County 1/2041	116,154
<b>Total Long-Term Debt</b>	<u>541,990</u>
<b>Total Long Term Liabilities</b>	<u>541,990</u>
<b>Total Liabilities</b>	905,284
<b>Equity</b>	
Retained Earnings	1,226,090
Net Income	92,034
<b>Total Equity</b>	<u>1,318,124</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>2,223,408</u></u>

**Descanso Community Water District**  
**Profit & Loss Budget vs. Actual**  
 October through December 2019

	<u>Oct 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Nov 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
<b>Operating Revenues</b>	36,982	42,623	-5,641	87%	41,522	39,462	2,060	105%
<b>Total Income</b>	36,982	42,623	-5,641	87%	41,522	39,462	2,060	105%
<b>Expense</b>								
<b>Operating Expenses</b>	1,017	1,171	-154	87%	1,550	1,427	123	109%
<b>Water Treatment</b>	1,179	1,843	-664	64%	239	557	-318	43%
<b>Repairs and Maintenance</b>	5,556	3,501	2,055	159%	168	3,501	-3,333	5%
<b>Transmission &amp; Distribution</b>	24,230	24,955	-725	97%	24,229	24,955	-726	97%
<b>Depreciation</b>	3,556	2,897	659	123%	3,556	2,897	659	123%
<b>General &amp; Administrative</b>	4,318	7,461	-3,143	58%	2,927	4,599	-1,672	64%
<b>Total Expense</b>	39,856	41,828	-1,972	95%	32,669	37,936	-5,267	86%
<b>Net Ordinary Income</b>	-2,874	795	-3,669	-362%	8,853	1,526	7,327	580%
<b>Other Income/Expense</b>								
<b>Other Income</b>								
<b>Treatment Plant Project Charge</b>	7,639	7,639	0	100%	7,639	7,639	0	100%
<b>Viejas Grade Project Charge</b>	1,581	1,581	0	100%	1,581	1,581	0	100%
<b>Supp Debt Charge</b>	4,505	4,505	0	100%	4,505	4,505	0	100%
<b>Interest Income</b>	103	90	13	114%	75	90	-15	83%
<b>Total Other Income</b>	13,828	13,815	13	100%	13,800	13,815	-15	100%
<b>Other Expense</b>								
<b>Interest Expense</b>	2,857	2,045	812	140%	2,800	2,045	755	137%
<b>Total Other Expense</b>	2,857	2,045	812	140%	2,800	2,045	755	137%
<b>Net Other Income</b>	10,971	11,770	-799	93%	11,000	11,770	-770	93%
<b>Net Income</b>	<u>8,097</u>	<u>12,565</u>	<u>-4,468</u>	<u>64%</u>	<u>19,853</u>	<u>13,296</u>	<u>6,557</u>	<u>149%</u>



**Descanso Community Water District**  
**Profit & Loss Budget vs. Actual**  
 October through December 2019

					TOTAL			
	<u>Dec 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Oct - Dec 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
<b>Operating Revenues</b>	38,817	40,253	-1,436	96%	117,321	122,338	-5,017	96%
<b>Total Income</b>	38,817	40,253	-1,436	96%	117,321	122,338	-5,017	96%
<b>Expense</b>								
<b>Operating Expenses</b>	658	913	-255	72%	3,225	3,511	-286	92%
<b>Water Treatment</b>	140	1,865	-1,725	8%	1,558	4,265	-2,707	37%
<b>Repairs and Maintenance</b>	475	3,502	-3,027	14%	6,199	10,504	-4,305	59%
<b>Transmission &amp; Distribution</b>	24,230	24,955	-725	97%	72,689	74,865	-2,176	97%
<b>Depreciation</b>	3,556	2,897	659	123%	10,668	8,691	1,977	123%
<b>General &amp; Administrative</b>	5,388	4,894	494	110%	12,633	16,954	-4,321	75%
<b>Total Expense</b>	34,447	39,026	-4,579	88%	106,972	118,790	-11,818	90%
<b>Net Ordinary Income</b>	4,370	1,227	3,143	356%	10,349	3,548	6,801	292%
<b>Other Income/Expense</b>								
<b>Other Income</b>								
<b>Treatment Plant Project Charge</b>	7,639	7,639	0	100%	22,917	22,917	0	100%
<b>Viejas Grade Project Charge</b>	1,581	1,581	0	100%	4,743	4,743	0	100%
<b>Supp Debt Charge</b>	4,505	4,505	0	100%	13,515	13,515	0	100%
<b>Interest Income</b>	69	90	-21	77%	247	270	-23	91%
<b>Total Other Income</b>	13,794	13,815	-21	100%	41,422	41,445	-23	100%
<b>Other Expense</b>								
<b>Interest Expense</b>	2,823	2,045	778	138%	8,480	6,135	2,345	138%
<b>Total Other Expense</b>	2,823	2,045	778	138%	8,480	6,135	2,345	138%
<b>Net Other Income</b>	10,971	11,770	-799	93%	32,942	35,310	-2,368	93%
<b>Net Income</b>	<u>15,341</u>	<u>12,997</u>	<u>2,344</u>	<u>118%</u>	<u>43,291</u>	<u>38,858</u>	<u>4,433</u>	<u>111%</u>

**Descanso Community Water District**  
**Profit & Loss Budget vs. Actual**  
 July through December 2019

	<u>Jul 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Aug 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
<b>Operating Revenues</b>	41,755	43,682	-1,927	96%	41,656	43,682	-2,026	95%
<b>Total Income</b>	41,755	43,682	-1,927	96%	41,656	43,682	-2,026	95%
<b>Expense</b>								
<b>Operating Expenses</b>	1,097	1,365	-268	80%	1,325	1,404	-79	94%
<b>Water Treatment</b>	434	1,813	-1,379	24%	4,776	1,967	2,809	243%
<b>Repairs and Maintenance</b>	501	3,495	-2,994	14%	162	3,495	-3,333	5%
<b>Transmission &amp; Distribution</b>	24,229	24,955	-726	97%	24,230	24,955	-725	97%
<b>Depreciation</b>	2,897	2,897	0	100%	3,556	2,897	659	123%
<b>General &amp; Administrative</b>	3,633	5,486	-1,853	66%	4,651	4,598	53	101%
<b>Total Expense</b>	32,791	40,011	-7,220	82%	38,700	39,316	-616	98%
<b>Net Ordinary Income</b>	8,964	3,671	5,293	244%	2,956	4,366	-1,410	68%
<b>Other Income/Expense</b>								
<b>Other Income</b>								
<b>Treatment Plant Project Charge</b>	7,639	7,639	0	100%	7,639	7,639	0	100%
<b>Viejas Grade Project Charge</b>	1,581	1,581	0	100%	1,581	1,581	0	100%
<b>Supp Debt Charge</b>	4,505	4,505	0	100%	4,505	4,505	0	100%
<b>Interest Income</b>	114	90	24	127%	111	90	21	123%
<b>Total Other Income</b>	13,839	13,815	24	100%	13,836	13,815	21	100%
<b>Other Expense</b>								
<b>Interest Expense</b>	2,974	2,073	901	143%	2,945	2,073	872	142%
<b>Total Other Expense</b>	2,974	2,073	901	143%	2,945	2,073	872	142%
<b>Net Other Income</b>	10,865	11,742	-877	93%	10,891	11,742	-851	93%
<b>Net Income</b>	<u>19,829</u>	<u>15,413</u>	<u>4,416</u>	<u>129%</u>	<u>13,847</u>	<u>16,108</u>	<u>-2,261</u>	<u>86%</u>

**Descanso Community Water District**  
**Profit & Loss Budget vs. Actual**  
 July through December 2019

	<u>Sep 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Oct 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
<b>Operating Revenues</b>	39,390	42,680	-3,290	92%	36,982	42,623	-5,641	87%
<b>Total Income</b>	39,390	42,680	-3,290	92%	36,982	42,623	-5,641	87%
<b>Expense</b>								
<b>Operating Expenses</b>	1,303	1,124	179	116%	1,017	1,171	-154	87%
<b>Water Treatment</b>	105	707	-602	15%	1,179	1,843	-664	64%
<b>Repairs and Maintenance</b>	209	3,502	-3,293	6%	5,556	3,501	2,055	159%
<b>Transmission &amp; Distribution</b>	24,229	24,955	-726	97%	24,230	24,955	-725	97%
<b>Depreciation</b>	3,556	2,897	659	123%	3,556	2,897	659	123%
<b>General &amp; Administrative</b>	5,842	11,594	-5,752	50%	4,318	7,461	-3,143	58%
<b>Total Expense</b>	35,244	44,779	-9,535	79%	39,856	41,828	-1,972	95%
<b>Net Ordinary Income</b>	4,146	-2,099	6,245	-198%	-2,874	795	-3,669	-362%
<b>Other Income/Expense</b>								
<b>Other Income</b>								
<b>Treatment Plant Project Charge</b>	7,639	7,639	0	100%	7,639	7,639	0	100%
<b>Viejas Grade Project Charge</b>	1,581	1,581	0	100%	1,581	1,581	0	100%
<b>Supp Debt Charge</b>	4,505	4,505	0	100%	4,505	4,505	0	100%
<b>Interest Income</b>	92	90	2	102%	103	90	13	114%
<b>Total Other Income</b>	13,817	13,815	2	100%	13,828	13,815	13	100%
<b>Other Expense</b>								
<b>Interest Expense</b>	2,889	2,073	816	139%	2,857	2,045	812	140%
<b>Total Other Expense</b>	2,889	2,073	816	139%	2,857	2,045	812	140%
<b>Net Other Income</b>	10,928	11,742	-814	93%	10,971	11,770	-799	93%
<b>Net Income</b>	<u>15,074</u>	<u>9,643</u>	<u>5,431</u>	<u>156%</u>	<u>8,097</u>	<u>12,565</u>	<u>-4,468</u>	<u>64%</u>

