



A STATE OF  
CALIFORNIA  
PUBLIC AGENCY

# QUAIL VALLEY WATER DISTRICT

## BOARD OF DIRECTORS

Mike Biglay  
Jean Grodewald  
Rita Leonard Phillips  
Enrique Lopez  
Joan Tyer

### AGENDA FOR A REGULAR MEETING OF THE BOARD OF DIRECTORS OF QUAIL VALLEY WATER DISTRICT

To be held at 24750 Sand Canyon Road, Tehachapi, CA  
Saturday, October 30, 2021 at 8:30 AM.

**All attendees are reminded to follow all State and Local health and safety recommendations and guidance for attending meetings.**

**NOTE:** To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Dawnette Boatman at 661-822-1923 at least 48 hours prior to a Board meeting to inform us of your needs and to determine if accommodation is feasible.

Agenda item materials are available for public review at the District's office, 24750 Sand Canyon Road, Tehachapi. Please contact Dawnette Boatman for public review of materials.

**PUBLIC COMMENT GUIDELINES:** The prescribed time limit per speaker is three minutes. Please refrain from public displays or outbursts such as unsolicited applause, comments, or cheering. Any disruptive activities that substantially interfere with the ability of the District to carry out its meetings will not be permitted and offenders will be requested to leave.

*Each agenda item shall be deemed to include any appropriate motion, resolution, or ordinance to take action on any item.*

*The public shall have an opportunity to comment on non-agenda items at the beginning of the meeting. Public shall have an opportunity to comment on each agenda item prior to any action taken.*

1. Roll Call.
2. Adoption of Agenda.
3. Public comments for NON-agenda items.
4. Consent Calendar:
  - 4.1. Approve Minutes from Regular Meeting of 09/25/2021.
5. Action Items:
  - 5.1. Discussion of monthly financial statements and consideration and possible action to approve payments for September 2021. (General Manager Hardenbrook)



- 5.2. Discussion and possible action approving draft 2019 audit. (General Manager Hardenbrook)
- 5.3. Discussion and possible action approving retaining Bill Walker for 2020 audit. (General Manager Hardenbrook)
- 5.4. Discussion and possible action consenting to Jim Worth of McMurtry, Hartsock and Worth potential representation of client in land and water matters involving District. (General Manager Hardenbrook)
- 5.5. Discussion and possible action to enforce conditions of well permit issued for 28/32. (General Manager Hardenbrook)
- 5.6. Discussion and possible action approving utilization of counsel to collect past due accounts. (General Manager Hardenbrook)
- 5.7. Discussion and possible action approving requesting counsel to investigate ad-valorem assessment, alternate method for levy, collection, enforcement. (General Manager Hardenbrook)
- 5.8. Discussion and possible action to reschedule November 27, 2021 and December 25, 2021 regular meetings to avoid conflict with holidays. (General Manager Hardenbrook)
6. Reports of General Manager.
  - 6.1. General Manager's report.
  - 6.2. Update on Prop 84 project.
  - 6.3. Update on wells, reservoirs, and system status.
7. Board Members' Requests for Future Agenda Items
8. Adjournment.



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# QUAIL VALLEY WATER DISTRICT

## BOARD OF DIRECTORS

Mike Biglay  
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Joan Tyer

## MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF QUAIL VALLEY WATER DISTRICT

Held at 24750 Sand Canyon Road, Tehachapi, CA  
Saturday, September 25, 2021 at 8:30 AM.

1. Roll Call.

*Meeting called to order at 8:34 AM. There were present, representing a quorum:*

*Director Biglay;*

*Director Grodewald;*

*Director Phillips;*

*Director Lopez;*

*Excused were Director Tyer.*

2. Adoption of Agenda.

*Director Phillips moved, seconded by Director Grodewald, to adopt agenda. Motion approved by unanimous assent.*

3. Public comments for NON-agenda items.  
*None.*

4. Consent Calendar:

4.1. Approve Minutes from Regular Meeting held on 08/28/2021.

4.2 Board Correspondence Received.  
*None.*

*Director Biglay moved, seconded by Director Grodewald to approve consent calendar. Motion approved by unanimous assent.*

5. Action Items:

5.1. Discussion of monthly financial statements and consideration and possible action to approve payments for August 2021. (General Manager Hardenbrook)  
*General Manager Hardenbrook led a review and explanation of financial statements. Director Phillips moved, seconded by Director Lopez, to approve payments for August 2021. Motion approved by unanimous assent.*

5.2. Discussion and possible action on Purchase of service truck for use by staff for performing daily activities. (General Manager Hardenbrook)

Director Biglay moved, seconded by Director Phillips to approve purchase of a used vehicle for use as a service truck for District maintenance in the not to exceed amount of \$7,500.00.. Motion approved by unanimous assent.

6. Reports of General Manager.

- 6.1 General Manager's report. (General Manager Hardenbrook)  
*General Manager Hardenbrook provided Board with a written report and brief overview of activities from August 23, 2021 through September 22, 2021.*
- 6.2 Update on Prop 84 project. (General Manager Hardenbrook)  
*General Manager Hardenbrook provided Board with written report and brief overview of report contents.*
- 6.3 Update on wells, reservoirs and system status. (General Manager Hardenbrook)  
*General Manager Hardenbrook provided Board with written report and brief overview of report contents.*

7. Board Members' Requests for Future Agenda Items.  
*None.*

8. Adjournment.  
*There being no further business before the Board, Director Phillips moved to adjourn at 9:12 AM. Motion approved by unanimous assent.*

I attest this is a true and complete copy of the minutes of a regular meeting of the Board as read and approved by the Board of Directors of the Quail Valley Water District.

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Dawnette Boatman, Secretary

**Quail Valley Water District**  
**Balance Sheet**  
 As of September 30, 2021

ASSETS	Sep 30, 21
<b>Current Assets</b>	
<b>Checking/Savings</b>	
131000 · Cash (Currency, coin, checks, money orders and banker's drafts on hand or on deposit with the...	10,660.97
131002 · Cash-Kern County (Account held by Kern County Controler - Property tax Proceeds)	25,099.27
131003 · Union Bank	
Total 131000 · Cash (Currency, coin, checks, money orders and banker's drafts on hand or on deposit wi...	35,760.24
<b>Total Checking/Savings</b>	35,760.24
<b>Accounts Receivable</b>	
137000 · Accounts Receivable (This account includes the amounts due from customers for utility service...	
137121 · Accounts Receivable	32,002.44
137125 · Accounts Rec - Prop 84	25,430.72
137126 · Accounts Rec-Conn-Fees	484.50
137000 · Accounts Receivable (This account includes the amounts due from customers for utility serv...	927.74
Total 137000 · Accounts Receivable (This account includes the amounts due from customers for utility s...	58,845.40
<b>Total Accounts Receivable</b>	58,845.40
<b>Other Current Assets</b>	
12100 · Inventory Asset (Costs of inventory purchased for resale)	3,648.91
130000 · Undeposited Funds (Funds received, but not yet deposited to a bank account)	1,022.63
146000 · Inventory of Material and Suppl (This account includes the cost of all unapplied materials and s...	23,153.15
Total Other Current Assets	27,824.69
<b>Total Current Assets</b>	122,430.33
<b>Fixed Assets</b>	
110000 · Property, Plant & Equipment	
111000 · Utility Plant In Service (This account accumulates accounts 111100-111999)	
111200 · Land (This account includes the cost of land owned by the district and including rights, inter...	31,216.96
111400 · Pumping Plant (This catagory covers the cost of plant and equipment in connection with pu...	6,252.21
1114151 · Tanganda Booster Relocation (Costs accumulated for relocation of Tanganda Booster St...	1,692.83
1114161 · Country Cnyn Bstr Pump Replacem (Costs accumulated for Country Canyon Booster Pu...	22,379.86
Total 111400 · Pumping Plant (This catagory covers the cost of plant and equipment in connection with p...	30,324.90
111500 · Water Treatment Plant (This catagory covers all costs of plant and equipment used in conne...	2,975.22
111600 · Transmission & Distribution Pla (This category covers all cost of plant and equipment used i...	324,017.39
111700 · General Plant (This category covers all costs of plant and equipment used for general water ...	
1117100 · Vehicles and Equipment (VEHICLES AND EQUIPMENT)	
1117161 · Trencher (Ditch Witch 3500 Trencher)	3,783.24
Total 1117100 · Vehicles and Equipment (VEHICLES AND EQUIPMENT)	3,783.24
111700 · General Plant (This category covers all costs of plant and equipment used for general wat...	74,707.90
Total 111700 · General Plant (This catagory covers all costs of plant and equipment used for general ...	78,491.14
Total 110000 · Utility Plant In Service (This account accumulates accounts 111100-111999)	467,025.61
112000 · Construction in Progress (This category covers labor, materials, overhead amounts and interes...	
1121420 · Equestrian Main	
1121425 · Labor	350.00
1121420 · Equestrian Main - Other	-350.00
Total 1121420 · Equestrian Main	0.00
112700 · Const In Progress-111700 (General Plant)	
1127161 · Office Building Remodel-ADA (Costs accumulated for office building repairs/remodel/AD...	15,761.40
Total 112700 · Const In Progress-111700 (General Plant)	15,761.40
1128400 · Prop 84 Construction Project (All costs advanced by district for Prop 84 construction proje...	
1128401 · 1. Construction of Facilities	85,345.03
1128402 · 2. Construction Management	90.77
1128404 · 4. Easement Recording	63,808.83
1128406 · 6. Construction Survey	1,595.00
1128411 · Overbudget Expense	20,000.00
1128400 · Prop 84 Construction Project (All costs advanced by district for Prop 84 construction pro...	1,000.00
Total 1128400 · Prop 84 Construction Project (All costs advanced by district for Prop 84 construction ...	171,839.63
Total 112000 · Construction in Progress (This category covers labor, materials, overhead amounts and inter...	116,823.62
<b>Total 112000 · Construction in Progress (This category covers labor, materials, overhead amounts and i...</b>	<b>304,424.65</b>

Quail Valley Water District  
 Balance Sheet  
 As of September 30, 2021

	Sep 30, 21
115000 · Accumulated Depreciation and Am (This account accumulates accounts 115100-115999)	
115100 · Depreciation, Plant In Service (The cumulative depreciation and amortization charges since t...	
115130 · Depreciation, Source of Supply (The cumulative depreciation and amortization for the SO...	-2,648.00
115140 · Depreciation, Pumping Plant In (The cumulative depreciation and amortization for the Pu...	-20,293.07
115150 · Depreciation, Treatment Plant (The cumulative depreciation and amortization charges for ...	-1,438.02
115160 · Depreciation, Distribution Plan (The cumulative depreciation and amortization charges for...	-54,578.65
115170 · Depreciation, General Plant In (The cumulative depreciation and amortization for the Gene...	-17,478.77
115100 · Depreciation, Plant In Service (The cumulative depreciation and amortization charges sinc...	-99,784.00
Total 115100 · Depreciation, Plant In Service (The cumulative depreciation and amortization charges s...	-196,220.51
115300 · Depreciation, Other Physical Pr (The cumulative depreciation and amortization charges sinc...	-9,826.59
Total 115000 · Accumulated Depreciation and Am (This account accumulates accounts 115100-115999)	-206,047.10
Total 110000 · Property, Plant & Equipment	565,403.16
Total Fixed Assets	565,403.16
Other Assets	
120000 · Investments, Restricted Assets (Investments, Restricted Assets, & Other Long -Term Assets.)	
125000 · Other Long-Term Assets (This category covers assets not properly includible in accounts 12300...	
125100 · A/R Connection Fees	
125101 · Anderson, M.	4,882.95
125103 · Giesregen, J.	9,500.00
125106 · Lozano, M.	5,165.57
125107 · Miller, J.	8,839.19
125108 · Miller, L.	5,596.54
125111 · Stancliff R.	2,647.64
125113 · Villasenor, D.	6,365.15
125100 · A/R Connection Fees - Other	-21,892.05
Total 125100 · A/R Connection Fees	21,104.99
Total 125000 · Other Long-Term Assets (This category covers assets not properly includible in accounts ...	21,104.99
Total 120000 · Investments, Restricted Assets (Investments, Restricted Assets, & Other Long -Term Assets.)	21,104.99
150000 · Deferred Charges	
151000 · Preliminary Survey & Investigat (This account includes all costs for preliminary surveys, plans, ...	
151100 · Prop 84 Feasibility Study	442,500.32
Total 151000 · Preliminary Survey & Investigat (This account includes all costs for preliminary surveys, p...	442,500.32
150000 · Deferred Charges - Other	-1.20
Total 150000 · Deferred Charges	442,499.12
Total Other Assets	463,604.11
<b>TOTAL ASSETS</b>	<b>1,151,437.60</b>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
222000 · Accounts Payable (Amounts owed on open account to private persons or organizations for g...	62,855.82
Total Accounts Payable	62,855.82
Credit Cards	
222100 · Acc Payable -Visa Cards	
222104 · 3542 - Acc Payable-FNBO-Randy	187.03
222100 · Acc Payable -Visa Cards - Other	-616.23
Total 222100 · Acc Payable -Visa Cards	-429.20
222200 · Acc Payable - Cal Cards	
222201 · 4344 Acc Payable-CalCard-Randy	36,104.84
222204 · Acc Payable-CalCard-Rich	47.69
222206 · Acc Payable-CalCard-Dan	699.03
222200 · Acc Payable - Cal Cards - Other	-35,997.13
Total 222200 · Acc Payable - Cal Cards	854.43
Total Credit Cards	425.23

**Quail Valley Water District**  
**Balance Sheet**  
As of September 30, 2021

	Sep 30, 21
<b>Other Current Liabilities</b>	
229000 · Taxes Accrued (This account covers obligations to pay taxes (income, property, payroll, etc.)...	1,859.79
229331 · 331 - Federal Taxes	25.35
229333 · 333 - Calif State Taxes	
<b>Total 229000 · Taxes Accrued (This account covers obligations to pay taxes (income, property, payroll)...</b>	<b>1,885.14</b>
230000 · Other Current Liabilities (This account covers miscellaneous obligations of the district due w...	
230101 · Loan-Hardenbrook (Loan-Hardenbrook)	11,600.00
230102 · May 2018 Voluntary Rate Increas	20,071.10
<b>Total 230000 · Other Current Liabilities (This account covers miscellaneous obligations of the district ...</b>	<b>31,671.10</b>
24000 · Payroll Liabilities (Unpaid payroll liabilities. Amounts withheld or accrued, but not yet paid)	100.00
<b>Total Other Current Liabilities</b>	<b>33,656.24</b>
<b>Total Current Liabilities</b>	<b>96,937.29</b>
<b>Long Term Liabilities</b>	
212000 · Due To Other Gov Agencies	
212100 · Due To Other State Agencies (This account includes long-term debt, other than bonds or tim...	-63.00
212000 · Due To Other Gov Agencies - Other	-37.00
<b>Total 212000 · Due To Other Gov Agencies</b>	<b>-100.00</b>
<b>Total Long Term Liabilities</b>	<b>-100.00</b>
<b>Total Liabilities</b>	<b>96,837.29</b>
<b>Equity</b>	
250000 · Contributed Capital	
251000 · Contrib In Aid Of Cons-Plant (This account includes amounts received, in the form of grants, do...	765,134.16
251100 · ContributionsInAid-Plant-State	83,166.67
251400 · ContributionsInAid-Plant-Other	
<b>Total 251000 · Contrib In Aid Of Cons-Plant (This account includes amounts received, in the form of gran...</b>	<b>848,300.83</b>
250000 · Contributed Capital - Other	25,000.00
<b>Total 250000 · Contributed Capital</b>	<b>873,300.83</b>
263000 · Retained Earnings-Unreserved (This account includes the amount of accumulated earnings which ...	-304,319.51
30000 · Opening Balance Equity (Opening balances during setup post to this account. The balance of this a...	487,933.98
Net Income	-2,314.99
<b>Total Equity</b>	<b>1,054,600.31</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>1,151,437.60</b>