**Descanso Community Water District**  
**Profit & Loss Budget vs. Actual**  
 July through December 2019

	<u>Nov 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Dec 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
<b>Operating Revenues</b>	41,522	39,462	2,060	105%	38,817	40,253	-1,436	96%
<b>Total Income</b>	41,522	39,462	2,060	105%	38,817	40,253	-1,436	96%
<b>Expense</b>								
<b>Operating Expenses</b>	1,550	1,427	123	109%	658	913	-255	72%
<b>Water Treatment</b>	239	557	-318	43%	140	1,865	-1,725	8%
<b>Repairs and Maintenance</b>	168	3,501	-3,333	5%	475	3,502	-3,027	14%
<b>Transmission &amp; Distribution</b>	24,229	24,955	-726	97%	24,230	24,955	-725	97%
<b>Depreciation</b>	3,556	2,897	659	123%	3,556	2,897	659	123%
<b>General &amp; Administrative</b>	2,927	4,599	-1,672	64%	5,388	4,894	494	110%
<b>Total Expense</b>	32,669	37,936	-5,267	86%	34,447	39,026	-4,579	88%
<b>Net Ordinary Income</b>	8,853	1,526	7,327	580%	4,370	1,227	3,143	356%
<b>Other Income/Expense</b>								
<b>Other Income</b>								
<b>Treatment Plant Project Charge</b>	7,639	7,639	0	100%	7,639	7,639	0	100%
<b>Viejas Grade Project Charge</b>	1,581	1,581	0	100%	1,581	1,581	0	100%
<b>Supp Debt Charge</b>	4,505	4,505	0	100%	4,505	4,505	0	100%
<b>Interest Income</b>	75	90	-15	83%	69	90	-21	77%
<b>Total Other Income</b>	13,800	13,815	-15	100%	13,794	13,815	-21	100%
<b>Other Expense</b>								
<b>Interest Expense</b>	2,800	2,045	755	137%	2,823	2,045	778	138%
<b>Total Other Expense</b>	2,800	2,045	755	137%	2,823	2,045	778	138%
<b>Net Other Income</b>	11,000	11,770	-770	93%	10,971	11,770	-799	93%
<b>Net Income</b>	<u>19,853</u>	<u>13,296</u>	<u>6,557</u>	<u>149%</u>	<u>15,341</u>	<u>12,997</u>	<u>2,344</u>	<u>118%</u>

**Descanso Community Water District**  
**Profit & Loss Budget vs. Actual**  
 July through December 2019

	TOTAL			
	<u>Jul - Dec 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
<b>Operating Revenues</b>	240,122	252,382	-12,260	95%
<b>Total Income</b>	240,122	252,382	-12,260	95%
<b>Expense</b>				
<b>Operating Expenses</b>	6,950	7,404	-454	94%
<b>Water Treatment</b>	6,873	8,752	-1,879	79%
<b>Repairs and Maintenance</b>	7,071	20,996	-13,925	34%
<b>Transmission &amp; Distribution</b>	145,377	149,730	-4,353	97%
<b>Depreciation</b>	20,677	17,382	3,295	119%
<b>General &amp; Administrative</b>	26,759	38,632	-11,873	69%
<b>Total Expense</b>	213,707	242,896	-29,189	88%
<b>Net Ordinary Income</b>	26,415	9,486	16,929	278%
<b>Other Income/Expense</b>				
<b>Other Income</b>				
<b>Treatment Plant Project Charge</b>	45,834	45,834	0	100%
<b>Viejas Grade Project Charge</b>	9,486	9,486	0	100%
<b>Supp Debt Charge</b>	27,030	27,030	0	100%
<b>Interest Income</b>	564	540	24	104%
<b>Total Other Income</b>	82,914	82,890	24	100%
<b>Other Expense</b>				
<b>Interest Expense</b>	17,288	12,354	4,934	140%
<b>Total Other Expense</b>	17,288	12,354	4,934	140%
<b>Net Other Income</b>	65,626	70,536	-4,910	93%
<b>Net Income</b>	<u>92,041</u>	<u>80,022</u>	<u>12,019</u>	<u>115%</u>

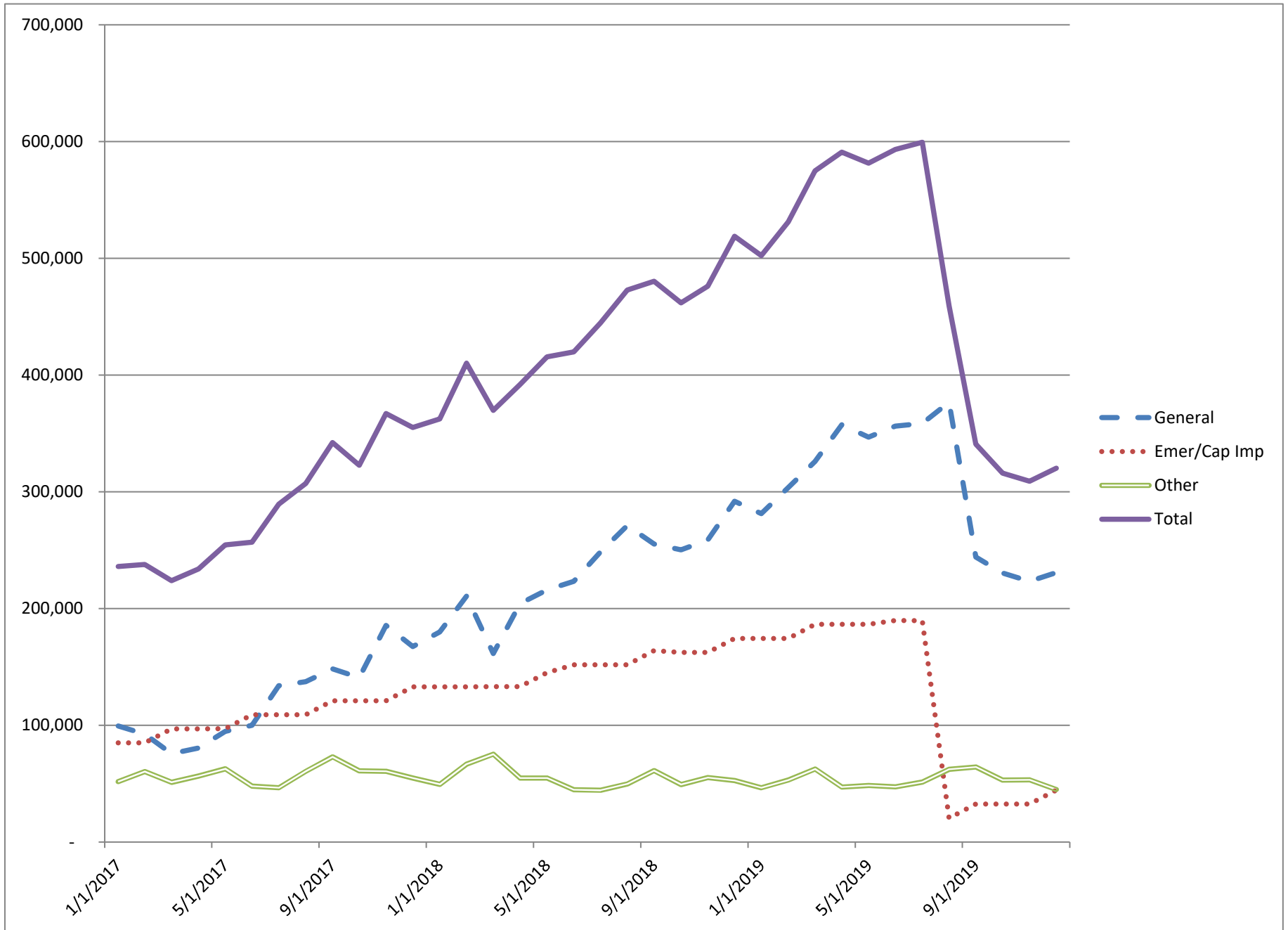
**Descanso Community Water District**  
**Statement of Cash Flows**  
 October through December 2019