**Quail Valley Water District**  
**Statement of Cash Flows**  
September 2021

	Sep 21
<b>OPERATING ACTIVITIES</b>	
Net Income	3,791.08
Adjustments to reconcile Net Income to net cash provided by operations:	
137000 · Accounts Receivable	-585.79
137000 · Accounts Receivable:137121 · Accounts Receivable	436.50
12100 · Inventory Asset	-806.63
146000 · Inventory of Material and Suppl	-236.84
222000 · Accounts Payable	30.48
222100 · Acc Payable -Visa Cards	-7.49
222200 · Acc Payable - Cal Cards	-1,941.07
222200 · Acc Payable - Cal Cards:222201 · 4344 Acc Payable-CalCard-Randy	825.94
229000 · Taxes Accrued:229331 · 331 - Federal Taxes	-190.02
229000 · Taxes Accrued:229333 · 333 - Calif State Taxes	2.93
<b>Net cash provided by Operating Activities</b>	<b>1,319.09</b>
<b>INVESTING ACTIVITIES</b>	
110000 · Property, Plant & Equipment:111000 · Utility Plant In Service:111600 · Transmission &...	-1,933.12
110000 · Property, Plant & Equipment:112000 · Construction in Progress	-1,849.30
<b>Net cash provided by Investing Activities</b>	<b>-3,782.42</b>
<b>Net cash increase for period</b>	<b>-2,463.33</b>
<b>Cash at beginning of period</b>	<b>39,246.20</b>
<b>Cash at end of period</b>	<b>36,782.87</b>



# Quail Valley Water District

## Statement of Cash Flows

July through September 2021

	Jul - Sep 21
<b>OPERATING ACTIVITIES</b>	
Net Income	
Adjustments to reconcile Net Income to net cash provided by operations:	-2,314.99
137000 · Accounts Receivable	
137000 · Accounts Receivable:137121 · Accounts Receivable	-188.35
12100 · Inventory Asset	-3,925.43
146000 · Inventory of Material and Suppl	-3,188.86
222000 · Accounts Payable	-3,710.30
222100 · Acc Payable - Visa Cards	-1,066.22
222200 · Acc Payable - Cal Cards	-22.47
222200 · Acc Payable - Cal Cards:222201 · 4344 Acc Payable-CalCard-Randy	-4,710.88
229000 · Taxes Accrued:229331 · 331 - Federal Taxes	5,116.27
229000 · Taxes Accrued:229333 · 333 - Calif State Taxes	-185.58
230000 · Other Current Liabilities:230102 · May 2018 Voluntary Rate Increas	-14.67
	-222.88
Net cash provided by Operating Activities	-14,434.36
<b>INVESTING ACTIVITIES</b>	
110000 · Property, Plant & Equipment:111000 · Utility Plant In Service:111600 · Transmission &...	-1,933.12
110000 · Property, Plant & Equipment:112000 · Construction in Progress	-5,598.05
Net cash provided by Investing Activities	-7,531.17
<b>FINANCING ACTIVITIES</b>	
250000 · Contributed Capital:251000 · Contrib In Aid Of Cons-Plant:251100 · ContributionsInAi...	3,975.61
Net cash provided by Financing Activities	3,975.61
Net cash increase for period	-17,989.92
Cash at beginning of period	54,772.79
Cash at end of period	36,782.87

# Quail Valley Water District

## Profit & Loss

### September 2021

Sep 21

Ordinary Income/Expense		
Income		
410000 · Operating Revenues (Revenue related to District operations)		
411000 · Water Sales (This account accumulates all costs in accounts 401110-4011799.)		
411100 · Water Sales - Residential (This account includes revenues earned from water supplied to sing...	11,124.71	
Total 411000 · Water Sales (This account accumulates all costs in accounts 401110-4011799.)	11,124.71	
421000 · Water Services (This account accumulates all costs in accounts 402110-402159.)		
421500 · Water Services-Other (This account includes billings for customer installations of meters and...		
421550 · Late Fees	230.83	
Total 421500 · Water Services-Other (This account includes billings for customer installations of meter...	230.83	
Total 421000 · Water Services (This account accumulates all costs in accounts 402110-402159.)	230.83	
Total 410000 · Operating Revenues (Revenue related to District operations)	11,355.54	
490000 · Non-Operating Revenues (This account accumulates all costs from accounts 409100-409899.)		
491000 · Non-Operating Revenue - Rents (This account includes all rent revenues from land, buildings, or...	50.00	
492000 · Non-Operating - Interest Revenu (This account includes interest revenues on special deposits, lo...	87.69	
493000 · Taxes and Assessments (This account accumulates all charges from accounts 409305-409365.)		
493050 · Property Taxes-Current Secured (All taxes apportioned as a result of levies made against the ...	-2.54	
493100 · Property Taxes-Current Unsecured (All taxes apportioned as a result of levies made against th...	2,964.45	
493200 · Property Taxes-Prior Unsecured (All taxes apportioned as a result of levies made against the ...	1.28	
493450 · Penalties and Costs On Delinque (Include all amounts apportioned as a result of penalties an...	3.16	
493500 · Supplemental Property Taxes-Cur (Property tax revenues(secured and unsecured) received p...	147.32	
493600 · Supplemental-Prior Taxes & Pena (Prior year supplemental roll property taxes, interest and p...	7.58	
Total 493000 · Taxes and Assessments (This account accumulates all charges from accounts 409305-409...	3,121.25	
Total 490000 · Non-Operating Revenues (This account accumulates all costs from accounts 409100-409899.)	3,258.94	
Total Income	14,614.48	
Cost of Goods Sold		
50000 · Cost of Goods Sold (Costs of items purchased and then sold to customers)	13.86	
Total COGS	13.86	
Gross Profit	14,600.62	
Expense		
Merchant deposit fees	135.73	
500000 · Operating Expenses		
510000 · Source of Supply		
511000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used an...	0.00	
512000 · Maintenance-Structure & Improve (This account includes the cost of labor and materials used...	0.00	
Total 510000 · Source of Supply	0.00	
520000 · Pumping (521000-Operation of pumping plant. 522000-Operation & maintenance of pumping plan...		
521000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used an...	0.00	
522000 · Maintenance-Structures & Improv (This account includes the costs of labor and materials use...		
522661 · Wages-Maintenance, Pumping (Wages and salaries related to maintenance of pumping fac...	0.00	
522000 · Maintenance-Structures & Improv (This account includes the costs of labor and materials ...	120.00	
Total 522000 · Maintenance-Structures & Improv (This account includes the costs of labor and material...	120.00	
523000 · Fuel or Power Purchased-Pumping (This account includes the cost of fuel or power purchase...		
523103 · SCE Montclair 1	365.29	
523108 · SCE Tangan/Bloemfontein	15.83	
523111 · SCE Hackamore	24.03	
523273 · SCE Country CynBooster	15.94	
Total 523000 · Fuel or Power Purchased-Pumping (This account includes the cost of fuel or power pur...	421.09	
Total 520000 · Pumping (521000-Operation of pumping plant. 522000-Operation & maintenance of pumpin...	541.09	

## Quail Valley Water District Profit & Loss September 2021

	Sep 21
530000 · Water Treatment (531000-Operation of Water Treatment Plant (includes sampling) 532000-Mainte...	
531000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used an...	
531100 · Chemicals-Water Quality	103.60
531200 · Water Quality Testing	566.00
531000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used...	145.53
Total 531000 · Supervision, Labor & Expense (This account includes the cost of labor and materials us...	815.13
532000 · Maintenance-Structures & impro (This account includes the costs of labor and materials use...	0.00
Total 530000 · Water Treatment (531000-Operation of Water Treatment Plant (includes sampling) 532000-M...	815.13
540000 · Transmission & Distribution (541000-Operation of Distribution Plant 542000-Repair & Maintenanc...	
541000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used an...	
541661 · Wages, Transmission & Distrib (Wages and salaries related to supervision and operation...	0.00
Total 541000 · Supervision, Labor & Expense (This account includes the cost of labor and materials us...	0.00
542000 · Maintenance-Structures & Improv (This account includes the cost of labor and materials used...	
542661 · Wages, Transmission & Distrib (Wages and salaries related to the maintenance of trans...	0.00
Total 542000 · Maintenance-Structures & Improv (This account includes the cost of labor and materials...	0.00
Total 540000 · Transmission & Distribution (541000-Operation of Distribution Plant 542000-Repair & Maint...	0.00
550000 · Customer Accounts (551000-meter reading, billing, maintaining customer accounts. 552000-Unco...	
551000 · Supervision, Meter Reading & Ot (This account includes the costs of labor and materials use...	
551661 · Wages, Customer Accounts (Wages and salaries related to maintenace of customer accou...	155.93
Total 551000 · Supervision, Meter Reading & Ot (This account includes the costs of labor and material...	155.93
Total 550000 · Customer Accounts (551000-meter reading, billing, maintaining customer accounts. 552000...	155.93
560000 · Administrative & General	
561000 · Salaries (This account includes salaries and other considerations (but not Directors' fees) for...	
561661 · Wages, Administration (Wages and salaries related to general administration not chargeab...	686.43
561000 · Salaries (This account includes salaries and other considerations (but not Directors' fees) ...	750.00
Total 561000 · Salaries (This account includes salaries and other considerations (but not Directors' fee...	1,436.43
562000 · Office Supplies & Other Expense (This account includes office supplies and other expenses i...	
562730 · Office Supplies	
562740 · Freight	62.19
562760 · Com-Telephone-Internet	85.44
562770 · Utilities-Office	103.26
562771 · SCE Office	72.66
Total 562770 · Utilities-Office	72.66
562780 · Dues & Subscriptions	40.00
Total 562000 · Office Supplies & Other Expense (This account includes office supplies and other expe...	363.55
563000 · Contractural Services (This account includes the fees and expenses of professional consulta...	787.50
564000 · Property Insurance, Injuries & (This account includes the cost of insurance or reserve accrual...	384.92
565000 · Employee Retirement & Benefits (This account includes charges to provide for payment of be...	
565663 · Employee Reimbursement	0.00
565664 · Wokers Comp Insurance	-397.33
565000 · Employee Retirement & Benefits (This account includes charges to provide for payment of...	486.32
Total 565000 · Employee Retirement & Benefits (This account includes charges to provide for payment...	88.99
568000 · Maintenance-General Plant (This account includes the costs assignable to customer account...	
568100 · Building Maintenance	0.00
568640 · Op Expenses Auto	
568642 · Small Tools & Supplies	441.40
568640 · Op Expenses Auto - Other	467.04
Total 568640 · Op Expenses Auto	908.44
Total 568000 · Maintenance-General Plant (This account includes the costs assignable to customer ac...	908.44
560000 · Administrative & General - Other	-5.76
Total 560000 · Administrative & General	3,964.07

# Quail Valley Water District Profit & Loss September 2021

	Sep 21
570000 · Other Operating Expenses	
572000 · Taxes (This account includes the amount of federal, state, county, municipal and other taxes, ...)	118.07
<b>Total 570000 · Other Operating Expenses</b>	<b>118.07</b>
<b>Total 500000 · Operating Expenses</b>	<b>5,594.29</b>
660000 · Payroll Expenses (Payroll expenses)	5,079.52
<b>Total Expense</b>	<b>10,809.54</b>
<b>Net Ordinary Income</b>	<b>3,791.08</b>
<b>Net Income</b>	<b>3,791.08</b>

## Quail Valley Water District Profit & Loss July through September 2021

	Jul - Sep 21
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
410000 · Operating Revenues (Revenue related to District operations)	
411000 · Water Sales (This account accumulates all costs in accounts 401110-4011799.)	
411100 · Water Sales - Residential (This account includes revenues earned from water supplied to sin...	33,554.53
<b>Total 411000 · Water Sales (This account accumulates all costs in accounts 401110-4011799.)</b>	33,554.53
421000 · Water Services (This account accumulates all costs in accounts 402110-402159.)	
421500 · Water Services-Other (This account includes billings for customer installations of meters an...	
421550 · Late Fees	653.85
421590 · Disconnection Fee	250.00
<b>Total 421500 · Water Services-Other (This account includes billings for customer installations of mete...</b>	903.85
421515 · 515 - Account Transfer Fee	150.00
<b>Total 421000 · Water Services (This account accumulates all costs in accounts 402110-402159.)</b>	1,053.85
<b>Total 410000 · Operating Revenues (Revenue related to District operations)</b>	34,608.38
490000 · Non-Operating Revenues (This account accumulates all costs from accounts 409100-409899.)	
491000 · Non-Operating Revenue - Rents (This account includes all rent revenues from land, buildings, o...	125.00
492000 · Non-Operating - Interest Revenu (This account includes interest revenues on special deposits, l...	314.20
493000 · Taxes and Assessments (This account accumulates all charges from accounts 409305-409365.)	
493050 · Property Taxes-Current Secured (All taxes apportioned as a result of levies made against the...	45.70
493100 · Property Taxes-Current Unsecured (All taxes apportioned as a result of levies made against th...	3,470.33
493200 · Property Taxes-Prior Unsecured (All taxes apportioned as a result of levies made against the...	9.06
493450 · Penalties and Costs On Delinque (Include all amounts apportioned as a result of penalties an...	8.68
493500 · Supplemental Property Taxes-Cur (Property tax revenues(secured and unsecured) received ...	273.62
493600 · Supplemental-Prior Taxes & Pena (Prior year supplemental roll property taxes, interest and p...	33.61
<b>Total 493000 · Taxes and Assessments (This account accumulates all charges from accounts 409305-409...</b>	3,841.00
495000 · Intergovernmental Revenues (This account accumulates all costs in accounts 4095100-4095359.)	
495200 · Homeowners Property Tax Relief (This account includes amount received from the State to c...	0.00
<b>Total 495000 · Intergovernmental Revenues (This account accumulates all costs in accounts 4095100-40...</b>	0.00
<b>Total 490000 · Non-Operating Revenues (This account accumulates all costs from accounts 409100-409899.)</b>	4,280.20
<b>Total Income</b>	38,888.58
<b>Cost of Goods Sold</b>	
50000 · Cost of Goods Sold (Costs of items purchased and then sold to customers)	207.11
<b>Total COGS</b>	207.11
<b>Gross Profit</b>	38,681.47
<b>Expense</b>	
Merchant deposit fees	
500000 · Operating Expenses	464.37
510000 · Source of Supply	
511000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used an...	0.00
512000 · Maintenance-Structure & Improve (This account includes the cost of labor and materials use...	0.00
<b>Total 510000 · Source of Supply</b>	0.00
520000 · Pumping (521000-Operation of pumping plant. 522000-Operation & maintenance of pumping pla...	
521000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used a...	0.00
522000 · Maintenance-Structures & Improv (This account includes the costs of labor and materials us...	
522661 · Wages-Maintenance, Pumping (Wages and salaries related to maintenance of pumping fa...	0.00
522000 · Maintenance-Structures & Improv (This account includes the costs of labor and materials ...	120.00
<b>Total 522000 · Maintenance-Structures &amp; Improv (This account includes the costs of labor and materi...</b>	120.00
523000 · Fuel or Power Purchased-Pumping (This account includes the cost of fuel or power purchas...	
523103 · SCE Montclair 1	1,057.37
523108 · SCE Tangan/Bloemfontein	44.94
523111 · SCE Hackamore	63.32
523273 · SCE Country CynBooster	45.80
<b>Total 523000 · Fuel or Power Purchased-Pumping (This account includes the cost of fuel or power pur...</b>	1,211.43
<b>Total 520000 · Pumping (521000-Operation of pumping plant. 522000-Operation &amp; maintenance of pumpin...</b>	1,331.43

**Quail Valley Water District**  
**Profit & Loss**  
 July through September 2021

	Jul - Sep 21
530000 · Water Treatment (531000-Operation of Water Treatment Plant (includes sampling) 532000-Mainte...	
531000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used a...	
531100 · Chemicals-Water Quality	284.31
531200 · Water Quality Testing	1,253.00
531000 · Supervision, Labor & Expense (This account includes the cost of labor and materials use...	436.59
Total 531000 · Supervision, Labor & Expense (This account includes the cost of labor and materials u...	1,973.90
532000 · Maintenance-Structures & impro (This account includes the costs of labor and materials us...	811.34
Total 530000 · Water Treatment (531000-Operation of Water Treatment Plant (includes sampling) 532000-M...	2,785.24
540000 · Transmission & Distribution (541000-Operation of Distribution Plant 542000-Repair & Maintenan...	
541000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used a...	
541661 · Wages, Transmission & Distribut (Wages and salaries related to supervision and operatio...	166.32
Total 541000 · Supervision, Labor & Expense (This account includes the cost of labor and materials u...	166.32
542000 · Maintenance-Structures & Improv (This account includes the cost of labor and materials use...	
542661 · Wages, Transmission & Distribut (Wages and salaries related to the maintenance of trans...	10.40
542000 · Maintenance-Structures & Improv (This account includes the cost of labor and materials u...	0.00
Total 542000 · Maintenance-Structures & Improv (This account includes the cost of labor and material...	10.40
Total 540000 · Transmission & Distribution (541000-Operation of Distribution Plant 542000-Repair & Maint...	176.72
550000 · Customer Accounts (551000-meter reading, billing, maintaining customer accounts. 552000-Unc...	
551000 · Supervision, Meter Reading & Ot (This account includes the costs of labor and materials use...	
551661 · Wages, Customer Accounts (Wages and salaries related to maintenance of customer acco...	155.93
Total 551000 · Supervision, Meter Reading & Ot (This account includes the costs of labor and material...	155.93
Total 550000 · Customer Accounts (551000-meter reading, billing, maintaining customer accounts. 55200...	155.93
560000 · Administrative & General	
561000 · Salaries (This account includes salaries and other considerations (but not Directors' fees) fo...	
561661 · Wages, Administration (Wages and salaries related to general administration not chargea...	3,915.89
561000 · Salaries (This account includes salaries and other considerations (but not Directors' fees)...	2,780.79
Total 561000 · Salaries (This account includes salaries and other considerations (but not Directors' fe...	6,696.68
562000 · Office Supplies & Other Expense (This account includes office supplies and other expenses i...	
562710 · Postage	15.90
562730 · Office Supplies	62.19
562740 · Freight	862.45
562760 · Com-Telephone-Internet	540.22
562770 · Utilities-Office	
562771 · SCE Office	347.04
562770 · Utilities-Office - Other	184.00
Total 562770 · Utilities-Office	531.04
562780 · Dues & Subscriptions	270.00
Total 562000 · Office Supplies & Other Expense (This account includes office supplies and other expe...	2,281.80
563000 · Contractual Services (This account includes the fees and expenses of professional consulta...	3,851.00
564000 · Property Insurance, Injuries & (This account includes the cost of insurance or reserve accru...	1,154.76
565000 · Employee Retirement & Benefits (This account includes charges to provide for payment of b...	
565663 · Employee Reimbursement	0.00
565664 · Wokers Comp Insurance	1,314.18
565666 · 666 - Safety Supplies	11.85
565000 · Employee Retirement & Benefits (This account includes charges to provide for payment o...	736.80
Total 565000 · Employee Retirement & Benefits (This account includes charges to provide for paymen...	2,062.83
568000 · Maintenance-General Plant (This account includes the costs assignable to customer account...	
568100 · Building Maintenance	256.50
568640 · Op Expenses Auto	
568642 · Small Tools & Supplies	1,662.23
568645 · Repair & Main-Equip	52.50
568646 · Fuel - Auto	457.76
568640 · Op Expenses Auto - Other	1,202.32
Total 568640 · Op Expenses Auto	3,374.81
Total 568000 · Maintenance-General Plant (This account includes the costs assignable to customer ac...	3,631.31

## Quail Valley Water District Profit & Loss July through September 2021

	Jul - Sep 21
560000 · Administrative & General - Other	
<b>Total 560000 · Administrative &amp; General</b>	-5.76
570000 · Other Operating Expenses	
572000 · Taxes (This account includes the amount of federal, state, county, municipal and other taxes,...	
<b>Total 570000 · Other Operating Expenses</b>	784.22
<b>Total 500000 · Operating Expenses</b>	784.22
600000 · Nonoperating Expenses	
604000 · Other Nonoperating Expenses (This account includes all nonoperating expenses which are not ...	
<b>Total 600000 · Nonoperating Expenses</b>	24,906.16
660000 · Payroll Expenses (Payroll expenses)	
<b>Total Expense</b>	15,317.83
<b>Net Ordinary Income</b>	40,996.46
<b>Net Income</b>	-2,314.99

Quail Valley Water District

10/13/2021 10:36 AM

Register: 131000 · Cash:131003 · Union Bank

From 09/01/2021 through 09/30/2021

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
09/01/2021			130000 · Undeposited ...	Deposit		X	136.56	22,906.70
09/01/2021			-split-	Deposit		X	4,110.19	27,016.89
09/01/2021	Auto Pay	Southern Calif Edison	222000 · Accounts Pay...	5910 - Bloemf...	13.79	X		27,003.10
09/01/2021	Auto Pay	Southern Calif Edison	222000 · Accounts Pay...	6411 - Country...	14.10	X		26,989.00
09/01/2021	Auto Pay	Southern Calif Edison	222000 · Accounts Pay...	0514 - Hackam...	17.84	X		26,971.16
09/01/2021	Auto Pay	Southern Calif Edison	222000 · Accounts Pay...	4719 - Sand Ca...	135.23	X		26,835.93
09/01/2021	CCADJ		Merchant deposit fees	Batch Fee ID=...	3.00	X		26,832.93
09/02/2021			-split-	Deposit		X	266.48	27,099.41
09/02/2021	CCADJ		Merchant deposit fees	Batch Fee ID=...	10.23	X		27,089.18
09/03/2021			-split-	Deposit		X	573.41	27,662.59
09/03/2021	CCADJ		Merchant deposit fees	Batch Fee ID=...	21.27	X		27,641.32
09/03/2021		QuickBooks Payroll ...	2110 · Direct Deposit ...	Created by Pay...	3,365.62	X		24,275.70
09/04/2021	CCADJ		Merchant deposit fees	Batch Fee ID=...	7.61	X		24,268.09
09/05/2021			130000 · Undeposited ...	Deposit		X	123.28	24,391.37
09/05/2021			130000 · Undeposited ...	Deposit		X	110.00	24,501.37
09/06/2021			130000 · Undeposited ...	Deposit		X	116.64	24,618.01
09/06/2021			130000 · Undeposited ...	Deposit		X	256.08	24,874.09
09/06/2021	CCADJ		Merchant deposit fees	Batch Fee ID=...	7.38	X		24,866.71
09/06/2021	DD1324	Dan L Casteel	-split-	Direct Deposit		X		24,866.71
09/06/2021	DD1325	Isaias R Villafana	-split-	Direct Deposit		X		24,866.71
09/06/2021	DD1326	Randy D Hardenbrook	-split-	Direct Deposit		X		24,866.71
09/06/2021	10746	Dawnette Boatman	-split-		466.99	X		24,399.72
09/07/2021			-split-	Deposit		X	266.64	24,666.36
09/07/2021	Auto Pay	Southern Calif Edison	222000 · Accounts Pay...	2214 - Montcla...	340.87	X		24,325.49
09/07/2021	CCADJ		Merchant deposit fees	Batch Fcc ID=...	9.93	X		24,315.56
09/07/2021	E-pay	UNITED STATES T...	-split-	77-0328828 Q...	1,917.50	X		22,398.06
09/07/2021	E-pay	EMPLOYMENT DE...	-split-	698-1692-4 Q...	36.13	X		22,361.93
09/07/2021	E-pay	EMPLOYMENT DE...	229000 · Taxes Accrue...	698-1692-4 Q...	239.94	X		22,121.99
09/07/2021	RXSM5-...	B C Laboratories, Inc.	222000 · Accounts Pay...	Bac-T samples	130.00	X		21,991.99
09/07/2021	RXSM5-...	U. S. Bank - Cal Card	222000 · Accounts Pay...		1,748.82	X		20,243.17
09/07/2021	RXSM5-...	State Compensation I...	222000 · Accounts Pay...	Premium Char...	691.50	X		19,551.67
09/07/2021	RXSM5-...	BSK Associates	222000 · Accounts Pay...		52.00	X		19,499.67
09/07/2021	RXSM5-...	McMaster-Carr	222000 · Accounts Pay...	Schedule 80 P...	273.57	X		19,226.10
09/07/2021	RXSM5-...	McMaster-Carr	222000 · Accounts Pay...	Electrical parts	4.17	X		19,221.93
09/07/2021	RXSM5-...	McMaster-Carr	222000 · Accounts Pay...		476.11	X		18,745.82
09/07/2021	RXSM5-...	McMaster-Carr	222000 · Accounts Pay...		268.25	X		18,477.57
09/08/2021			130000 · Undeposited ...	Deposit		X	123.28	18,600.85
09/08/2021	CCADJ		Merchant deposit fees	Batch Fee ID=...	4.61	X		18,596.24
09/08/2021	RXWL5-...	Mountain Valley Ass...	222000 · Accounts Pay...	QVWD Lot 19...	172.80	X		18,423.44
09/08/2021	RXXD2-...	CORE & MAIN	222000 · Accounts Pay...	232086	662.42	X		17,761.02



Quail Valley Water District

10/13/2021 10:36 AM

Register: 131000 · Cash:131003 · Union Bank

From 09/01/2021 through 09/30/2021

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
09/09/2021			-split-	Deposit		X	356.50	18,117.52
09/09/2021	CCADJ		Merchant deposit fees	Batch Fee ID=...	13.08	X		18,104.44
09/10/2021			130000 · Undeposited ...	Deposit		X	143.20	18,247.64
09/10/2021	CCADJ		Merchant deposit fees	Batch Fee ID=...	5.31	X		18,242.33
09/10/2021	RY2N5-...	BSK Associates	222000 · Accounts Pay...		169.00	X		18,073.33
09/10/2021	RY2NK-...	McMaster-Carr	222000 · Accounts Pay...		129.44	X		17,943.89
09/13/2021			-split-	Deposit		X	1,064.22	19,008.11
09/14/2021	CCADJ		130000 · Undeposited ...	Deposit		X	259.12	19,267.23
09/16/2021			Merchant deposit fees	Batch Fee ID=...	9.37	X		19,257.86
09/16/2021	CCADJ		130000 · Undeposited ...	Deposit		X	136.56	19,394.42
09/16/2021	CCADJ		Merchant deposit fees	Batch Fee ID=...	5.08	X		19,389.34
09/16/2021	RYPZ5-...	Belden Blane Raytis,...	222000 · Accounts Pay...	4435-02 Gener...	787.50	X		18,601.84
09/16/2021	RYPZ5-...	CALNET3	222000 · Accounts Pay...	08/06/20201 - ...	95.01	X		18,506.83
09/16/2021	RYPZ5-...	McMaster-Carr	222000 · Accounts Pay...		138.13	X		18,368.70
09/16/2021	RYPZ5-...	McMaster-Carr	222000 · Accounts Pay...		166.34	X		18,202.36
09/17/2021		QuickBooks Payroll ...	2110 · Direct Deposit ...	Created by Pay...	2,799.78	X		15,402.58
09/18/2021	CCADJ		Merchant deposit fees	Batch Fee ID=...	18.06	X		15,384.52
09/19/2021			-split-	Deposit		X	490.28	15,874.80
09/20/2021	DD1327	Isaias R Villafana	-split-	Direct Deposit		X		15,874.80
09/20/2021	DD1328	Randy D Hardenbrook	-split-	Direct Deposit		X		15,874.80
09/20/2021	10747	Dawnette Boatman	-split-		508.16	X		15,366.64
09/22/2021			130000 · Undeposited ...	Deposit		X	163.12	15,529.76
09/22/2021	CCADJ		Merchant deposit fees	Batch Fee ID=...	6.01	X		15,523.75
09/28/2021		Friedman & Springw...	133000 · Special Depo...	Deposit		X	6,500.00	22,023.75
09/28/2021			-split-	Deposit		X	2,674.84	24,698.59
09/28/2021			130000 · Undeposited ...	Deposit		X	110.00	24,808.59
09/28/2021	Auto Pay	Union Bank - Visa	222000 · Accounts Pay...	Internet Storage	7.49	X		24,801.10
09/28/2021	CCADJ		Merchant deposit fees	Batch Fee ID=...	4.15	X		24,796.95
09/29/2021			130000 · Undeposited ...	Deposit		X	103.36	24,900.31
09/29/2021	CCADJ		Merchant deposit fees	Batch Fee ID=...	3.00	X		24,897.31
09/30/2021			130000 · Undeposited ...	Deposit			209.60	25,106.91
09/30/2021	CCADJ		Merchant deposit fees	Batch Fee ID=...	7.64			25,099.27

# Quail Valley Water District

## Reconciliation Summary

131003 · Union Bank, Period Ending 09/30/2021

	Sep 30, 21
<b>Beginning Balance</b>	22,770.14
<b>Cleared Transactions</b>	
Checks and Payments - 44 items	-15,956.59
Deposits and Credits - 28 items	18,083.76
<b>Total Cleared Transactions</b>	2,127.17
<b>Cleared Balance</b>	24,897.31
<b>Uncleared Transactions</b>	
Checks and Payments - 1 item	-7.64
Deposits and Credits - 1 item	209.60
<b>Total Uncleared Transactions</b>	201.96
<b>Register Balance as of 09/30/2021</b>	25,099.27
<b>New Transactions</b>	
Checks and Payments - 19 items	-9,759.95
Deposits and Credits - 9 items	3,284.38
<b>Total New Transactions</b>	-6,475.57
<b>Ending Balance</b>	18,623.70



# STATEMENT OF ACCOUNTS

Page 1 of 3  
Statement Number: 2740026359  
09/01/21 - 09/30/21

UNION BANK  
STOCKDALE VILLAGE 0441  
P.O. BOX 60368  
PHOENIX AZ 85082-0368

**Telephone Banking**  
For 24-hour Automated Direct Service  
800-238-4486  
800-826-7345(TDD)  
Representatives are available  
Monday through Saturday

To open additional accounts,  
or apply for loans, call your  
banking office at 661-322-5035

**QUAIL VALLEY WATER DISTRICT**  
24750 SAND CANYON RD  
TEHACHAPI CA 93561-8115

You may also access your account online  
at [unionbank.com](http://unionbank.com)

Thank you for banking with us  
since 2014

## Business Essentials Checking Summary

Account Number: 2740026359

Days in statement period: 30

<b>Balance on 9/1</b>	\$		<b>22,770.14</b>
Additions			18,083.76
Subtractions			-15,956.59
		Checks -1,381.60	
		Payments -14,574.99	
<b>Balance on 9/30</b>	\$		<b>24,897.31</b>
Statement Average Ledger Balance			20,119.39

We waived your service charge this statement period.