	Oct - Dec 19
<b>OPERATING ACTIVITIES</b>	
Net Income	43,286
Adjustments to reconcile Net Income to net cash provided by operations:	
Customer Accounts Receivable:Customer Accounts Receivable	-13,798
Customer Accounts Receivable:Customer Accounts Receivable:Custom...	1,016
Allowance for Doubtful Accounts	600
Prepayments:G&A	59
Prepayments:Taxes/Fees	-322
Accts Pay - General	1,941
Interest Accrued:Int Accr-LTD-Outside	-4,326
Net cash provided by Operating Activities	28,455
<b>INVESTING ACTIVITIES</b>	
Accumulated Depreciation:Utility Plant-Acc Depr	10,668
Uncapitalized Fixed Assets -WIP:Viejas Grade Pipeline	-11,480
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant	-1,234
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant	-1,234
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 09 (\$151.5K)	-19,271
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 09 (\$151.5K)	-19,271
Net cash provided by Investing Activities	-41,821
<b>FINANCING ACTIVITIES</b>	
Current Portion of LTD:Loan Payable - Union Bank of Ca	-7,200
Net cash provided by Financing Activities	-7,200
Net cash increase for period	-20,565
Cash at beginning of period	340,749
Cash at end of period	<b>320,184</b>

**Descanso Community Water District**  
**Statement of Cash Flows**  
 July through December 2019

	Jul - Dec 19
<b>OPERATING ACTIVITIES</b>	
Net Income	92,034
Adjustments to reconcile Net Income to net cash provided by operations:	
Customer Accounts Receivable:Customer Accounts Receivable	-25,246
Customer Accounts Receivable:Customer Accounts Receivable:Custom...	233
Allowance for Doubtful Accounts	1,400
Prepayments:G&A	117
Prepayments:Taxes/Fees	-436
ACH Rejected	447
Accts Pay - General	4,188
Interest Accrued:Int Accr-LTD-Outside	1,894
<b>Net cash provided by Operating Activities</b>	<b>74,631</b>
<b>INVESTING ACTIVITIES</b>	
Utility Plant-At Original Cost:Utility plant-original cost:T & D Mains-6"-8"	-268,396
Utility Plant-At Original Cost:Utility plant-original cost:Meters	-18,000
Accumulated Depreciation:Utility Plant-Acc Depr	20,677
Uncapitalized Fixed Assets -WIP:Viejas Grade Pipeline	9,866
Uncapitalized Fixed Assets -WIP:Viejas Grade Pipeline:Task 03 (\$36.6K)	3,336
Uncapitalized Fixed Assets -WIP:Viejas Grade Pipeline:Task 05 (\$5.58K)	5,072
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant	-8,942
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 08 (\$164805)	-2,310
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant	-8,942
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 08 (\$164805)	-2,310
Uncapitalized Fixed Assets -WIP:Viejas Grade Pipeline:Task 10 (\$11,350)	1,518
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 09 (\$151.5K)	-33,613
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 11 (\$10.6K)	-2,336
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 09 (\$151.5K)	-33,613
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 11 (\$10.6K)	-2,336
<b>Net cash provided by Investing Activities</b>	<b>-340,329</b>
<b>FINANCING ACTIVITIES</b>	
Current Portion of LTD:Loan Payable - Union Bank of Ca	-7,200
<b>Net cash provided by Financing Activities</b>	<b>-7,200</b>
<b>Net cash increase for period</b>	<b>-272,898</b>
<b>Cash at beginning of period</b>	<b>593,082</b>
<b>Cash at end of period</b>	<b>320,184</b>

# DCWD Cash Flow Balances



Unaudited - No assurance is provided on these financial statements



**Descanso Community Water District**  
**Balance Sheet**  
As of March 31, 2020

	<b>Mar 31, 20</b>
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
<b>Cash and Cash Equivalents</b>	
<b>Cash</b>	
General Fund7573-Cal Bank	315,922
Checking7680-Cal Bank	6,085
Emgncy/Cap ImproveFund-Cal Bank	56,395
Installment Fund - UBOC	17,366
Reserve Fund - UBOC	37,355
<b>Deposits In Transit</b>	
PayPal	1,537
<b>Total Deposits In Transit</b>	1,537
<b>Total Cash</b>	434,660
<b>Total Cash and Cash Equivalents</b>	434,660
<b>Total Checking/Savings</b>	434,660
<b>Accounts Receivable</b>	
<b>Customer Accounts Receivable</b>	
<b>Customer Accounts Receivable</b>	
Customer Prepayments	-3,462
Customer Accounts Receivable - Other	149,751
<b>Total Customer Accounts Receivable</b>	146,289
<b>Total Customer Accounts Receivable</b>	146,289
<b>Allowance for Doubtful Accounts</b>	-17,623
<b>Total Accounts Receivable</b>	128,666
<b>Other Current Assets</b>	
<b>Security Deposits</b>	
Office 28857B Old Hwy 80	450
County of San Diego	1,160
<b>Total Security Deposits</b>	1,610
<b>Materials and Supplies</b>	
Plant Material	27,411
<b>Total Materials and Supplies</b>	27,411
<b>Prepayments</b>	
G&A	254
Taxes/Fees	384
<b>Total Prepayments</b>	638
<b>Total Other Current Assets</b>	29,659
<b>Total Current Assets</b>	592,985

**Descanso Community Water District**  
**Balance Sheet**  
As of March 31, 2020

Mar 31, 20

<b>Fixed Assets</b>	
<b>Utility Plant-At Original Cost</b>	
<b>Utility plant-original cost</b>	
Land & Ld Rights-TD	152,779
Struct & Improv-Pump	7,764
Pumping Struct & Improvement	4,139
Pumping Struct & Improvements	9,419
<b>Wells &amp; Springs</b>	
Well #1	11,463
Well #5	80,327
Well #6	31,078
<b>Total Wells &amp; Springs</b>	<u>122,868</u>
Dist Res & Standpipes	6,250
Dist. Res & Standpipes	279,803
T & D Mains-4" and less	3,635
T & D Mains-6"-8"	340,295
T & D Mains- 6"-8"	104,049
T & D Mains -6"-8"	548,970
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
<b>Total Utility plant-original cost</b>	<u>1,964,638</u>
<b>Total Utility Plant-At Original Cost</b>	<u>1,964,638</u>
<b>Accumulated Depreciation</b>	
Utility Plant-Acc Depr	-819,190
Utility Plant-Scrap	-96
<b>Total Accumulated Depreciation</b>	<u>-819,286</u>
<b>Total Fixed Assets</b>	<u>1,145,352</u>

**Descanso Community Water District**  
**Balance Sheet**  
As of March 31, 2020

	<b>Mar 31, 20</b>
<b>Other Assets</b>	
<b>Uncapitalized Fixed Assets -WIP</b>	
Viejas Grade Pipeline	
Task 10 (\$11,350)	-1,913
<b>Total Viejas Grade Pipeline</b>	<b>-1,913</b>
Well #5-Fe/Mn Plant	
Task 04 (\$29945)	25,808
Task 06 (\$56990)	56,990
Task 08 (\$174605)	153,163
Task 09 (\$151.5K)	39,696
Task 11 (\$10.6K)	2,336
Well #5-Fe/Mn Plant - Other	35,946
<b>Total Well #5-Fe/Mn Plant</b>	<b>313,939</b>
Well #6-Fe/Mn Plant	
Task 04 (\$29945)	25,808
Task 06 (\$56990)	56,990
Task 08 (\$174605)	153,163
Task 09 (\$151.5K)	39,695
Task 11 (\$10.6K)	2,336
Well #6-Fe/Mn Plant - Other	35,946
<b>Total Well #6-Fe/Mn Plant</b>	<b>313,938</b>
<b>Total Uncapitalized Fixed Assets -WIP</b>	<b>625,964</b>
<b>Total Other Assets</b>	<b>625,964</b>
<b>TOTAL ASSETS</b>	<b>2,364,301</b>

## Descanso Community Water District

## Balance Sheet

As of March 31, 2020

	<u>Mar 31, 20</u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
Accts Pay - General	108,530
Accts Pay - Accrued	4,138
<b>Total Accounts Payable</b>	<u>112,668</u>
<b>Other Current Liabilities</b>	
CoBank Bridge Loan (\$1.492M)	323,837
<b>Current Portion of LTD</b>	
Loan Payable - Union Bank of Ca	15,000
Loan Payable - SD County	3,921
<b>Total Current Portion of LTD</b>	<u>18,921</u>
<b>Interest Accrued</b>	
Int Accr-LTD-Outside	11,248
<b>Total Interest Accrued</b>	<u>11,248</u>
<b>Total Other Current Liabilities</b>	<u>354,006</u>
<b>Total Current Liabilities</b>	466,674
<b>Long Term Liabilities</b>	
<b>Long-Term Debt</b>	
Loan Payable - UBOC 4/2038	418,236
Loan Payable-SD County 1/2041	112,232
<b>Total Long-Term Debt</b>	<u>530,468</u>
<b>Total Long Term Liabilities</b>	<u>530,468</u>
<b>Total Liabilities</b>	997,142
<b>Equity</b>	
Retained Earnings	1,226,090
Net Income	141,073
<b>Total Equity</b>	<u>1,367,163</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>2,364,305</u></u>

**Descanso Community Water District**  
**Profit & Loss Budget vs. Actual**  
 January through March 2020

	<u>Jan 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Feb 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
<b>Operating Revenues</b>	41,905	41,640	265	101%	41,366	41,637	-271	99%
<b>Total Income</b>	41,905	41,640	265	101%	41,366	41,637	-271	99%
<b>Expense</b>								
<b>Operating Expenses</b>	763	978	-215	78%	714	885	-171	81%
<b>Water Treatment</b>	132	451	-319	29%	355	493	-138	72%
<b>Repairs and Maintenance</b>	826	3,501	-2,675	24%	2,371	3,501	-1,130	68%
<b>Transmission &amp; Distribution</b>	24,229	24,955	-726	97%	24,229	24,955	-726	97%
<b>Depreciation</b>	3,560	2,897	663	123%	3,560	2,897	663	123%
<b>General &amp; Administrative</b>	3,645	5,722	-2,077	64%	3,229	4,599	-1,370	70%
<b>Total Expense</b>	33,155	38,504	-5,349	86%	34,458	37,330	-2,872	92%
<b>Net Ordinary Income</b>	8,750	3,136	5,614	279%	6,908	4,307	2,601	160%
<b>Other Income/Expense</b>								
<b>Other Income</b>								
<b>Treatment Plant Project Charge</b>	7,639	7,639	0	100%	7,639	7,639	0	100%
<b>Viejas Grade Project Charge</b>	1,581	1,581	0	100%	1,581	1,581	0	100%
<b>Supp Debt Charge</b>	4,505	4,505	0	100%	4,505	4,505	0	100%
<b>Interest Income</b>	69	90	-21	77%	68	90	-22	76%
<b>Total Other Income</b>	13,794	13,815	-21	100%	13,793	13,815	-22	100%
<b>Other Expense</b>								
<b>Interest Expense</b>	2,802	2,034	768	138%	2,745	2,034	711	135%
<b>Total Other Expense</b>	2,802	2,034	768	138%	2,745	2,034	711	135%
<b>Net Other Income</b>	10,992	11,781	-789	93%	11,048	11,781	-733	94%
<b>Net Income</b>	<u>19,742</u>	<u>14,917</u>	<u>4,825</u>	<u>132%</u>	<u>17,956</u>	<u>16,088</u>	<u>1,868</u>	<u>112%</u>

**Descanso Community Water District**  
**Profit & Loss Budget vs. Actual**  
 January through March 2020

					TOTAL			
	Mar 20	Budget	\$ Over Budget	% of Budget	Jan - Mar 20	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
<b>Operating Revenues</b>	39,908	41,184	-1,276	97%	123,179	124,461	-1,282	99%
<b>Total Income</b>	39,908	41,184	-1,276	97%	123,179	124,461	-1,282	99%
<b>Expense</b>								
<b>Operating Expenses</b>	613	1,014	-401	60%	2,090	2,877	-787	73%
<b>Water Treatment</b>	267	541	-274	49%	754	1,485	-731	51%
<b>Repairs and Maintenance</b>	190	3,502	-3,312	5%	3,387	10,504	-7,117	32%
<b>Transmission &amp; Distribution</b>	24,229	24,955	-726	97%	72,687	74,865	-2,178	97%
<b>Depreciation</b>	3,560	2,897	663	123%	10,680	8,691	1,989	123%
<b>General &amp; Administrative</b>	7,825	6,094	1,731	128%	14,699	16,415	-1,716	90%
<b>Total Expense</b>	36,684	39,003	-2,319	94%	104,297	114,837	-10,540	91%
<b>Net Ordinary Income</b>	3,224	2,181	1,043	148%	18,882	9,624	9,258	196%
<b>Other Income/Expense</b>								
<b>Other Income</b>								
<b>Treatment Plant Project Charge</b>	7,639	7,639	0	100%	22,917	22,917	0	100%
<b>Viejas Grade Project Charge</b>	1,581	1,581	0	100%	4,743	4,743	0	100%
<b>Supp Debt Charge</b>	4,505	4,505	0	100%	13,515	13,515	0	100%
<b>Interest Income</b>	60	90	-30	67%	197	270	-73	73%
<b>Total Other Income</b>	13,785	13,815	-30	100%	41,372	41,445	-73	100%
<b>Other Expense</b>								
<b>Interest Expense</b>	2,653	2,034	619	130%	8,200	6,102	2,098	134%
<b>Total Other Expense</b>	2,653	2,034	619	130%	8,200	6,102	2,098	134%
<b>Net Other Income</b>	11,132	11,781	-649	94%	33,172	35,343	-2,171	94%
<b>Net Income</b>	<b>14,356</b>	<b>13,962</b>	<b>394</b>	<b>103%</b>	<b>52,054</b>	<b>44,967</b>	<b>7,087</b>	<b>116%</b>

**Descanso Community Water District**  
**Profit & Loss Budget vs. Actual**  
 July 2019 through March 2020

	<u>Jul 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Aug 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
<b>Operating Revenues</b>	41,755	43,682	-1,927	96%	41,656	43,682	-2,026	95%
<b>Total Income</b>	41,755	43,682	-1,927	96%	41,656	43,682	-2,026	95%
<b>Expense</b>								
<b>Operating Expenses</b>	1,097	1,365	-268	80%	1,325	1,404	-79	94%
<b>Water Treatment</b>	434	1,813	-1,379	24%	4,776	1,967	2,809	243%
<b>Repairs and Maintenance</b>	507	3,495	-2,988	15%	339	3,495	-3,156	10%
<b>Transmission &amp; Distribution</b>	24,229	24,955	-726	97%	24,230	24,955	-725	97%
<b>Depreciation</b>	2,897	2,897	0	100%	3,560	2,897	663	123%
<b>General &amp; Administrative</b>	3,693	5,486	-1,793	67%	5,014	4,598	416	109%
<b>Total Expense</b>	32,857	40,011	-7,154	82%	39,244	39,316	-72	100%
<b>Net Ordinary Income</b>	8,898	3,671	5,227	242%	2,412	4,366	-1,954	55%
<b>Other Income/Expense</b>								
<b>Other Income</b>								
<b>Treatment Plant Project Charge</b>	7,639	7,639	0	100%	7,639	7,639	0	100%
<b>Viejas Grade Project Charge</b>	1,581	1,581	0	100%	1,581	1,581	0	100%
<b>Supp Debt Charge</b>	4,505	4,505	0	100%	4,505	4,505	0	100%
<b>Interest Income</b>	114	90	24	127%	111	90	21	123%
<b>Total Other Income</b>	13,839	13,815	24	100%	13,836	13,815	21	100%
<b>Other Expense</b>								
<b>Interest Expense</b>	2,974	2,073	901	143%	2,945	2,073	872	142%
<b>Total Other Expense</b>	2,974	2,073	901	143%	2,945	2,073	872	142%
<b>Net Other Income</b>	10,865	11,742	-877	93%	10,891	11,742	-851	93%
<b>Net Income</b>	<u>19,763</u>	<u>15,413</u>	<u>4,350</u>	<u>128%</u>	<u>13,303</u>	<u>16,108</u>	<u>-2,805</u>	<u>83%</u>

**Descanso Community Water District**  
**Profit & Loss Budget vs. Actual**  
 July 2019 through March 2020

	<u>Sep 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Oct 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
<b>Operating Revenues</b>	39,390	42,680	-3,290	92%	36,982	42,623	-5,641	87%
<b>Total Income</b>	39,390	42,680	-3,290	92%	36,982	42,623	-5,641	87%
<b>Expense</b>								
<b>Operating Expenses</b>	1,303	1,124	179	116%	1,017	1,171	-154	87%
<b>Water Treatment</b>	105	707	-602	15%	1,179	1,843	-664	64%
<b>Repairs and Maintenance</b>	364	3,502	-3,138	10%	5,749	3,501	2,248	164%
<b>Transmission &amp; Distribution</b>	24,229	24,955	-726	97%	24,230	24,955	-725	97%
<b>Depreciation</b>	3,560	2,897	663	123%	3,560	2,897	663	123%
<b>General &amp; Administrative</b>	6,631	11,594	-4,963	57%	5,004	7,461	-2,457	67%
<b>Total Expense</b>	36,192	44,779	-8,587	81%	40,739	41,828	-1,089	97%
<b>Net Ordinary Income</b>	3,198	-2,099	5,297	-152%	-3,757	795	-4,552	-473%
<b>Other Income/Expense</b>								
<b>Other Income</b>								
<b>Treatment Plant Project Charge</b>	7,639	7,639	0	100%	7,639	7,639	0	100%
<b>Viejas Grade Project Charge</b>	1,581	1,581	0	100%	1,581	1,581	0	100%
<b>Supp Debt Charge</b>	4,505	4,505	0	100%	4,505	4,505	0	100%
<b>Interest Income</b>	92	90	2	102%	103	90	13	114%
<b>Total Other Income</b>	13,817	13,815	2	100%	13,828	13,815	13	100%
<b>Other Expense</b>								
<b>Interest Expense</b>	2,889	2,073	816	139%	2,857	2,045	812	140%
<b>Total Other Expense</b>	2,889	2,073	816	139%	2,857	2,045	812	140%
<b>Net Other Income</b>	10,928	11,742	-814	93%	10,971	11,770	-799	93%
<b>Net Income</b>	<b>14,126</b>	<b>9,643</b>	<b>4,483</b>	<b>146%</b>	<b>7,214</b>	<b>12,565</b>	<b>-5,351</b>	<b>57%</b>