## Additions

Date	Description/Location	Reference	Amount
9/2	INTUIT 37913425 DEPOSIT CCD 524771992259814	56882175	\$ 136.56
9/3	OFFICE DEPOSIT	76554969	4,110.19
9/3	INTUIT 58873575 DEPOSIT CCD 524771992259814	58295283	266.48
9/7	INTUIT 61653145 DEPOSIT CCD 524771992259814	50209067	233.28
9/7	INTUIT 76142315 DEPOSIT CCD 524771992259814	59688250	372.72
9/7	INTUIT 61768115 DEPOSIT CCD 524771992259814	50162995	573.41
9/8	INTUIT 80272295 DEPOSIT CCD 524771992259814	52033369	266.64
9/9	INTUIT 89074055 DEPOSIT CCD 524771992259814	53559556	123.28
9/10	INTUIT 92744265 DEPOSIT CCD 524771992259814	54760363	356.50
9/13	OFFICE DEPOSIT	75770913	1,064.22
9/13	INTUIT 02810815 DEPOSIT CCD 524771992259814	56325597	143.20
9/15	INTUIT 20701775 DEPOSIT CCD 524771992259814	59302865	259.12
9/17	INTUIT 31541135 DEPOSIT CCD 524771992259814	51812493	136.56
9/20	INTUIT 42044315 DEPOSIT CCD 524771992259814	52937490	490.28
9/23	INTUIT 62616105 DEPOSIT CCD 524771992259814	57018605	163.12
9/28	OFFICE DEPOSIT	76533657	2,674.84
9/28	OFFICE DEPOSIT	76533651	6,500.00
9/29	INTUIT 92785905 DEPOSIT CCD 524771992259814	52486249	110.00
9/30	INTUIT 88433105 DEPOSIT CCD 524771992259814	53788164	103.36
<b>Total</b>			<b>\$ 18,083.76</b>

## Checks

Number	Date	Reference	Amount	Number	Date	Reference	Amount
8836	9/14	24020610	130.00	8846*	9/23	07549452	95.01

**Checks**

Number	Date	Reference	Amount	Number	Date	Reference	Amount	
8837	9/15	08252178	52.00	10746*	9/8	06009428	466.99	
8844*	9/17	08255042	129.44	10747	9/21	07528186	508.16	
<b>Total</b>							<b>\$</b>	<b>1,381.60</b>

\* Checks missing in sequence. Out of sequence check numbers may also be located in the Payments section of your statement.

**Payments online and electronic banking**

Date	Description/Location	Reference	Amount
9/1	SO CAL EDISON CO DIRECTPAY CCD 700177696263	54563232	\$ 13.79
9/1	SO CAL EDISON CO DIRECTPAY CCD 700396743683	54562988	14.10
9/1	SO CAL EDISON CO DIRECTPAY CCD 700202464407	54563233	17.84
9/1	SO CAL EDISON CO DIRECTPAY CCD 700297124986	54563234	135.23
9/2	INTUIT 76020435 TRAN FEE CCD 524771992259814	56883845	3.00
9/3	INTUIT 99399975 TRAN FEE CCD 524771992259814	58293312	10.23
9/3	INTUIT PAYROLL S QUICKBOOKS CCD 770328828	58424982	3,365.62
9/7	INTUIT 16536145 TRAN FEE CCD 524771992259814	59687552	7.38
9/7	INTUIT 02020535 TRAN FEE CCD 524771992259814	50207973	7.61
9/7	INTUIT 02130645 TRAN FEE CCD 524771992259814	50161533	21.27
9/7	SO CAL EDISON CO DIRECTPAY CCD 700157682638	58864858	340.87
9/8	US BANK CORP ONLINE PMT CCD UN1330586897POS	52305977	1,748.82
9/8	INTUIT 20920055 TRAN FEE CCD 524771992259814	52032207	9.93
9/9	INTUIT 29841955 TRAN FEE CCD 524771992259814	53558204	4.61
9/9	EMPLOYMENT DEVEL EDD EFTPMT CCD 919553312	53238178	36.13
9/9	EMPLOYMENT DEVEL EDD EFTPMT CCD 2052949280	53245780	239.94
9/9	IRS USATAXPYMT CCD 225165213380820	52723581	1,917.50
9/10	INTUIT 33124505 TRAN FEE CCD 524771992259814	54758947	13.08
9/13	INTUIT 43604265 TRAN FEE CCD 524771992259814	56326937	5.31
9/14	STATE COMP INS ONLINE PMT CCD UN1330586897POS	56747733	691.50
9/14	MCMaster CARR SU ONLINE PMT CCD UN1330586897POS	56746947	1,022.10
9/15	MOUNTAIN VALLEY ONLINE PMT CCD UN1330586897POS	58403203	172.80
9/15	R&B COMPANY ONLINE PMT CCD UN1330586897POS	58403572	662.42
9/15	INTUIT 61762895 TRAN FEE CCD 524771992259814	59304179	9.37
9/17	BSK ASSOCIATES ONLINE PMT CCD UN1330586897POS	51218519	169.00
9/17	INTUIT 71851035 TRAN FEE CCD 524771992259814	51813775	5.08
9/17	INTUIT PAYROLL S QUICKBOOKS CCD 770328828	51944739	2,799.78
9/20	INTUIT 82791975 TRAN FEE CCD 524771992259814	52938392	18.06
9/23	MCMaster CARR SU ONLINE PMT CCD UN1330586897POS	56304291	304.47
9/23	BELDEN BLAINE RA ONLINE PMT CCD UN1330586897POS	56303145	787.50
9/23	INTUIT 04079195 TRAN FEE CCD 524771992259814	57017259	6.01
9/28	1ST BANKCARD CTR ONLINE PMT CCD CC0006658761	51091152	7.49
9/29	INTUIT 34454275 TRAN FEE CCD 524771992259814	52484915	4.15

**COUNTY OF KERN  
MONTHLY FUND REVENUE TRANSACTION REGISTER**

As of Date: 9/30/2021

**Fund: 60085 QUAIL VALLEY WATER DISTRICT  
Dept: 0900 PROPERTY TAX DEPT-AUD CONTR  
FINES, FORFEITURES & PENALTIES  
3565 PENALTIES-REDEMPTIONS**

493450

09/16/21	3601	0031875	\$0.00	\$0.04	UNSECURED 258 APPORTIONMENT
09/16/21	3601	0031862	\$0.00	\$0.06	21/22 APN PSS IP COL @09/03/21
09/16/21	3601	0031856	\$0.00	\$3.06	21/22 APN PSS COLL @09/03/21
<b>Account Total</b>			<b>\$0.00</b>	<b>\$3.16</b>	
<b>Category Total</b>			<b>\$0.00</b>	<b>\$3.16</b>	

**REV FROM USE OF MONEY & PROP  
3615 INTEREST FROM OTHER SOURCES**

492000

09/16/21	3602	0031832	\$0.00	(\$0.26)	APPN 07/01/21 SEC REF INT
09/16/21	3602	0031866	\$0.00	(\$0.06)	APPN 09/03/21 SEC REF INT
09/16/21	3602	0031867	\$0.00	(\$0.02)	APPN 09/03/21 SUPP REF INT
09/16/21	3602	0031834	\$0.00	(\$0.02)	APPN 08/03/21 SEC REF INT
09/16/21	3602	0031876	\$0.00	(\$0.01)	REVERSE JV 30155 INTEREST APPM
09/16/21	3601	0031874	\$0.00	\$5.87	20/21 QTR INTEREST APPN 06/30
<b>Account Total</b>			<b>\$0.00</b>	<b>\$5.50</b>	
<b>Category Total</b>			<b>\$0.00</b>	<b>\$5.50</b>	

**TAXES**

**3005 PROPERTY TAXES-CURRENT SECURED**

493050

09/16/21	3602	0031841	\$0.00	(\$2.56)	21/22 PS RC REF @09/03/21
09/16/21	3601	0031836	\$0.00	\$0.02	21/22 APPN PS R/C @09/03/21
<b>Account Total</b>			<b>\$0.00</b>	<b>(\$2.54)</b>	

**3007 SUPPLEMENTAL PROP TAX-CURRENT**

493500

09/16/21	3602	0031837	\$0.00	(\$12.12)	21/22 APPN CSS RFDS@09/03/21
09/16/21	3602	0031839	\$0.00	(\$0.50)	21/22 APPN CUS RFDS@09/03/21

Quail Valley Water District

10/13/2021 10:52 AM

Register: 222200 · Acc Payable - Cal Cards

From 08/21/2021 through 09/20/2021

Sorted by: Date, Type, Number/Ref

Date	Ref.	Payee	Account	Memo	Charge	C	Payment	Balance
08/21/2021		U. S. Bank - Cal Card	222000 · Accounts Pay...				1,941.07	-981.83
08/21/2021		Ebay	-split-			X	28.96	-1,010.79
08/22/2021		Ebay	500000 · Operating Ex...		319.29	X		-691.50
08/22/2021		Ebay	500000 · Operating Ex...		28.96	X		-662.54
08/24/2021	26857445	LOWES	-split-		97.53	X		-565.01
08/25/2021		Ebay	-split-		34.32	X		-530.69
08/25/2021		Ebay	-split-		34.32	X		-496.37
08/25/2021		Ebay	-split-		48.26	X		-448.11
08/26/2021		Ebay	500000 · Operating Ex...		133.78	X		-314.33
08/27/2021	44092412	LOWES	-split-		92.30	X		-222.03
08/28/2021		Tehachapi News	600000 · Nonoperating...	Notice of Electi...	135.30	X		-86.73
08/30/2021		Hughes Net	500000 · Operating Ex...	Monthly Internet	115.22	X		28.49
09/01/2021		Kern Data	500000 · Operating Ex...	Monthly Subsc...	40.00	X		68.49
09/03/2021	10700805	LOWES	-split-		177.10	X		245.59
09/04/2021	49956	Leslie's Pool Supplies	500000 · Operating Ex...	Chlorine	51.24	X		296.83
09/04/2021	042896127	Quill Corporation	500000 · Operating Ex...	envelopes	62.19	X		359.02
09/13/2021		LOWES	-split-		51.29	X		410.31
09/13/2021		Microsoft	500000 · Operating Ex...	Office 365	8.25	X		418.56
09/13/2021		Intuit	660000 · Payroll Expe...	Payroll charges	6.00	X		424.56
09/19/2021	61082738	LOWES	-split-		189.48	X		614.04
09/20/2021		U. S. Bank - Cal Card	222000 · Accounts Pay...				1,941.07	-1,327.03

# Quail Valley Water District Reconciliation Summary

222200 - Acc Payable - Cal Cards, Period Ending 09/20/2021

	<u>Sep 20, 21</u>
Beginning Balance	
Cleared Transactions	1,748.82
Charges and Cash Advances - 20 items	-1,970.03
Payments and Credits - 2 items	1,777.78
Total Cleared Transactions	<u>-192.25</u>
Cleared Balance	<u>1,941.07</u>
Uncleared Transactions	
Charges and Cash Advances - 8 items	-614.04
Payments and Credits - 1 item	1,941.07
Total Uncleared Transactions	<u>1,327.03</u>
Register Balance as of 09/20/2021	<u>614.04</u>
New Transactions	
Charges and Cash Advances - 7 items	-547.72
Total New Transactions	<u>-547.72</u>
Ending Balance	<u>1,161.76</u>

P.O. BOX 6343  
FARGO ND 58125-6343



**ACCOUNT NUMBER** 4246 0445 5573 8586  
**STATEMENT DATE** 09-20-2021  
**AMOUNT DUE** \$1,941.07  
**NEW BALANCE** \$1,941.07

PAYMENT DUE ON RECEIPT

000000032 01 SP 0.530 106481395020072 P  
QUAIL VALLEY WATER DIST  
ATTN RICHARD CANTRELL  
24750 SAND CANYON ROAD  
TEHACHAPI CA 93561-8115

**AMOUNT ENCLOSED**  
\$

Please make check payable to "U.S. Bank"

U.S. BANK CORPORATE PAYMENT SYSTEMS  
P.O. BOX 790428  
ST. LOUIS, MO 63179-0428

4246044555738586 000194107 000194107

Please tear payment coupon at perforation.