**Descanso Community Water District**  
**Profit & Loss Budget vs. Actual**  
 July 2019 through March 2020

	<u>Nov 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Dec 19</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
<b>Operating Revenues</b>	41,522	39,462	2,060	105%	38,817	40,253	-1,436	96%
<b>Total Income</b>	41,522	39,462	2,060	105%	38,817	40,253	-1,436	96%
<b>Expense</b>								
<b>Operating Expenses</b>	1,550	1,427	123	109%	658	913	-255	72%
<b>Water Treatment</b>	239	557	-318	43%	140	1,865	-1,725	8%
<b>Repairs and Maintenance</b>	168	3,501	-3,333	5%	475	3,502	-3,027	14%
<b>Transmission &amp; Distribution</b>	24,229	24,955	-726	97%	24,230	24,955	-725	97%
<b>Depreciation</b>	3,560	2,897	663	123%	3,560	2,897	663	123%
<b>General &amp; Administrative</b>	3,192	4,599	-1,407	69%	5,689	4,894	795	116%
<b>Total Expense</b>	32,938	37,936	-4,998	87%	34,752	39,026	-4,274	89%
<b>Net Ordinary Income</b>	8,584	1,526	7,058	563%	4,065	1,227	2,838	331%
<b>Other Income/Expense</b>								
<b>Other Income</b>								
<b>Treatment Plant Project Charge</b>	7,639	7,639	0	100%	7,639	7,639	0	100%
<b>Viejas Grade Project Charge</b>	1,581	1,581	0	100%	1,581	1,581	0	100%
<b>Supp Debt Charge</b>	4,505	4,505	0	100%	4,505	4,505	0	100%
<b>Interest Income</b>	75	90	-15	83%	69	90	-21	77%
<b>Total Other Income</b>	13,800	13,815	-15	100%	13,794	13,815	-21	100%
<b>Other Expense</b>								
<b>Interest Expense</b>	2,800	2,045	755	137%	2,823	2,045	778	138%
<b>Total Other Expense</b>	2,800	2,045	755	137%	2,823	2,045	778	138%
<b>Net Other Income</b>	11,000	11,770	-770	93%	10,971	11,770	-799	93%
<b>Net Income</b>	<u>19,584</u>	<u>13,296</u>	<u>6,288</u>	<u>147%</u>	<u>15,036</u>	<u>12,997</u>	<u>2,039</u>	<u>116%</u>

**Descanso Community Water District**  
**Profit & Loss Budget vs. Actual**  
 July 2019 through March 2020

	<u>Jan 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>	<u>Feb 20</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
<b>Operating Revenues</b>	41,905	41,640	265	101%	41,366	41,637	-271	99%
<b>Total Income</b>	41,905	41,640	265	101%	41,366	41,637	-271	99%
<b>Expense</b>								
<b>Operating Expenses</b>	763	978	-215	78%	714	885	-171	81%
<b>Water Treatment</b>	132	451	-319	29%	355	493	-138	72%
<b>Repairs and Maintenance</b>	826	3,501	-2,675	24%	2,371	3,501	-1,130	68%
<b>Transmission &amp; Distribution</b>	24,229	24,955	-726	97%	24,229	24,955	-726	97%
<b>Depreciation</b>	3,560	2,897	663	123%	3,560	2,897	663	123%
<b>General &amp; Administrative</b>	3,645	5,722	-2,077	64%	3,229	4,599	-1,370	70%
<b>Total Expense</b>	33,155	38,504	-5,349	86%	34,458	37,330	-2,872	92%
<b>Net Ordinary Income</b>	8,750	3,136	5,614	279%	6,908	4,307	2,601	160%
<b>Other Income/Expense</b>								
<b>Other Income</b>								
<b>Treatment Plant Project Charge</b>	7,639	7,639	0	100%	7,639	7,639	0	100%
<b>Viejas Grade Project Charge</b>	1,581	1,581	0	100%	1,581	1,581	0	100%
<b>Supp Debt Charge</b>	4,505	4,505	0	100%	4,505	4,505	0	100%
<b>Interest Income</b>	69	90	-21	77%	68	90	-22	76%
<b>Total Other Income</b>	13,794	13,815	-21	100%	13,793	13,815	-22	100%
<b>Other Expense</b>								
<b>Interest Expense</b>	2,802	2,034	768	138%	2,745	2,034	711	135%
<b>Total Other Expense</b>	2,802	2,034	768	138%	2,745	2,034	711	135%
<b>Net Other Income</b>	10,992	11,781	-789	93%	11,048	11,781	-733	94%
<b>Net Income</b>	<u>19,742</u>	<u>14,917</u>	<u>4,825</u>	<u>132%</u>	<u>17,956</u>	<u>16,088</u>	<u>1,868</u>	<u>112%</u>

**Descanso Community Water District**  
**Profit & Loss Budget vs. Actual**  
 July 2019 through March 2020

					TOTAL			
	Mar 20	Budget	\$ Over Budget	% of Budget	Jul '19 - Mar 20	Budget	\$ Over Budget	% of Budget
<b>Ordinary Income/Expense</b>								
<b>Income</b>								
<b>Operating Revenues</b>	39,908	41,184	-1,276	97%	363,301	376,843	-13,542	96%
<b>Total Income</b>	39,908	41,184	-1,276	97%	363,301	376,843	-13,542	96%
<b>Expense</b>								
<b>Operating Expenses</b>	613	1,014	-401	60%	9,040	10,281	-1,241	88%
<b>Water Treatment</b>	267	541	-274	49%	7,627	10,237	-2,610	75%
<b>Repairs and Maintenance</b>	190	3,502	-3,312	5%	10,989	31,500	-20,511	35%
<b>Transmission &amp; Distribution</b>	24,229	24,955	-726	97%	218,064	224,595	-6,531	97%
<b>Depreciation</b>	3,560	2,897	663	123%	31,377	26,073	5,304	120%
<b>General &amp; Administrative</b>	7,825	6,094	1,731	128%	43,922	55,047	-11,125	80%
<b>Total Expense</b>	36,684	39,003	-2,319	94%	321,019	357,733	-36,714	90%
<b>Net Ordinary Income</b>	3,224	2,181	1,043	148%	42,282	19,110	23,172	221%
<b>Other Income/Expense</b>								
<b>Other Income</b>								
<b>Treatment Plant Project Charge</b>	7,639	7,639	0	100%	68,751	68,751	0	100%
<b>Viejas Grade Project Charge</b>	1,581	1,581	0	100%	14,229	14,229	0	100%
<b>Supp Debt Charge</b>	4,505	4,505	0	100%	40,545	40,545	0	100%
<b>Interest Income</b>	60	90	-30	67%	761	810	-49	94%
<b>Total Other Income</b>	13,785	13,815	-30	100%	124,286	124,335	-49	100%
<b>Other Expense</b>								
<b>Interest Expense</b>	2,653	2,034	619	130%	25,488	18,456	7,032	138%
<b>Total Other Expense</b>	2,653	2,034	619	130%	25,488	18,456	7,032	138%
<b>Net Other Income</b>	11,132	11,781	-649	94%	98,798	105,879	-7,081	93%
<b>Net Income</b>	<b>14,356</b>	<b>13,962</b>	<b>394</b>	<b>103%</b>	<b>141,080</b>	<b>124,989</b>	<b>16,091</b>	<b>113%</b>

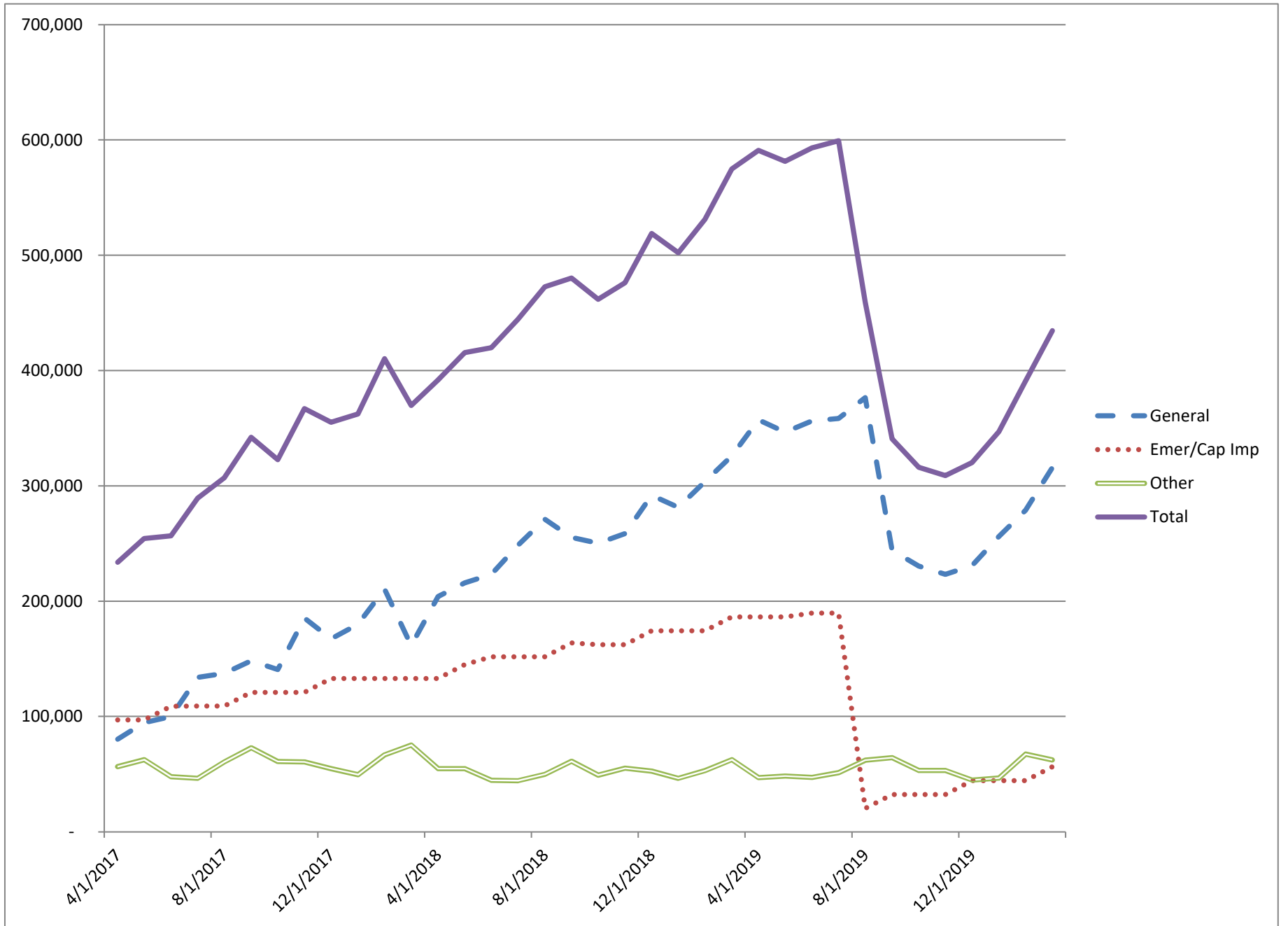
**Descanso Community Water District**  
**Statement of Cash Flows**  
 January through March 2020

	<b>Jan - Mar 20</b>
<b>OPERATING ACTIVITIES</b>	
Net Income	52,053
Adjustments to reconcile Net Income to net cash provided by operations:	
Customer Accounts Receivable:Customer Accounts Receivable	3,285
Customer Accounts Receivable:Customer Accounts Receivable:Custom...	750
Allowance for Doubtful Accounts	600
Prepayments:G&A	-196
Prepayments:Taxes/Fees	193
Accts Pay - General	6,988
Accts Pay - Accrued	1,143
Interest Accrued:Int Accr-LTD-Outside	2,145
CoBank Bridge Loan (\$1.492M)	323,837
	390,798
Net cash provided by Operating Activities	390,798
<b>INVESTING ACTIVITIES</b>	
Accumulated Depreciation:Utility Plant-Acc Depr	10,680
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant	-20,875
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant	-20,875
	-31,070
Net cash provided by Investing Activities	-31,070
<b>FINANCING ACTIVITIES</b>	
Line of Credit-CoBank (\$250K)	-241,454
Current Portion of LTD:Loan Payable - SD County	125
Long-Term Debt:Loan Payable-SD County 1/2041	-3,921
	-245,250
Net cash provided by Financing Activities	-245,250
Net cash increase for period	114,478
Cash at beginning of period	320,184
Cash at end of period	<b>434,662</b>

**Descanso Community Water District**  
**Statement of Cash Flows**  
 July 2019 through March 2020

	Jul '19 - Mar 20
<b>OPERATING ACTIVITIES</b>	
Net Income	141,073
Adjustments to reconcile Net Income to net cash provided by operations:	
Customer Accounts Receivable:Customer Accounts Receivable	-21,961
Customer Accounts Receivable:Customer Accounts Receivable:Custom...	983
Allowance for Doubtful Accounts	2,000
Prepayments:G&A	-79
Prepayments:Taxes/Fees	-244
ACH Rejected	447
Accts Pay - General	11,176
Accts Pay - Accrued	4,138
Interest Accrued:Int Accr-LTD-Outside	4,038
CoBank Bridge Loan (\$1.492M)	323,837
	323,837
Net cash provided by Operating Activities	465,409
<b>INVESTING ACTIVITIES</b>	
Utility Plant-At Original Cost:Utility plant-original cost:T & D Mains-6"-8"	-270,309
Utility Plant-At Original Cost:Utility plant-original cost:Meters	-18,000
Accumulated Depreciation:Utility Plant-Acc Depr	31,377
Uncapitalized Fixed Assets -WIP:Viejas Grade Pipeline	9,866
Uncapitalized Fixed Assets -WIP:Viejas Grade Pipeline:Task 03 (\$36.6K)	3,336
Uncapitalized Fixed Assets -WIP:Viejas Grade Pipeline:Task 05 (\$5.58K)	5,072
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant	-29,817
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 08 (\$174605)	-2,310
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant	-29,817
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 08 (\$174605)	-2,310
Uncapitalized Fixed Assets -WIP:Viejas Grade Pipeline:Task 10 (\$11,350)	3,431
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 09 (\$151.5K)	-33,613
Uncapitalized Fixed Assets -WIP:Well #5-Fe/Mn Plant:Task 11 (\$10.6K)	-2,336
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 09 (\$151.5K)	-33,613
Uncapitalized Fixed Assets -WIP:Well #6-Fe/Mn Plant:Task 11 (\$10.6K)	-2,336
	-2,336
Net cash provided by Investing Activities	-371,379
<b>FINANCING ACTIVITIES</b>	
Line of Credit-CoBank (\$250K)	-241,454
Current Portion of LTD:Loan Payable - Union Bank of Ca	400
Current Portion of LTD:Loan Payable - SD County	125
Long-Term Debt:Loan Payable - UBOC 4/2038	-7,600
Long-Term Debt:Loan Payable-SD County 1/2041	-3,921
	-3,921
Net cash provided by Financing Activities	-252,450
Net cash increase for period	-158,420
Cash at beginning of period	593,082
Cash at end of period	434,662

# DCWD Cash Flow Balances



Unaudited - No assurance is provided on these financial statements

**Item 7**

**PROPOSED FY 2020/2021 BUDGET::**

The Districts accountant will present the proposed FY 2020/2021 budget to the Board for review and approval. The Board will discuss the matter and take appropriate action.

**Notes:**

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**DESCANSO COMMUNITY WATER DISTRICT  
OPERATING BUDGET  
7/01/20-6/30/21**

	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
<b>Total Operating Revenues</b>	<b>520460</b>	<b>46017</b>	<b>46017</b>	<b>45015</b>	<b>44958</b>	<b>41797</b>	<b>42588</b>	<b>41770</b>	<b>41767</b>	<b>41314</b>	<b>41314</b>	<b>43953</b>	<b>43950</b>
Operating Expenses - Pumping													
25546 Telemetry	600	0	0	0	0	600	0	0	0	0	0	0	0
25545 Utilities (electric)	13000	1365	1404	1124	1171	827	913	978	885	1014	971	1046	1302
<b>Total Pumping</b>	<b>13600</b>	<b>1365</b>	<b>1404</b>	<b>1124</b>	<b>1171</b>	<b>1427</b>	<b>913</b>	<b>978</b>	<b>885</b>	<b>1014</b>	<b>971</b>	<b>1046</b>	<b>1302</b>
WATER TREATMENT													
35515 Chemicals	10000	1438	1592	332	1468	182	1490	76	118	166	1421	150	1567
Testing	5260	375	375	375	375	470	470	470	470	470	470	470	470
<b>Total Treatment</b>	<b>15260</b>	<b>1813</b>	<b>1967</b>	<b>707</b>	<b>1843</b>	<b>652</b>	<b>1960</b>	<b>546</b>	<b>588</b>	<b>636</b>	<b>1891</b>	<b>620</b>	<b>2037</b>
REPAIRS AND MAINTENANCE													
Waste Disposal	2061	168	168	168	173	173	173	173	173	173	173	173	173
55556 Vehicle Repair & Maint	0												
55557 Repair & Maintenance/Valve Repair	28000	2333	2333	2333	2334	2333	2333	2333	2334	2333	2334	2333	2334
55558 System Mapping	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Repairs &amp; Maintenance</b>	<b>30061</b>	<b>2501</b>	<b>2501</b>	<b>2501</b>	<b>2507</b>	<b>2506</b>	<b>2506</b>	<b>2506</b>	<b>2507</b>	<b>2506</b>	<b>2507</b>	<b>2506</b>	<b>2507</b>
TRANSMISSION & DIST.													
65575 Misc.	0												
Security	480	40	40	40	40	40	40	40	40	40	40	40	40
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)	313500	24875	24875	26375	26375	26375	26375	26375	26375	26375	26375	26375	26375
<b>Total Transmission &amp; Dist</b>	<b>313980</b>	<b>24915</b>	<b>24915</b>	<b>26415</b>	<b>26415</b>	<b>26415</b>	<b>26415</b>	<b>26415</b>	<b>26415</b>	<b>26415</b>	<b>26415</b>	<b>26415</b>	<b>26415</b>
<b>46700 DEPRECIATION</b>	<b>89312</b>	<b>3560</b>	<b>3560</b>	<b>3560</b>	<b>3560</b>	<b>3560</b>	<b>10216</b>	<b>10216</b>	<b>10216</b>	<b>10216</b>	<b>10216</b>	<b>10216</b>	<b>10216</b>