CORPORATE ACCOUNT SUMMARY									
QUAIL VALLEY WATER D 4246 0445 5573 8586	Previous Balance	Purchases And Other + Charges	Cash Advances +	Cash Advance Fees +	Late Payment Charges	- Credits	- Payments	New Balance	
Company Total	\$1,748.82	\$1,970.03	\$0.00	\$0.00	\$0.00	\$28.96	\$1,748.82	\$1,941.07	

CORPORATE ACCOUNT ACTIVITY				
QUAIL VALLEY WATER DIST 4246-0445-5573-8586				TOTAL CORPORATE ACTIVITY \$1,748.82 CR
Post Date	Tran Date	Reference Number	Transaction Description	Amount
09-08	09-08	7479826125100000000310	PAYMENT - QUAIL VALLEY WA00000 A	1,748.82 PY

NEW ACTIVITY					
RANDY HARDENBROOK 4246-0402-8026-4344		CREDITS \$28.96	PURCHASES \$1,970.03	CASH ADV \$0.00	TOTAL ACTIVITY \$1,941.07
Post Date	Tran Date	Reference Number	Transaction Description	Amount	
08-23	08-20	24137461233600260498783	USPS.COM CLICKNSHIP 800-344-7779 DC	7.95✓	
08-23	08-22	24204291233009469705858	EBAY O*13-07501-46802 408-3766151 CA	319.29✓	
08-23	08-22	24204291233009586728726	EBAY O*27-07498-71275 408-3766151 CA	28.96✓	
08-23	08-20	24247601232200126795917	KERN TURF SUPPLY INC BAKERSFIELD CA	127.16✓	
08-23	08-20	24717051232262321987961	PACE SUPPLY CORP 17 707-4628707 CA	345.39✓	

CUSTOMER SERVICE CALL  800-344-5696	ACCOUNT NUMBER 4246-0445-5573-8586		ACCOUNT SUMMARY	
	STATEMENT DATE 09/20/21	DISPUTED AMOUNT .00	PREVIOUS BALANCE	1,748.82
SEND BILLING INQUIRIES TO: U.S. Bank National Association C/O U.S. Bancorp Purchasing Card Program P.O. Box 6335 Fargo, ND 58125-6335		PURCHASES & OTHER CHARGES	1,970.03	
		CASH ADVANCES	.00	
AMOUNT DUE  1,941.07		CASH ADVANCE FEES	.00	
		LATE PAYMENT CHARGES	.00	
		CREDITS	28.96	
		PAYMENTS	1,748.82	
		ACCOUNT BALANCE	1,941.07	





Company Name: QUAIL VALLEY WATER DIST  
 Corporate Account Number: 4246 0445 5573 8586  
 Statement Date: 09-20-2021

NEW ACTIVITY				
Post Date	Tran Date	Reference Number	Transaction Description	Amount
08-24	08-23	74204291235349583208725	EBAY O*27-07498-71275 408-3766151 CA	
08-26	08-26	24204291237009617248732	EBAY O*19-07518-24870 408-3766151 CA	28.96 CR
08-26	08-26	24204291237581113588720	EBAY O*16-07518-83795 408-3766151 CA	133.78 ✓
08-26	08-26	24204291237581173908727	EBAY O*15-07519-00369 408-3766151 CA	34.32 ✓
08-26	08-26	24204291237581425758722	EBAY O*07-07520-69561 408-3766151 CA	34.32 ✓
08-26	08-24	24692161237100454759958	LOWES #02502* LANCASTER CA	48.26 ✓
08-30	08-27	24692161239100956181303	LOWES #01708* BAKERSFIELD CA	97.53 ✓
08-30	08-30	24692161242100730262432	HNS*HUGHESNET.COM 866-347-3292 MD	92.30 ✓
09-02	09-01	24275391244900014085292	KERN DATA 888-8717205 CA	115.22
09-06	09-03	24692161247100727390357	LOWES #01708* BAKERSFIELD CA	40.00
09-06	09-05	24692161248100251459502	LESLIES POOL SPLY PALMDALE CA	177.10 ✓
09-09	09-08	24164071251105040563112	QUILL CORPORATION 800-982-3400 SC	51.24 ✓
09-13	09-13	24430991256400816024155	MSFT * E0500FX319 800-642-7676 WA	62.19 ✓
09-14	09-13	24692161256100543164653	INTUIT *PAYROLLEE USAG 833-830-9255 CA	8.25
09-14	09-13	24692161256100745106643	LOWES #00790* BAKERSFIELD CA	6.00
09-20	09-19	24692161262100477194017	LOWES #00790* BAKERSFIELD CA	51.29 ✓
				189.48 ✓

Department: 00000 Total: \$1,941.07  
 Division: 00000 Total: \$1,941.07

Quail Valley Water District  
**Balance Sheet**  
As of September 30, 2021

	<u>Sep 30, 21</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Prop 84 Checking Account	92,141.47
<b>Total Checking/Savings</b>	<u>92,141.47</u>
Accounts Receivable	
Accounts Receivable	26,597.60
<b>Total Accounts Receivable</b>	<u>26,597.60</u>
<b>Total Current Assets</b>	<u>118,739.07</u>
<b>TOTAL ASSETS</b>	<u><u>118,739.07</u></u>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	29,066.90
<b>Total Accounts Payable</b>	<u>29,066.90</u>
Credit Cards	
CoBank LOC	225,802.17
<b>Total Credit Cards</b>	<u>225,802.17</u>
<b>Total Current Liabilities</b>	<u>254,869.07</u>
<b>Total Liabilities</b>	254,869.07
<b>Equity</b>	
Opening Balance Equity	1,000.00
Retained Earnings	-64,046.02
Net Income	-73,083.98
<b>Total Equity</b>	<u>-136,130.00</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>118,739.07</u></u>

5:49 PM

10/11/21

**Quail Valley Water District  
Statement of Cash Flows  
September 2021**

	<u>Sep 21</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	
Adjustments to reconcile Net Income to net cash provided by operations:	-1,725.99
Accounts Payable	-47,986.98
Net cash provided by Operating Activities	-49,712.97
Net cash increase for period	-49,712.97
Cash at beginning of period	141,854.44
Cash at end of period	<u>92,141.47</u>

5:32 PM

10/26/21

**Quail Valley Water District  
Statement of Cash Flows  
July through September 2021**

	<u>Jul - Sep 21</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	
Adjustments to reconcile Net Income to net cash provided by operations:	-73,083.98
Accounts Receivable	-1,590.30
Accounts Payable	-11,248.23
CoBank LOC	-1,225.74
Net cash provided by Operating Activities	-87,148.25
Net cash increase for period	-87,148.25
Cash at beginning of period	179,289.72
Cash at end of period	<u>92,141.47</u>

5:47 PM

10/11/21

Accrual Basis

**Quail Valley Water District  
Profit & Loss  
September 2021**

	<u>Sep 21</u>
Ordinary Income/Expense	
Expense	
Total Budget	
1-Construction of Facilities	1,725.99
Total Total Budget	1,725.99
Total Expense	1,725.99
Net Ordinary Income	-1,725.99
Net Income	<u>-1,725.99</u>

5:31 PM  
 10/26/21  
 Accrual Basis

Quail Valley Water District  
**Profit & Loss**  
 July through September 2021

	Jul - Sep 21
Ordinary Income/Expense	
Expense	
Non Reimbursable Expense	
Bank Charges	15.00
Total Non Reimbursable Expense	15.00
Prop 84 Ineligible Expense	1.25
Total Budget	
1-Construction of Facilities	71,987.73
2-Construction Management, Insp	1,080.00
Total Total Budget	73,067.73
Total Expense	73,083.98
Net Ordinary Income	-73,083.98
Net Income	-73,083.98

Quail Valley Water District

10/26/2021 5:34 PM

Register: Prop 84 Checking Account  
 From 07/01/2021 through 10/26/2021  
 Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
07/02/2021			Non Reimbursable Ex...	Service Charge	15.00	X		179,274.72
07/13/2021	RR3PY-...	CoBank	Accounts Payable	Interest 06/02/...	399.33	X		178,875.39
08/01/2021		Reve Environmental	Accounts Payable		13,919.40			164,955.99
08/10/2021	RTYQ4R...	CoBank	Accounts Payable	Interest 07/01/...	414.10			164,541.89
08/18/2021	RVSLB-...	Cora Constructors Inc.	Accounts Payable		22,687.45			141,854.44
09/08/2021	RXWJX-...	CoBank	Accounts Payable	Interest 08/01/...	412.69			141,441.75
09/21/2021	RZ781-F...	Cora Constructors Inc.	Accounts Payable	Retention	47,574.29			93,867.46
09/21/2021	RZ781-F...	Forshock	Accounts Payable	Replace reclai...	1,725.99			92,141.47
10/17/2021	S1FRI-4...	CoBank	Accounts Payable	Interest - 9/1/2...	398.95			91,742.52

6:26 PM  
10/26/21

# Quail Valley Water District Reconciliation Summary Prop 84 Checking Account, Period Ending 09/30/2021

	<u>Sep 30, 21</u>
Beginning Balance	141,839.44
Cleared Transactions	
Checks and Payments - 4 items	-49,727.97
Total Cleared Transactions	-49,727.97
Cleared Balance	<u>92,111.47</u>
Register Balance as of 09/30/2021	92,111.47
New Transactions	
Checks and Payments - 1 item	-398.95
Total New Transactions	-398.95
Ending Balance	<u><u>91,712.52</u></u>



**STATEMENT  
OF ACCOUNTS**

Page 1 of 1  
Statement Number: 2740027029  
09/01/21 - 09/30/21

UNION BANK  
STOCKDALE VILLAGE 0441  
P.O. BOX 60368  
PHOENIX AZ 85082-0368

**Telephone Banking**  
For 24-hour Automated Direct Service  
800-238-4486  
800-826-7345(TDD)  
Representatives are available  
Monday through Saturday

To open additional accounts,  
or apply for loans, call your  
banking office at 661-322-5035

You may also access your account online  
at unionbank.com

Thank you for banking with us  
since 2014

**QUAIL VALLEY WATER DISTRICT  
PROP 84  
24750 SAND CANYON RD  
TEHACHAPI CA 93561-8115**

**Business Essentials Checking Summary**

Account Number: 2740027029

Days in statement period: 30

<b>Balance on 9/1</b>	\$	<b>141,839.44</b>
Additions		0.00
Subtractions		-49,727.97
		Checks -47,574.29
		Payments -2,138.68
		Other Withdrawals -15.00
<b>Balance on 9/30</b>	\$	<b>92,111.47</b>
Statement Average Ledger Balance		139,846.43

We waived your service charge this statement period.

**Checks**

<u>Number</u>	<u>Date</u>	<u>Reference</u>	<u>Amount</u>	<u>Number</u>	<u>Date</u>	<u>Reference</u>	<u>Amount</u>
5190	9/30	07539512	47,574.29				

**Payments** *online and electronic banking*

<u>Date</u>	<u>Description/Location</u>	<u>Reference</u>	<u>Amount</u>
9/15	COBANK ONLINE PMT WEB UN1330586897POS	58401750	\$ 412.69
9/28	FORSHOCK ONLINE PMT WEB UN1330586897POS	50010632	1,725.99
<b>Total</b>			<b>\$ 2,138.68</b>

**Other Withdrawals** *including fees and adjustments*

<u>Date</u>	<u>Description/Location</u>	<u>Reference</u>	<u>Amount</u>
9/2	WIRE TRANSFER MONTHLY FEE/WEB (WTM)	90251794	\$ 15.00

Quail Valley Water District

10/26/2021 5:35 PM

Register: CoBank LOC

From 07/01/2021 through 10/26/2021

Sorted by: Date, Type, Number/Ref

<u>Date</u>	<u>Ref.</u>	<u>Payee</u>	<u>Account</u>	<u>Memo</u>	<u>Charge C</u>	<u>Payment</u>	<u>Balance</u>
07/30/2021		CoBank	Accounts Payable				
08/31/2021		CoBank	Accounts Payable			414.10	226,214.86
09/30/2021		CoBank	Accounts Payable			412.69	225,802.17
						398.95	225,403.22

QUAIL VALLEY WATER DISTRICT

BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION

Year Ended June 30, 2021

(With Independent Auditor's Report Thereon)

Quail Valley Water District

Auditor's Report

From 07/01/2017 through 06/30/2019

Amount for Year (Type: Amount)

Date	Year	Amount	Change	Year	Balance
07/01/2017	07/01/2017	0.00	0.00	07/01/2017	0.00
06/30/2018	06/30/2018	0.00	0.00	06/30/2018	0.00
06/30/2019	06/30/2019	0.00	0.00	06/30/2019	0.00

**QUAIL VALLEY WATER DISTRICT**

**BASIC FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**Year Ended June 30, 2019**

**(With Independent Auditor's Report Thereon)**

DRAFT COPY - FOR DISCUSSION PURPOSES ONLY

**Bill R. Walker**  
**Certified Public Accountant**



581 P. WALKER  
Certified Public Accountant

**QUAIL VALLEY WATER DISTRICT  
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FIRST DRAFT COPY - FOR DISCUSSION PURPOSES ONLY

**BILL R. WALKER**  
**Certified Public Accountant**

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Quail Valley Water District  
Tehachapi, California

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Quail Valley Water District as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

**Opinions**

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Quail Valley Water District, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–8, and the budget to actual comparison – statement of revenue and expenses on page 29, should be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers them to be essential parts of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Quail Valley Water District's basic financial statements. The schedule of operating expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The schedule of operating expenses is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of operating expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, I have also issued my report dated October 8, 2021, on my consideration of Quail Valley Water District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Quail Valley Water District's internal control over financial reporting and compliance.

Bill R. Walker, CPA

*Bill R. Walker*

Bakersfield, California

October 8, 2021

**QUAIL VALLEY WATER DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2019**

As management of the Quail Valley Water District (the District), we offer readers of the District's basic financial statements this narrative overview and analysis of the District's financial performance during the year ending June 30, 2019. Please read it in conjunction with the District's financial statements, which follow in this section.

***Financial Highlights***

The District's total net position decreased \$ 32,023 or 4.3% over the course of the year's operations. This decrease was primarily related to non-operating income decreasing 154.4%, non-operating expenses decreasing 68.7% for the fiscal year ended June 30, 2019.

The District's total operational revenue decreased \$18,487 or 15.5% during the year ended June 30, 2019. The components of the increase are as follows:

(Decrease) in water sales	\$ (21,477)
Increase in water services	<u>2,990</u>
(Decrease) in total operational revenue	<u>\$ (18,487)</u>

The District's operating expenses decreased \$16,847 or 10.5% during the fiscal year ended June 30, 2019.

The District's capital assets, before accumulated depreciation decreased \$3,053 or .33% during the fiscal year ended June 30, 2019 as a result of adjustment of actual inventory of fixed assets.

Bill R. Walker, CPA  
 Bill R. Walker  
 October 8, 2019

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### *Overview of the Financial Statements*

This annual report includes this management's discussion and analysis report, the independent auditor's report, the financial statements of the District and selected additional information. The financial statements also include notes that explain in more detail some of the information in the financial statements.

### *Required Financial Statements*

The financial statements of the District report information of the District using accounting methods like those used by private sector companies. These statements offer short and long term financial information about its activities. The Statement of Net Position includes all of District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and for assessing the liquidity and financial flexibility of the District.

All the current year's revenues and expenses are accounted for in the Statement of Revenues and Expenses, and Changes in Net Position. These statements measure the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all of its costs through its contract revenue and contributions - other districts and other charges, as well as its profitability and credit worthiness.

The final required financial statement is the Statement of Cash Flows. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

### *Financial Analysis of the District*

One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse off because of the year's activities?" The Statement of Net Position, and the Statements of Revenues and Expenses, and Changes in Net Position report information about the District's activities in a way that will help answer this question. These three statements report the net position of the District and the changes in them. One can think of the District's net position, is one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

Net Position

To begin our analysis, a summary of the District's Statements of Net Position is presented in Table A-1

Table A - 1  
 Condensed Statements of Net Position  
 June 30, 2019 and 2018

	2019	2018	Dollar Change	Percent Change
Current Assets	\$ 759,803	\$ 507,360	\$ 252,443	49.8%
Capital Assets	922,223	912,903	9,320	1.0%
Other Assets	7,156	34,582	(27,426)	-79.3%
<b>Total Assets</b>	<b>1,689,182</b>	<b>1,454,845</b>	<b>234,337</b>	<b>16.1%</b>
Current Liabilities	981,988	715,628	266,360	37.2%
Long- Term Debt	-	-	-	-
Other Liabilities	-	-	-	-
<b>Total Liabilities</b>	<b>981,988</b>	<b>715,628</b>	<b>266,360</b>	<b>37.2%</b>
Unrestricted Net Position (deficit)	641,536	(171,908)	813,444	-473.2%
Restricted Net Position - Proposition 84	(140,325)	552,718	(693,043)	0.0%
Invested in Capital Assets, net of Related Debt	205,983	358,407	(152,424)	-42.5%
	<b>\$ 707,194</b>	<b>\$ 739,217</b>	<b>\$ (32,023)</b>	<b>-4.3%</b>

As can be seen from the table above, total assets increased \$234,337 to \$1,689,182 at June 30, 2019 up from \$1,454,845 at June 30, 2018. The increase in total assets of the District was composed of three factors: current assets increased \$252,443, capital assets net of depreciation increased \$9320, and other assets decreased \$27,426.