**DESCANSO COMMUNITY WATER DISTRICT  
OPERATING BUDGET  
7/01/20-6/30/21**

Accepted	July	August	September	October	November	December	January	February	March	April	May	June
Total												
<b>GENERAL &amp; ADMINISTRATION</b>												
Telephone	720	60	60	60	60	60	60	60	60	60	60	60
76711 Misc. Administrative Exp.	0	0	0	0	0	0	0	0	0	0	0	0
76505 Account & Audit	6700	0	0	6700	0	0	0	0	0	0	0	0
Bad Debt Expense	2400	200	200	200	200	200	200	200	200	200	200	200
76579 Bank Service Charges	720	60	60	60	60	60	60	60	60	60	60	60
Billing Supplies	1020	85	85	85	85	85	85	85	85	85	85	85
76560 General Liability Ins.	4200	350	350	350	350	350	350	350	350	350	350	350
76565 Legal	12000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000	1000
Licenses, Taxes, & Fees	3379	61	61	62	1500	62	62	1261	62	62	62	62
Merchant Discount	7020	585	585	585	585	585	585	585	585	585	585	585
76580 Office Expenses	900	75	75	75	75	75	75	75	75	75	75	75
76625 Postage	1848	105	105	399	105	105	105	105	105	399	105	105
76635 Rent, Town Hall	9400	750	750	850	750	750	850	750	750	850	750	850
75574 State Health Op Fee	2500	208	208	209	208	208	209	208	208	209	208	209
76660 Accounting Services	12377	1014	1033	1033	1033	1033	1033	1033	1033	1033	1033	1033
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	1000	0	0	0	0	0	0	0	0	0	0
<b>Total General &amp; Administration</b>	<b>68784</b>	<b>5669</b>	<b>4689</b>	<b>11785</b>	<b>6127</b>	<b>4690</b>	<b>4791</b>	<b>5888</b>	<b>4690</b>	<b>6285</b>	<b>4689</b>	<b>4690</b>
<b>Total Operating Expense</b>	<b>530997</b>	<b>39823</b>	<b>39036</b>	<b>46092</b>	<b>41623</b>	<b>39250</b>	<b>46801</b>	<b>46549</b>	<b>45301</b>	<b>47072</b>	<b>46689</b>	<b>45493</b>
<b>Income/Loss From Ops.</b>	<b>-10537</b>	<b>6194</b>	<b>6981</b>	<b>-1077</b>	<b>3335</b>	<b>2547</b>	<b>-4213</b>	<b>-4779</b>	<b>-3534</b>	<b>-5758</b>	<b>-5375</b>	<b>-3318</b>
<b>Non Operating Inc/Exp.</b>												
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	996	83	83	83	83	83	83	83	83	83	83	83
89000 Interest Expense	-53104	-2780	-2780	-2780	-2750	-2750	-5631	-5621	-5621	-5621	-5590	-5590
<b>Total Non-Operational Inc/Exp.</b>	<b>113632</b>	<b>11115</b>	<b>11115</b>	<b>11115</b>	<b>11145</b>	<b>11145</b>	<b>8264</b>	<b>8274</b>	<b>8274</b>	<b>8274</b>	<b>8305</b>	<b>8305</b>
<b>Net Income/Loss</b>	<b>103095</b>	<b>17309</b>	<b>18096</b>	<b>10038</b>	<b>14480</b>	<b>13691</b>	<b>4050</b>	<b>3495</b>	<b>4740</b>	<b>2516</b>	<b>2930</b>	<b>4987</b>

\*Based on 317 active connections

**PROPOSED CASH FLOW ANALYSIS**  
**7/01/20-6/30/21**

	Total	July	August	September	October	November	December	January	February	March	April	May	June
Cash Balance Beginning of Period	619821	619821	643470	667905	666569	687359	667360	687258	698835	719411	720031	738767	756338
Cash Provided or (Used) by Operations:													
Revenues	520460	46017	46017	45015	44958	41797	42588	41770	41767	41314	41314	43953	43950
Operating Expenses**	-441685	-36263	-35476	-42532	-38063	-35690	-36585	-36333	-35085	-36856	-36473	-35277	-37052
RDA Loan Payment	-35447			-17714						-17733			
USDA Loan Payment Fe/Mn	-40629												-40629
SDCO Loan Payment	-7755							-7755					
RDA Deposit to Reserve(Fully Funded)	0			0						0			
Deposit to Emerg/Cap Improve Fund	-48000	-4000	-4000	-4000	-4000	-4000	-4000	-4000	-4000	-4000	-4000	-4000	-4000
Deposit to New Project Annual O&M	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Cash Provided (Used) by Operations</b>	<b>-53056</b>	<b>5754</b>	<b>6541</b>	<b>-19231</b>	<b>2895</b>	<b>2107</b>	<b>2003</b>	<b>-6318</b>	<b>2682</b>	<b>-17275</b>	<b>841</b>	<b>4676</b>	<b>-37731</b>
Cash Provided or (used) by Non-Operations*:													
	166736	13895	13895	13895	13895	13895	13895	13895	13895	13895	13895	13895	13895
<b>Total Cash Provided (used) by Non-Operations</b>	<b>166736</b>	<b>13895</b>	<b>13895</b>	<b>13895</b>	<b>13895</b>	<b>13895</b>	<b>13895</b>	<b>13895</b>	<b>13895</b>	<b>13895</b>	<b>13895</b>	<b>13895</b>	<b>13895</b>
Cash (Used) by Long Term Items:													
Fe/Mn Expenditures	-3200000	-640000	-640000	-640000	-640000	-640000							
Fe/Mn Grant	1440000	288000	288000	288000	288000	288000							
Fe/Mn USDA Loan	1760000	352000	352000	352000	352000	352000							
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	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000	4000
Reserve for New Project Annual O&M	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total Cash (Used) by Long Term Items</b>	<b>3000</b>	<b>4000</b>	<b>4000</b>	<b>4000</b>	<b>4000</b>	<b>-36000</b>	<b>4000</b>	<b>4000</b>	<b>4000</b>	<b>4000</b>	<b>4000</b>	<b>-1000</b>	<b>4000</b>
<b>Total Cash Increase (Decrease)</b>	<b>116680</b>	<b>23649</b>	<b>24436</b>	<b>-1336</b>	<b>20790</b>	<b>-19999</b>	<b>19897</b>	<b>11577</b>	<b>20577</b>	<b>620</b>	<b>18736</b>	<b>17571</b>	<b>-19836</b>
Cash Balance End of Period	736501	643470	667905	666569	687359	667360	687258	698835	719411	720031	738767	756338	736501

\*Less Interest Expense (\$53,104)

\*\* Less Depreciation (\$89,312)

**Item 8**

**ACCOUNTING SERVICES RENEWAL:**

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

**Notes:**

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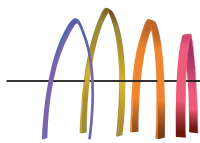
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Board of Directors  
Descanso Community Water District  
PO Box 610  
Descanso, CA 91916-0610

March 5, 2020

### **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.

Nakawatase & Kaminsky, CPAs provides you with over 60 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 non-existent. 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.

We are here to stay. Shirley came to Imperial Beach in 1963. Vivian moved here in 1961. Jason joined us in 2005 and became partner in 2014.

***Reliable, Professional, Easy, Cost-Effective***

## **Proposal**

Nakawatase & Kaminsky, CPAs (formerly Nakawatase & Co., CPAs) and Descanso Community Water District previously entered into an agreement on August 1, 2009 whereby Nakawatase & Kaminsky, 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.