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Table A-2 Condensed Statements of Revenues and Expenses and  
 Changes in Net Position  
 Year Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
Operating Revenues	\$ 100,880	\$ 119,367	\$ (18,487)	-15.5%
Non-operating Revenues	<u>82,845</u>	<u>50,312</u>	<u>32,533</u>	64.7%
Total Revenues	<u>\$ 183,725</u>	<u>\$ 169,679</u>	<u>\$ 14,046</u>	<u>8.3%</u>
Operating Expenses	143,381	160,228	(16,847)	-10.5%
Non-operating Expenses	<u>72,367</u>	<u>230,909</u>	<u>(158,542)</u>	<u>0.0%</u>
Total Expenses	<u>\$ 215,748</u>	<u>\$ 391,137</u>	<u>\$ (175,389)</u>	<u>-44.8%</u>

The District's operating revenues decreased \$18,487 to \$100,880 during the year ended June 30, 2019 from \$119,367 during the year ended June 30, 2018. The District's non-operating revenues increased \$32,533 to \$82,845 during the year ended June 30, 2019 from \$50,312 during the year ended June 30, 2018. The District's operating expenses decreased \$16,847 to \$143,381 during the year ended June 30, 2019 from \$160,228 during the year ended June 30, 2018. The District's non-operating expenses decreased \$158,542 to \$72,367 during the year ended June 30, 2019 from \$230,909 during the year ended June 30, 2018.

QUAIL VALLEY WATER DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2019

Table A-3  
Schedule of Capital Assets  
Year Ended June 30, 2019 and 2018

	<u>2019</u>	<u>2018</u>	<u>Dollar Change</u>	<u>Percentage Change</u>
<i><u>Capital Assets Being Depreciated</u></i>				
Transmission and Distribution Facilities	\$ 335,679	\$ 324,949	\$ 10,730	3.3%
Pumping Plant	31,394	31,394	-	0.0%
General Plant	<u>150,780</u>	<u>150,780</u>	<u>-</u>	<u>0.0%</u>
Less, Accumulated Depreciation	<u>(185,444)</u>	<u>(167,388)</u>	<u>(18,056)</u>	<u>8.6%</u>
Depreciable Assets, Net of Accumulated Depreciation	<u>\$ 332,409</u>	<u>\$ 339,735</u>	<u>\$ (7,326)</u>	<u>-2.2%</u>
<i><u>Capital Assets Not Being Depreciated</u></i>				
Land	31,217	31,217	-	-
Construction in Progress	101,980	85,334	16,646	19.5%
Proposition 84 Project	<u>456,617</u>	<u>456,617</u>	<u>-</u>	<u>0.0%</u>
Total Capital Assets not Being Depreciated	<u>589,814</u>	<u>573,168</u>	<u>16,646</u>	<u>2.9%</u>
Total Capital Assets , Net of Accumulated Depreciation	<u>\$ 922,223</u>	<u>\$ 912,903</u>	<u>\$ 9,320</u>	<u>1.0%</u>

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QUAIL VALLEY WATER DISTRICT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2019

*Contacting District Management*

This financial report is designed to provide our customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District at 27450 Sand Canyon Road, Tehachapi, California 93561.

BASIC FINANCIAL STATEMENTS

FIRST DRAFT COPY - FOR DISCUSSION PURPOSES ONLY

Contacting District Management

This financial report is designed to provide our customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District at 37480 Sand Canyon Road, Tehachas, California 93581.

## BASIC FINANCIAL STATEMENTS

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**QUAIL VALLEY WATER DISTRICT**  
**Statement of Net Position**  
**June 30, 2019**

ASSETS	Unrestricted- Enterprise Fund	Restricted - Governmental Fund	Totals
<b>Current Assets</b>			
Cash			
Accounts receivable, trade	\$ 5,648	\$ 7,458	\$ 13,106
Current portion of connection fees receivable	117,328	609,306	726,634
Inventory of materials and supplies	-	-	-
	<u>20,063</u>	<u>-</u>	<u>20,063</u>
Total current assets	<u>143,039</u>	<u>616,764</u>	<u>759,803</u>
<b>Noncurrent Assets</b>			
Capital assets, net of accumulated depreciation	922,223	-	922,223
Connection fees	7,156	-	7,156
Total other noncurrent assets	<u>7,156</u>	<u>-</u>	<u>7,156</u>
<b>Total Assets</b>	<u>\$ 1,072,418</u>	<u>\$ 616,764</u>	<u>\$ 1,689,182</u>
<b>LIABILITIES AND NET POSITION</b>			
<b>Current Liabilities</b>			
Accounts payable, trade	175,719	153,026	328,745
Credit cards payable	419	-	419
Taxes accrued	2,036	-	2,036
Loan payable - related party	46,725	-	46,725
Line of credit COBANK	-	604,063	604,063
Total current liabilities	<u>224,899</u>	<u>757,089</u>	<u>981,988</u>
<b>Total Liabilities</b>	<u>224,899</u>	<u>757,089</u>	<u>981,988</u>
<b>Net Position (Deficit)</b>			
Invested in capital assets, net of related debt	205,983	-	205,983
Restricted for:			
Proposition 84	-	(140,325)	(140,325)
Unrestricted	641,536	-	641,536
Total net position	<u>\$ 847,519</u>	<u>\$ (140,325)</u>	<u>\$ 707,194</u>

The accompanying notes are an integral part of these financial statements

**QUAIL VALLEY WATER DISTRICT**  
**Statement of Revenue and Expenses**  
**For the Year Ended June 30, 2019**

	Unrestricted Enterprise Fund	Restricted - Governmental Fund	Totals
<b>Operating Revenue</b>			
Water sales - residential	\$ 92,223	\$ -	\$ 92,223
Water sales - other	5,667	-	5,667
<b>Total Water Sales</b>	<u>97,890</u>	<u>-</u>	<u>97,890</u>
Water services:			
Account transfer fee	750	-	750
Late fees	1,502	-	1,502
Disconnect fees	738	-	738
Returned check charges	-	-	-
<b>Total Water Services</b>	<u>2,990</u>	<u>-</u>	<u>2,990</u>
<b>Total Operating Revenue</b>	<u>100,880</u>	<u>-</u>	<u>100,880</u>
<b>Operating Expenses</b>			
Source of supply	-	-	-
Pumping expense	3,438	-	3,438
Water treatment	2,918	-	2,918
Transmission and distribution	11,206	-	11,206
Customer accounts	3,461	-	3,461
Administrative and general	91,474	12,828	104,302
Depreciation expense	18,056	-	18,056
<b>Total Operating Expenses</b>	<u>130,553</u>	<u>12,828</u>	<u>143,381</u>
<b>Operating (loss)</b>	<u>(29,673)</u>	<u>(12,828)</u>	<u>(42,501)</u>
<b>Non-operating Income</b>			
Rent income	500	-	500
Interest income	1,362	-	1,362
Property taxes current - secured	34,459	-	34,459
Property taxes current - unsecured	3,189	-	3,189
Proposition 84 reimbursements	-	43,029	43,029
Home owners property tax relief	284	-	284
Miscellaneous income	22	-	22
<b>Total Non-operating Income</b>	<u>39,816</u>	<u>43,029</u>	<u>82,845</u>
<b>Non-operating Expense</b>			
Payroll expenses	68,931	-	68,931
Proposition 84	-	-	-
Other nonoperating expense	3,436	-	3,436
<b>Total Non-operating Expense</b>	<u>72,367</u>	<u>-</u>	<u>72,367</u>
<b>Change in net position</b>	<u>\$ (62,224)</u>	<u>\$ 30,201</u>	<u>\$ (32,023)</u>

The accompanying notes are an integral part of these financial statements

**QUAIL VALLEY WATER DISTRICT**  
**Statement of Changes in Net Position**  
**for the Year Ended June 30, 2019**

	<b>Unrestricted Enterprise Fund</b>	<b>Invested in Capital Assets (Net Of Related Debt)</b>	<b>Restricted - Governmental Fund</b>	<b>Totals</b>
<b>Balances, June 30, 2018 restated - Note 9</b>	\$ 703,760	\$ 205,983	\$ (170,526)	\$ 739,217
Change in net position for the year ended June 30, 2019	(62,224)	-	30,201	(32,023)
Contributions - Clean Water Act	-	-	-	-
<b>Balances, June 30, 2019</b>	<b>\$ 641,536</b>	<b>\$ 205,983</b>	<b>\$ (140,325)</b>	<b>\$ 707,194</b>

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The accompanying notes are an integral part of these financial statements

**QUAIL VALLEY WATER DISTRICT**  
**Statement of Cash Flows**  
**for the Year Ended June 30, 2019**

	<b>Unrestricted - Enterprise Fund</b>	<b>Restricted - Governmental Fund</b>	<b>Totals</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from customers	\$ 91,024	-	\$ 91,024
Cash payments to suppliers for services	(43,879)	\$ (12,828)	(56,707)
Cash payments to employees for services	(20,133)	-	(20,133)
Cash payments for general and administrative expenses	(103,225)	-	(103,225)
Net cash (used) by operating activities	<u>(76,213)</u>	<u>(12,828)</u>	<u>(89,041)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	(7,812)	-	(7,812)
Funds expended on Proposition 84 site survey and feasibility studies	-	-	-
Interest received	1,362	-	1,362
Proceeds from disposal of investments	-	-	-
Net cash (used) by investing activities	<u>(6,450)</u>	<u>-</u>	<u>(6,450)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
California grant income	43,029	-	43,029
Property taxes collected	37,932	-	37,932
Various income from nonoperative activities	22	18,611	18,633
Rent collected	500	-	500
Net cash provided by noncapital financing activities	<u>81,483</u>	<u>18,611</u>	<u>100,094</u>
Net (decrease) in cash	(1,180)	5,783	4,603
Cash beginning of year	6,828	1,675	8,503
Cash end of year	<u>\$ 5,648</u>	<u>\$ 7,458</u>	<u>\$ 13,106</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (29,673)	\$ (12,828)	\$ (42,501)
Depreciation	18,056	-	18,056
(Increase) in accounts receivable - trade	(70,316)	-	(70,316)
Decrease in connection fees receivable	5,952	-	5,952
(Increase) in inventory	(7,200)	-	(7,200)
Increase in accounts payable - trade	19,136	-	19,136
(Decrease) in credit cards payable	(403)	-	(403)
(Decrease) in accrued taxes	(11,765)	-	(11,765)
Net cash (used) by operating activities	<u>\$ (76,213)</u>	<u>\$ (12,828)</u>	<u>\$ (89,041)</u>

The accompanying notes are an integral part of these financial statements

# QUAIL VALLEY WATER DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

### Note 1 - Summary of Significant Accounting Policies

#### Reporting Entity

The Quail Valley Water District (District) was formed on November 16, 1966. Quail Valley Water District is a Special District organized under California Water Code Section 29532. The District encompasses an area of 15,000 acres located Northwest of the City of Tehachapi in the County of Kern. The District was formed to obtain, develop, and to deliver domestic water within the District's boundaries. The District is governed by a five-member Board of Directors that are elected by landowners within the District boundaries for terms of four years.

#### Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied. The accompanying financial statements are prepared using the economic resource management focus and the accrual basis of accounting. Under the economic resource management focus all assets and liabilities (whether current or non-current) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenue) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Private-sector standards of accounting and reporting issued prior to December 1, 1989 are generally followed to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to some limitations. The District has elected not to follow subsequent private-sector guidance.

An enterprise fund distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the District's principal on-going operations. The principal on-going operating revenues of the District are charges to customers for water sales and services. The Board of Directors determines water rates. Operating expenses for the District include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then the unrestricted resources as they are needed.

# QUAIL VALLEY WATER DISTRICT

## NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2019

### Budget

The District has not prepared an annual budget for the year ended June 30, 2018. However, the Board does plan to adopt an annual budget in the up-coming years.

### Capital Assets

Premises and equipment are stated at cost, less accumulated depreciation. The depreciation charged is on the straight-line method over the estimated useful lives as follows:

Transmission and Distribution Facilities	25 Years
Pumping Plant	10 Years
General Plant Equipment	4 to 15 Years

Repairs and maintenance are recorded as an expense. Renewals and betterments greater than \$1,000 are capitalized, while costs less than \$1,000 are expensed. Gains and losses on dispositions are included in change in net assets in the year of disposition.

### Cash and Cash Equivalents

Cash and cash equivalents are considered to be cash on hand, demand deposits with financial institutions, deposits in money market mutual funds and short-term investments with original maturities of twelve months or less from the date of acquisition. The short-term investments include the investment pooled cash with the Kern County Treasury. Investment pool deposits are carried at the District's proportionate share of the fair value of each pool's underlying portfolio.

### Deposit and Investment Disclosures

In accordance with GASB Statement Number 40, Deposit and Investment Disclosures (Amendment of GASB Number 3), certain disclosures are required, if applicable, for Deposits and Investment Risks in the following areas:

- Interest Rate Risk
- Foreign Currency Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentrations of Credit Risk



**QUAIL VALLEY WATER DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended June 30, 2019**

**Deposit and Investment Risk Disclosures - continued**

In addition, other disclosures are specified including the use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

**Property Taxes**

County property taxes attach as an enforceable lien on property as of March 1. Taxes are levied on July 1 and are due and payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of Kern bills and collects the taxes as part of the 1% county-wide property tax levy and subsequently distributes a portion of the levy to the District. Property taxes are recognized as revenue when they are appropriated to the District by Kern County. Proper allowances are made for estimated uncollectible accounts.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the District to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Concentration of Credit Risk**

Credit has and will be extended in the form of accounts receivable and service connection fees receivable to landowners and water users who are located primarily in the District's service area.

**Net Position**

The District utilizes a net position presentation in accordance with GASB Statement 34, Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments, as amended by GASB 63. Net position is categorized as invested in capital assets, net of related debt, restricted components of net position and unrestricted components of net position. These categories are defined as follows:

**QUAIL VALLEY WATER DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2019**

**Net Position - continued**

*Invested in capital assets, net of related debt* - The component of net position consists of capital assets, including restricted assets, net of accumulated depreciation and reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

*Restricted components of net position* - This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources (if any) related to restricted assets if the asset results from a resource flow that also results in the recognition of a liability will be liquidated with the restricted assets reported.

*Unrestricted components of net position* - This component of net position is the net amount of assets, deferred outflows of resources, liabilities (if any), and deferred inflows of resources (if any), that are not included in the determination of net investment in capital assets or the restricted component of net position.

**Fund Accounting**

The District utilizes accounting for enterprise entities that account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

**QUAIL VALLEY WATER DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2019**

**Subsequent Events**

In preparing these financial statements, events and transactions were evaluated for potential recognition or disclosure through October 8, 2021, the date the financial statements were available to be issued.

There are no subsequent events considered material that would require disclosure in the financial statements.

**Note 2 - Cash Deposits/Investment**

Cash and investments at June 30, 2019 are classified in the accompanying financial statements as follows:

	Unrestricted - Enterprise Fund	Restricted - Governmental Fund	Totals
Cash on hand	\$ 55	\$ -	\$ 55
Deposits in financial institutions	1,694	7,458	9,152
Cash in County Pooled Investment Fund	3,899	-	3,899
Investments	-	-	-
<b>Total Cash</b>	<b>\$ 5,648</b>	<b>\$ 7,458</b>	<b>\$ 13,106</b>

Deposits are carried at cost plus accrued interest. The bank balances are protected by a combination of FDIC insurance and the bank's collateral pool, in accordance with the California Government Code.

For all cash on hand and on deposit at June 30, 2019, amortized cost approximates fair market value.

The District has no cash equivalents as of June 30, 2019.

**QUAIL VALLEY WATER DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

Year Ended June 30, 2019

**Investments Authorized by the California Government Code and the Agency's Investment Policy**

The table below identifies the investment types that are authorized for the Agency by the California Government Code (or the Agency's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or Agency's investment policy, where more restrictive) that address interest rate risk, credit risk, and custodial risk,

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U. S. Treasury Obligations	5 years	None	None
State Obligations - CA and other	5 years	None	None
CA Local Agency Obligations	5 years	None	None
U. S. Agency Securities	5 years	None	None
Banker's Acceptances	180 days	40%	None
			A-1: if the issuer has issued log-term debt it must be rated "A" without regard to modifiers
Commercial Paper - Select Agencies	270 days	25% of the Agency's Money	
			A-1: if the issuer has issued log-term debt it must be rated "A" without regard to modifiers
Commercial Paper - Other Agencies	270 days	40% of the Agency's Money	
Negotiable Certificates of Deposit	5 years	30%	None
CD Placement Service	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the value of the portfolio	None
Medium Term Notes	5years	30%	"A" Rating
Mutual Funds & Money Market Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass - Through Securities	5 years	20%	"AA" Rating
Bank/Time Deposits	5 years	None	None
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	None
Local Agency Investment (LAIF)	N/A	None	None
Voluntary Investment Program Fund	N/A	None	None

# QUAIL VALLEY WATER DISTRICT

## NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2019

### Disclosures Related to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Enterally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. All Agency investments are considered short-term investments with maturities of 12 months or less.

### Disclosures Related to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District is required to disclose the rating for all investments. Cash invested in the local Agency Investment Fund (LAIF) and the Kern County Treasury are considered "exempt from disclosure" under GASB Number 40. The investments held in cash with fiscal agent are federal treasury obligations and rated AAA at June 30, 2019.

### Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the amount deposited by the public agencies.

GASB Statement Number 40 require that the following disclosure be made with respect to custodial credit risks relating to deposits and investments: none of the District's deposits with financial institutions in excess of federal depository insurance limits were held in unpolarized accounts.

**QUAIL VALLEY WATER DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2019**

*Investments in State Investment Pool*

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to amount of the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

**Note 3 - Property, Plant and Equipment**

	Assets - at Cost			
	Balances June 30, 2018	Additions	Disposals	Balances June 30, 2019
<b><u>Capital Assets Being Depreciated</u></b>				
Transmission and Distribution Facilities	\$ 324,949	\$ 10,730	\$ -	\$ 335,679
Pumping Plant	31,394	-	-	31,394
General Plant	150,780	-	-	150,780
Less, Accumulated Depreciation	<u>(167,388)</u>	<u>(18,056)</u>	<u>-</u>	<u>(185,444)</u>
Depreciable Assets, Net of Accumulated Depreciation	<u>339,735</u>	<u>(7,326)</u>	<u>-</u>	<u>332,409</u>
<b><u>Capital Assets Not Being Depreciated</u></b>				
Land	31,217	-	-	31,217
Construction in Progress	85,334	16,646	-	101,980
Proposition 84 Site Surveys - Feasibility Studies	<u>456,617</u>	<u>-</u>	<u>-</u>	<u>456,617</u>
Total Capital Assets not Being Depreciated	<u>573,168</u>	<u>16,646</u>	<u>-</u>	<u>589,814</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>\$ 912,903</u>	<u>\$ 9,320</u>	<u>\$ -</u>	<u>\$ 922,223</u>

# QUAIL VALLEY WATER DISTRICT

## NOTES TO FINANCIAL STATEMENTS Year Ended June 30, 2019

### Note 4 - Water Connection Receivable

The Board of Directors issued a Resolution in July 2017 offering a reduction in the current connection and capital improvement fees to the owners of property immediately adjacent to the proposed new pipeline.

Discounts for connection fees during Prop 84 construction ended in the year ended June 30, 2019. No connection fees were eligible for discount in the year ended June 30, 2019.

The connection and capital fee charges and discounts are scheduled as follows:

	<u>Residential</u>	<u>Commercial</u>	<u>Total</u>
Connection fee	\$ 2,500	\$ 4,167	\$ 6,667
Capital improvement fee	7,000	11,667	18,667
Cash discount - connection fee	(500)	(500)	(1,000)
Cash discount - capital improvement fee	<u>(500)</u>	<u>(500)</u>	<u>(1,000)</u>
Net connection fee	<u>\$ 8,500</u>	<u>\$ 14,834</u>	<u>\$ 23,334</u>

Connection fees receivable were \$7,156 at June 30, 2019.

### Note 5 - Risk Management

The District is exposed to various risks of loss related to torts, damage, theft, and destruction of assets, errors and omissions, job-related illnesses or injuries to employees, and natural disasters. The District purchases workers' compensation insurance and commercial general liability insurance as follows:

#### Limitations:

Each occurrence	\$ 1,000,000
Damage to rented premises	\$ 1,000,000
Medical expense	\$ 10,000
Personal and Adv. Injury	\$ 1,000,000
General aggregate	\$ 3,000,000
Products - Comp/OP AGG	\$ 3,000,000

**QUAIL VALLEY WATER DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**Year Ended June 30, 2019**

**Note 6 - Commitments and Contingencies**

**Water Supply**

The local aquifer is the primary source of water supply to the District. Also, the District is 100 percent dependent upon pumping of groundwater as its water supply for delivery to its customers. The annual water supply and ability to pump is determined by the rain and snowfall within the local water drainage system. Currently the District does not purchase water for storage or delivery.

**Note 7 - Water Grant**

The District has entered into a funding agreement with the California State Water Resources Control Board under the provisions of the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Bond Act of 2006, under Public Resources Code, Section 75022.

The purpose of the funding is to assist in financing a project which will enable the District to meet safe drinking water standards (the Project).

The District is responsible for the design, construction, operation, and maintenance of the Project; and for all persons or entities engaged in such work, including but not limited to contractors, subcontractors, suppliers, and providers of services. Review or approval of plans, specifications, bid documents or other construction documents by the State is solely for the purpose of proper administration of the funds by the State and shall not be deemed to relieve or restrict the District's responsibility.

The State will provide funding to the District in an amount not to exceed \$5,814,576.

The District expended funds for site surveys and feasibility studies related to the Grant from the California Department of Public Health (the Project). The funds expended on the Proposition 84 project have been classified as a "Capital Asset not Being Depreciated" in Property, Plant and Equipment until the related clean water project is completed and functioning. The funds expended on the site survey and feasibility studies were \$456,617 at June 30, 2018.

**Note 8 - Assessed Valuation**

The assessed valuations for the 2018-2019 year as confirmed by the Kern County Auditor Controller were as follows:

	<u>Operations</u>
Net Secured Roll	\$ 23,218,933
Net Unsecured Roll	<u>-</u>
<b>Total</b>	<b><u><u>\$ 23,218,933</u></u></b>



**QUAIL VALLEY WATER DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2019**

**Note 9 - Prior Period Adjustments**

Management adjusted/ reclassified net assets after the release date of the audited financial statements for the year ended June 30, 2018 as follows:

Net assets - Unrestricted Enterprise Fund were increased by \$875,668 due to the reclassification of Work in Progress and the related debt associated with the acquisition of assets

Accordingly, the Restricted Governmental Fund (Proposition 84) was decreased \$723,244, and Invested in Capital Assets Net of Related Debt) was decreased \$152,424.

	<b>Unrestricted Enterprise Fund</b>	<b>Invested in Capital Assets (Net of Related Debt)</b>	<b>Restricted Governmental Fund</b>	<b>Totals</b>
Net Assets, Balance June 30, 2018 - as previously reported	\$ (171,908)	\$ 358,407	\$ 552,718	\$ 739,217
Prior period adjustments as per above descriptions	875,668	(152,424)	(723,244)	-
Net Assets, Balance June 30, 2018 - adjusted	<u>\$ 703,760</u>	<u>\$ 205,983</u>	<u>\$ (170,526)</u>	<u>\$ 739,217</u>

**Note 10 - Line of Credit - COBANK**

Revolving Credit Promissory Note, entered into February 17, 2017, with COBANK, ACB. Revolving Credit Commitment not to exceed \$1,000,000 for the purpose interim financing capital expenditures as approved by the California Safe Water Resources Control Board. The term of the Commitment will be up to and including July 31, 2017 or such later date as the Lender may, in its sole discretion, authorize in writing. The interest rate is based upon the One Month LIBOR Index Rate.

Balance due at June 30, 2019 is \$604,063.

**QUAIL VALLEY WATER DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**  
**Year Ended June 30, 2019**

**Note 11 - Related Party Transactions**

The District is governed by a five-member Board of Directors, all of whom are landowners. The District currently employs two part-time employees and one full-time employee. The one full-time employee serves as the General Manager, operates the water system, reads water meters and performs maintenance and repairs. One part-time employee performs clerical and customer service duties, and one part-time employee assists the General Manager performing system maintenance repairs.

The General Manager loaned the District \$10,500 during the year ended June 30, 2017. The District fully repaid the General Manager \$10,500 during the year ended June 30, 2017.

The General Manager loaned the District \$11,600 during the year ended June 30, 2018 at 0% interest. The loan remains outstanding at June 30, 2019.

The General Manager rents a backhoe to the District at a rate of \$30 per hour, which is an arms-length transaction at a lower than market hourly rental rate for equivalent equipment. This transaction provides the District access to needed equipment at a lower than market rental rate. Total rental for 2019 was \$4,869.

The General Manager submits fully-documented reimbursement claims to the district for supplies purchased, travel expenses, and mileage costs expended on District business. All reimbursement claims are approved by the Board of Directors prior to payment. The balance of the unpaid reimbursement claims posted to accounts payable to the year ended June 30, 2019 is \$46,725, that includes \$4,869 backhoe rental.

DRAFT COPY - FOR DISCUSSION PURPOSES ONLY

**Bill R. Walker**  
**Certified Public Accountant**

**Independent Auditor's Report on Internal Control  
Over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance  
with Government Auditing Standards**

Board of Directors  
Quail Valley Water District  
Bakersfield, California

I have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Quail Valley Water District (District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued my report thereon dated October 8, 2021.

**Internal Control Over Financial Reporting**

In planning and performing my audit of the financial statements, I considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, I do not express an opinion on the District's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As a part of obtaining reasonable assurance about whether Quail Valley Water District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bill R. Walker*

Bill R. Walker  
Certified Public Accountant  
Bakersfield, California

October 8, 2021

FOR DISCUSSION PURPOSES ONLY

Unallocated - Expenses - Fund	Unallocated - Proposition 5A	Total
2	2	2

**SUPPLEMENTARY INFORMATION**

2,870	-	2,870
2,138	-	2,138

2,918	-	2,918
2,374	-	2,374
54	-	54

11,303	-	11,303
-	-	-
-	-	-
2	-	2

11,305	-	11,305
3,538	-	3,538
232	-	232

3,461	-	3,461
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Expenses:  
 Source of Supply  
 Supervision - labor and expense  
 Maintenance - structure and improvements

Total - Source of Supply  
 Pumping Expense  
 Supervision - labor and expense  
 Maintenance - structure and improvements  
 Fuel or power purchased  
 Total - Pumping Expense

Water Treatment  
 Supervision - labor and expense  
 Water quality testing  
 Maintenance - structure and improvements  
 Total - Water Treatment

Transmission and Distribution  
 Supervision - labor and expense  
 Valves - system maintenance  
 System maintenance  
 Maintenance - structure and improvements  
 Total - Transmission and Distribution

Customer Accounts  
 Water - in  
 Customer projects - supervision  
 Uncollectible accounts  
 Water testing  
 Total - Customer Accounts

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**QUAIL VALLEY WATER DISTRICT**  
**Schedule of Operating Expenses**  
**Year Ended June 30, 2019**

	<b>Unrestricted - Enterprise Fund</b>	<b>Restricted - Proposition 84</b>	<b>Totals</b>
<b>Expenses</b>			
<b>Source of Supply:</b>			
Supervision - labor and expense	\$ -	\$ -	\$ -
Maintenance - structure and improvements	-	-	-
<b>Total - Source of Supply</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Pumping Expense:</b>			
Supervision - labor and expense	-	-	-
Maintenance - structure and improvements	568	-	568
Fuel or power purchased	2,870	-	2,870
<b>Total - Pumping Expense</b>	<u>3,438</u>	<u>-</u>	<u>3,438</u>
<b>Water Treatment:</b>			
Supervision - labor and expense	549	-	549
Water quality testing	2,314	-	2,314
Maintenance - structure and improvements	55	-	55
<b>Total - Water Treatment</b>	<u>2,918</u>	<u>-</u>	<u>2,918</u>
<b>Transmission and Distribution:</b>			
Supervision - labor and expense	11,203	-	11,203
Wages - system maintenance	-	-	-
System maintenance	-	-	-
Maintenance - structure and improvements	3	-	3
<b>Total - Transmission and Distribution</b>	<u>11,206</u>	<u>-</u>	<u>11,206</u>
<b>Customer Accounts:</b>			
Wages - meter reading	-	-	-
Customer accounts - supervision	3,228	-	3,228
Uncollectible accounts	233	-	-
Meter reading	-	-	-
<b>Total - Customer Accounts</b>	<u>3,461</u>	<u>-</u>	<u>3,461</u>

**QUAIL VALLEY WATER DISTRICT**  
**Schedule of Operating Expenses**  
**Year Ended June 30, 2019**

Expenses	Unrestricted - Enterprise Fund	Restricted - Proposition 84	Totals
<b>Administrative and General:</b>			
Wages - office	\$ 8,381	\$ -	\$ 8,381
Contract labor - office	-	-	-
Salaries	11,883	-	11,883
Office - postage	632	-	632
Non-reimbursable expense - bank charges	41	-	41
Bank charges	-	-	-
Interest	-	330	330
Office supplies	-	8,550	8,550
Freight	1,529	-	1,529
Answering service	34	-	34
Com-telephone - internet	1,257	-	1,257
Utilities	3,817	-	3,817
Dues and subscriptions	3,905	-	3,905
Office supplies	790	-	790
Contractual services	-	-	-
Property insurance	37,157	2,540	39,697
Employee retirement and benefits	1,534	-	1,534
Workers Compensation insurance	5,805	-	5,805
Employee reimbursement	9,853	-	9,853
Building maintenance	2,098	-	2,098
Equipment rental	4,105	-	4,105
Administrative and general - other	-	-	-
Non-reimbursable expense - other	910	-	910
Other operating expense	-	1,408	1,408
Grounds maintenance - office	823	-	823
Automobile expense	-	-	-
	5,301	-	5,301
<b>Total Administrative and General</b>	<b>\$ 91,474</b>	<b>\$ 12,828</b>	<b>\$ 104,302</b>
<b>Depreciation expense</b>	<b>\$ 18,056</b>	<b>\$ -</b>	<b>\$ 18,056</b>