Nakawatase & Kaminsky, 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, 2020 through July 31, 2021. Pursuant to Section 3.3.1 of the Agreement, the monthly fee for services performed under this Agreement will be \$1,033.36 (one thousand thirty-three and 36/100 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 1, 2019. 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  
Nakawatase & Kaminsky, CPAs

Approved by and for Descanso Community Water District:

\_\_\_\_\_  
Name (Printed)

\_\_\_\_\_  
Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

NAKAWATASE & KAMINSKY, CPAs, LLP  
Fee Adjustment for 2020/2021 Fiscal Year  
Pursuant to Agreement for Accounting Services for  
Descanso Community Water District dated August 1, 2009  
Section 3.3.1

Exhibit A

**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

2017/2018 Fiscal Year

Current CPI-U (Dec 2016)	276.837
Prior CPI-U (Dec 2015)	271.526
Increase/(Decrease)	1.96%

Fee for Services (2017/2018 FY)	<u>\$ 951.30</u>
---------------------------------	------------------

2018/2019 Fiscal Year

Current CPI-U (Dec 2017)	284.464
Prior CPI-U (Dec 2016)	276.837
Increase/(Decrease)	2.76%

Fee for Services (2018/2019 FY)	<u>\$ 977.51</u>
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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>
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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>\$ 1,033.36</u>
---------------------------------	--------------------

**U.S. BUREAU OF LABOR STATISTICS**

Databases, Tables & Calculators by Subject

Change Output Options:

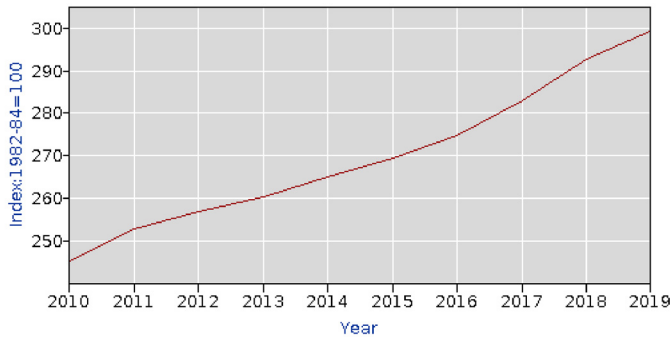
From: 2010 To: 2020 GO  
 include graphs  include annual averages

[More Formatting Options](#)

Data extracted on: March 5, 2020 (10:22:40 AM)

**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: [xlsx](#)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual	HALF1	HALF2
2010													245.464	244.242	246.686
2011													252.910	252.451	253.368
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														

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 Washington, DC 20212-0001  
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**Item 9**

**GENERAL MANAGERS REPORT:**

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

- A. Water quality report.
- B. Water usage and testing results
- C. Engineering and Project Status Report
- D. Q&A

**Notes:**

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# **DCWD OPERATIONS REPORT**

**July 17, 2020**

## **SUMMARY**

- Viejas Boulevard portion of the project is near completion, waiting on response from Army Corp of Engineers for an alternative method of diverting the water in the creek bed so that portion of the pipe can be put in.
- Waiting on response from FEMA to proceed with treatment plant install. Expected by mid July.
- Three leaks, repaired SUSP staff.
- Several call outs for leaks on customer's side.
- Normal day to day operations of the District
- Weed abatement at all sites

## **3 MONTH LOOK AHEAD**

- Start treatment plant portion of project
- Complete Viejas Blvd. Portion of project
- Award contract for well #6 rehab

# Viejas Boulevard Blending Pipeline

Concrete Encasement of pipeline



Valve/Blowoff Cluster



Trenching by School



Valve/Blow off Cluster



## MEMORANDUM

<b>To:</b>	Julie Meeks, Operations Manager Descanso Community Water District	<b>Date:</b>	17 July 2020
<b>From:</b>	NV5, Inc. James F. Owens, PE	<b>Subject:</b>	2017 Water System Improvements
<b>Subject:</b>	Update to Board of Directors		

### Purpose of Memorandum

This memorandum provides updates on the status of the 2017 Water System Improvements Project (Project). Specifically, this memorandum provides an update on the status of construction of the Viejas Boulevard Pipeline Improvements, and provides an update on the iron and manganese treatment facility.

### Viejas Boulevard Pipeline Improvements Construction

Construction commenced in May 2020, and is anticipated to be complete in August 2020. As of 17 July 2020, the contractor (T C Construction Company, Inc., T C) had installed nearly all of the pipelines and appurtenances, and had conducted pressure testing and disinfection testing on portions of the pipeline. The crossing of Descanso Creek was completed the week of July 13. Remaining construction work includes the connections of the pipeline crossing the creek, the connection to the existing system, hydrant installation, pavement installation, and minor concrete work.

There were several events that transpired during the course of construction that will cause construction costs to increase and to decrease. Approximate cost adjustments follow. A considerable volume of native material was presumed to be satisfactory for placement within the pipe zone. However, minimal native material was determined to be suitable for placement in the pipe zone. Therefore, the quantity of import sand material (Bid Item 21) will increase, resulting in a cost increase of approximately \$50,000. T C also performed additional work in three areas, resulting in a potential cost increase of approximately \$20,000 to \$40,000. These three areas were field locating existing pipelines at the intersection of River Drive and Viejas Boulevard, attempting to locate a private subsurface water pipeline near Well No. 6 (Merigan, pipeline not encountered), and a temporary connection at the Well No. 6 site to allow continuous flow through the new pipeline.

Construction cost decreases can be realized through the reduction in length of concrete encased pipeline (Bid Item 10, \$5,000), removal of slurry sealing from the project (Bid Item 25, \$76,000 less restriping costs), Class II Aggregate Base (Bid Item 28, \$56,000), and a general absence of rock and boulders along the pipeline. The volume of rock and boulders encountered to date is significantly less than anticipated, potentially reducing construction costs by \$97,000. NV5 will prepare a contract change order to reflect these changes, which will be based on actual quantities and additional costs.

NV5 understands that San Diego Gas and Electric is postponing some work in the Descanso area until early 2021. For this reason, San Diego County Department of Public Works is postponing pavement improvements in the Descanso area, including Viejas Boulevard, until summer 2021. Therefore, Descanso CWD will need to perform Phase II paving of the pipeline trench. Due to the summer 2021 improvements, NV5 recommends that the slurry sealing portion of T C's contract be removed. Restriping of impacted areas of Viejas Boulevard will be required (Bid Item 25).

Native American, cultural resources, and biological resources monitors have been on-site during construction, as applicable, to ensure compliance with the project's environmental requirements. To date, NV5 is not aware of significant cultural resources having been encountered, and biological monitoring has not identified species that would impact the progress of construction.

### **Environmental Permitting**

The status of the Project environmental permits and permit compliance as of 17 July 2020 is provided below.

- 1) Army Corps of Engineers
  - a. Nationwide Permit authorizing crossing of Descanso Creek at Viejas Grade Road (SPL-2017-00803-JDR) was received by DCWD on February 5, 2019.
  - b. USACE was notified in June of creek crossing schedule. NV5 and NV5's biologist (Cummins Associates) will prepare/submit materials to USACE in late July or August to show completion of work within Descanso Creek.
  
- 2) State Water Resources Control Board – 404 Certification
  - a. A 401 water quality certification must be obtained for the Army Corps of Engineers' 404 permit to be valid.
  - b. San Diego Regional Water Quality Control Board issued the 401 Water Quality Certification No. R9-2019-0060 on April 4, 2019.
  - c. San Diego RWQCB was notified in June of creek crossing schedule. NV5 and NV5's biologist (Cummins Associates) will prepare/submit materials to the RWQCB in late July or August to show completion of work within Descanso Creek and to close out the permit/certification.
  - d. DCWD submitted the annual report for 2019.
  
- 3) FEMA CLOMR for Iron and Manganese Facility – See below.

### **Rehabilitation of Well No. 6**

NV5 has prepared technical documents for the Rehabilitation of Well No. 6. Contrary to NV5's previous recommendation, due to potential budget restrictions, NV5 suggests that bidding rehabilitation efforts be deferred until after the opening of bids for the construction of the Iron and Manganese Treatment Facility. NV5 requests that DCWD authorize issuing a request for qualifications/proposals for the Rehabilitation of Well No. 6, subject to concurrence from USDA and DCWD's counsel, at that time. Installation of a pump and motor at Well No. 6 can be a part of the Iron and Manganese Treatment Facility construction contract.

### **Iron and Manganese Treatment Facility**

DCWD has selected and contracted with a manufacturer (AdEdge) for the provision of iron and manganese equipment.

As the proposed building is located within a FEMA-mapped flood zone (Zone AO), a Certified Letter of Map Revision (CLOMR) is required. NV5 submitted the CLOMR application documents to FEMA in April 2020. In July 2020, FEMA provided NV5 comments on the application materials, which NV5 is addressing.

NV5 recommends proceeding with bidding of the iron and manganese facility as soon as FEMA approves of the CLOMR application.

\* \* \* \*



OFFICES NATIONWIDE

## Item 10

### **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:**

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**Item 11**

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

**Notes:**

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**Item 12**

**MONTION TO ADJOURN.**

**Notes:**

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