**QUAIL VALLEY WATER DISTRICT**  
**Statement of Revenue and Expenses**  
**For the Year Ended June 30, 2019**

	<u>BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH BUDGET POSITIVE (NEGATIVE)</u>
Water sales	\$ 90,173	\$ 92,223	\$ 2,050
Water sales - other	-	5,667	5,667
Water services	4,923	2,990	(1,933)
<b>Total operating revenue</b>	<u>95,096</u>	<u>100,880</u>	<u>5,784</u>
Source of supply			
Pumping expense	6,437	3,438	2,999
Water treatment	11,667	2,918	8,749
Transmission and distribution	14,362	11,206	3,156
Customer accounts	4,543	3,461	1,082
Administrative and general	82,830	104,302	(21,472)
Depreciation expense	-	18,056	(18,056)
<b>Total operating expenses</b>	<u>119,839</u>	<u>143,381</u>	<u>(23,542)</u>
Rent income	4,600	500	(4,100)
Interest income	7,741	1,362	(6,379)
Property taxes current - secured	32,862	34,459	1,597
Property taxes current - unsecured	3,085	3,189	104
Proposition 84 reimbursements	-	43,029	43,029
Home owners property tax relief	247	284	37
Miscellaneous income	-	22	22
<b>Total non-operating income</b>	<u>48,535</u>	<u>82,845</u>	<u>34,310</u>
Payroll expenses	73,200	68,931	4,269
Proposition 84	-	-	-
Other non-operating expense	892	3,436	(2,544)
<b>Total non-operating expense</b>	<u>74,092</u>	<u>72,367</u>	<u>1,725</u>
<b>Change in net position</b>	<u>\$ (50,300)</u>	<u>\$ (32,023)</u>	<u>\$ 14,827</u>

The accompanying notes are an integral part of these financial statements



October 19, 2021

Randy Hardenbrook, General Manager  
Quail Valley Water District  
24750 Sand Canyon Road  
Tehachapi, California 93561

I am pleased to confirm my understanding of the services I am to provide Quail Valley Water District for the year ended June 30, 2020. I will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, including the related notes to the financial statements, which collectively comprise the basic financial statements of Quail Valley Water District as of and for the year ended June 30, 2020. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A) and Budget to Actual Analysis, to supplement Quail Valley Water District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of my engagement, I will apply certain limited procedures to Quail Valley Water District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I will not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by U.S. generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Budget to Actual Analysis

I have also been engaged to report on supplementary information other than RSI that accompanies Quail Valley Water District's financial statements. I will subject the following supplementary information to the auditing procedures applied in my audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and I will provide an opinion on it in relation to the financial statements as a whole, in a report combined with my auditor's report on the financial statements:

- 1) Schedule of Operating Expenses

#### **Audit Objectives**

The objective of my 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. My audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Quail Valley Water District and other procedures I consider necessary to enable me to express such opinions. I will issue a written report upon completion of my audit of Quail Valley Water District's financial statements.

My report will be addressed to Management of Quail Valley Water District. I cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for me to modify my opinions or add emphasis-of-matter or other-matter paragraphs.

If my opinions are other than unmodified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or am unable to form or have not formed opinions, I may decline to express opinions or issue reports, or may withdraw from this engagement.

I will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that 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 on compliance, and (2) that 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 paragraph will also state that the report is not suitable for any other purpose. If during my audit I become aware that Quail Valley Water District is subject to an audit requirement that is not encompassed in the terms of this engagement, I will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

#### **Audit Procedures—General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my 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. I 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 government or to acts by management or employees acting on behalf of the government. 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 I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me, 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. However, I will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to my attention. I will also inform the appropriate level of management of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential, and of any material abuse that comes to my attention. My responsibility as auditor is limited to the period covered by my audit and does not extend to later periods for which I am not engaged as auditor.

My 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. I 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 my audit, I 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**

My audit will include obtaining an understanding of the government 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 I 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. My 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 my 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. Accordingly, I will express no such opinion. However, during the audit, I 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, I will perform tests of Quail Valley Water District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of my audit will not be to provide an opinion on overall compliance and I will not express such an opinion in my report on compliance issued pursuant to *Government Auditing Standards*.

### **Other Services**

I will also assist in preparing the financial statements and related notes of Quail Valley Water District in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. I will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. I, in my 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 designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management 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 and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to me and for the accuracy and completeness of that information. You are also responsible for providing me 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 I may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom I determine it necessary to obtain audit evidence.

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

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing me about all known or suspected fraud affecting the government 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 me of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees,

grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that I report.

You are responsible for the preparation of the supplementary information, which I have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include my report on the supplementary information in any document that contains and indicates that I have reported on the supplementary information. You also agree to [include the audited financial statements with any presentation of the supplementary information that includes my 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 my report thereon]. Your responsibilities include acknowledging to me 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 me 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 me corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on my 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 related notes and any other nonaudit services I provide. You will be required to acknowledge in the management representation letter my 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 nonaudit 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**

I may from time to time and depending on the circumstances, use third-party service providers in serving your account. I may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, I maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, I will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and I will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that I am unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, I will remain responsible for the work provided by any such third-party service providers.

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

I will provide copies of my reports to the California State Controller's Office; 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 my reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Bill R. Walker CPA 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 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. I will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Bill R. Walker. Furthermore, upon request, I 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 by the California State Controller's Office. If I am aware that a federal awarding agency or auditee is contesting an audit finding, I will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

I expect to begin my audit on approximately October 25, 2021 and to issue my reports no later than November 30, 2021. Bill R. Walker is responsible for supervising the engagement and signing the reports.

My fee for these services will be at my standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that I agree that my gross fee, including expenses, will not exceed \$4,500. My standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. My invoices for these fees will be rendered each month as work progresses and are payable on presentation. 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, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs.

I appreciate the opportunity to be of service to Quail Valley Water District and believe this letter accurately summarizes the significant terms of my engagement. If you have any questions, please let me know. If you agree with the terms of my engagement as described in this letter, please sign the enclosed copy and return it to me.

Very truly yours,

*Bill R. Walker CPA*

RESPONSE:

This letter correctly sets forth the understanding of Quail Valley Water District.

Management signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**From:** Dan Raytis <dan@bbr.law>  
**Sent:** Thursday, October 14, 2021 11:35  
**To:** Randy Hardenbrook (randy@qvw.d.org)  
**Subject:** FW: Quail Valley

Randy,

I received a call from Jim Worth at McMurtrey, Hartsock & Worth (my old firm) yesterday about representing a landowner in the District on matters that could potentially be adverse to the District. I asked him to send me an email regarding his request. That email is below.

Since I worked at MHW when I represented the District, there is a potential for a conflict between the firm and the District if the firm were now to represent landowners in District matters. However, since I was the only attorney at MHW representing the District during the last ten years or so, and further, since Gene McMurtrey has retired and had not done any work for the District in over a decade before his retirement, I do not see any material risk arising from MHW's former representation of the District in this situation. Further, I am confident that no MHW attorney has (or has had) access to any confidential District information that may be relevant to the representation. My understanding is that Jim Worth may have occasionally performed projects for the District in the past, but that it has likely been more than 20 years since any such work was performed.

Could you please let me know if the District will consent to McMurtrey Hartsock and Worth's representation of the potential client?

I agree with Jim that my relationship with him and the firm would be a benefit to the District in any potential disputes and/or discussions regarding District matters.

Feel free to give me a call if you have any questions.

Thanks,

Dan Raytis



Phone: 661-864-7826

Cell: 661-444-5770

Email: [dan@bbr.law](mailto:dan@bbr.law)

5016 California Ave, Ste 3 | Bakersfield, CA 93309

**From:** Jim Worth <Jim@mhwlegal.com>  
**Sent:** Thursday, October 14, 2021 10:44 AM  
**To:** Dan Raytis <dan@bbr.law>  
**Subject:** Quail Valley

Dan

This email follows our telephone call earlier this week regarding my being contacted by a potential client regarding land and water matters involving Quail Valley Water District. As we know, McMurtrey, Hartsock & Worth represented Quail Valley until recently when you left the firm and you continued to represent Quail Valley in your new firm. I personally have not done any work for Quail Valley for well over a decade and most likely, much longer so I have no special knowledge with respect to Quail Valley. I know we discussed mutual waivers when you were leaving but I can't find anything in writing. In this respect, would you check with Quail Valley to see if they have any objection to my representation of this client as it may pertain to Quail Valley. I believe our ongoing relationship could only benefit both parties. Thanks Dan and let me know if anything further is required with respect to this request.

Jim

James A. Worth, Esq.  
McMurtrey, Hartsock & Worth  
2001 22nd Street, Suite 100  
Bakersfield, CA 93301  
Phone: (661)322-4417  
Fax: (661)322-8123

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A STATE OF  
CALIFORNIA  
PUBLIC AGENCY

# QUAIL VALLEY WATER DISTRICT

BOARD OF DIRECTORS

Mike Biglay 5.5  
Jean Grodewald  
Rita Leonard  
Enrique Lopez  
Joan Tyer

## BOARD MEMO

**Re:** Lot 28, Map 32  
**Date:** 10/22/21  
**By:** Randy Hardenbrook

**Subject:** Compliance with well permit conditions.

The Board of Directors approved issuing permission to the owner of Lot 28 of PM 32 at a regular meeting on 10/31/20 subject to certain terms and conditions. The property owner has not complied with those terms and conditions, has not requested any extension of time to comply, but has apparently completed the well and is possibly using the well to supply agricultural water of unknown quantities.

Staff recommends District consult with counsel and draft a letter to the property owner informing them of their non-compliance and request they immediately comply with all terms and conditions or destroy the well.





A STATE OF  
CALIFORNIA  
PUBLIC AGENCY

# QUAIL VALLEY WATER DISTRICT

## BOARD OF DIRECTORS

Mike Biglay  
Jean Grodewald  
Rita Leonard Phillips  
Enrique Lopez  
Joan Tyer

5.5

## WELL CONSTRUCTION PERMIT

### PROPERTY INFORMATION:

Property Owner(s): Hua Qiang Zhang

Mailing Address: 13046 Amar Rd  
Baldwin Park, CA 91706

Telephone #: 323 680 0188

Parcel: 28, Parcel Map: 32

APN: 459-090-02

### WELL INFORMATION:

Domestic Water Well

### PERMIT CONDITIONS:

Permittee agrees to construct, operate, and maintain the well in compliance with all federal, state, and local laws, rules, regulations, and ordinances.

This permit is only valid for the purpose specified herein.

This permit is valid only for the specified Assessor's Parcel Number indicated on it.

If the well constructed under this permit cannot be or is not being used for its intended purpose, permittee is hereby required to destroy the well according to Kern County well destruction standards.

The permittee(s) shall assume entire responsibility for all activities and uses under this permit and shall indemnify, defend, and hold the District, its officers, agents, and

employees, free and harmless from any and all expense, cost, and liability in connection with or resulting from the granting or exercise of this permit including, but not limited to, property damage, personal injury, and wrongful death.

This permit shall expire if not exercised within 180 calendar days of its approval, unless an extension of the permit expiration date is requested from and granted by the Board of Directors of the District.

Permittee agrees to provide a copy of the driller's log for the completed well to the District within 30 days of well completion.

The permittee agrees to provide the District with copies of all water quality tests performed on the completed well within 30 days of receipt of such test results.

This permit is valid only for the purposes of supplying domestic water to one residence located on the same parcel of land as the well. Any other use will require prior written approval of QVWD.

This permit shall expire if not completed and placed in service supplying domestic water to a permitted residence located on the same parcel of land within 365 calendar days.

**SIGNATURES:**

I understand and agree that all work associated with this permit is required to be done in accordance with the above conditions of this permit. I certify the information given in this permit is correct to the best of my knowledge and that the signature below, whether original, electronic, or photocopied, is authorized and valid, and is affixed with the intent to be enforceable. I also understand that it is my responsibility, as the well owner, to notify the District of any changes in the purpose of this well, from which, is indicated on this application.

Signature of Property Owner: <i>Hua Qiang Zhang</i>	Date: <i>11/2/2020</i>	Print Name of Property Owner: <i>Hua Qiang Zhang</i>
Signature of Property Owner:	Date:	Print Name of Property Owner:
Signature of District Representative: <i>[Signature]</i>	Date: <i>11/4/2020</i>	Title: General Manager

MINUTES OF REGULAR MEETING OF  
THE BOARD OF DIRECTORS OF  
SAND CANYON WATER DISTRICT

April 1, 1974

The regular meeting of the Board of Directors of the Sand Canyon Water District was held on the 1st day of April, 1974 at the hour of 10:00 o'clock A. M. at the regular meeting place of the Board of Directors, Suite 200, 15840 Ventura Boulevard, Encino, California.

ADJOURNMENT:

On order of the President, the meeting was duly adjourned to 11:00 o'clock A. M. at Suite 1200, 16055 Ventura Boulevard, Encino, California.

\* \* \* \* \*

The regular meeting of the Board of Directors reconvened at 11:00 o'clock A. M. at the adjourned meeting place, the President verifying that notice of such adjournment had been duly posted on the door of the meeting place.

ROLL CALL:

On roll call there were present Directors Salant, Laird and Moscoso, Directors Robbins and Martin being absent. Also present was Attorney McElligott.

APPOINTMENT OF SECRETARY PRO TEM:

In the absence of the Secretary, Attorney McElligott was designated Secretary Pro Tem.

OFFICE OF ASSESSOR-TAX COLLECTOR-TREASURER:

The President reported to the Board that the incumbent of the office of Assessor-Tax Collector-Treasurer had been unavailable for any District business and had further neglected to make available District records in his possession for a period of several years. The President, therefore, asked Attorney McElligott whether it would be possible to determine a vacancy in the office and proceed with the appointment to fill the vacancy. Attorney McElligott reviewed for the Board the provisions of §1770(g) of the Government Code which reads as follows:

"§1770. Events causing vacancy before expiration of term. An office becomes vacant on the happening of any of the following events before the expiration of the term:

.....

(g) His ceasing to discharge the duties of his office for the period of three consecutive months, except when prevented by sickness, or when absent from the State with the permission required by law.

....."

Under the circumstances, since the incumbent has been unavailable at least since the 1st day of February 1971, on motion of Director Laird, seconded by Director Moscoso and unanimously carried, the office of Assessor-Tax Collector-Treasurer was deemed vacated pursuant to law. On motion of Director Moscoso, seconded by Director Laird and unanimously carried, Kenenth J. Fisher was duly appointed to said office.

It was also noted that no assessment book had been prepared by the District since the formation and as a consequence there is no currently available up-dated record of owners and voters. The new Assessor-Tax Collector-Treasurer was therefore directed to immediately prepare an official assessment book utilizing the assessed value as shown on the last equalized County assessment roll but reflecting owners as shown by the most recent records of the County Recorder.

APPOINTMENT OF SECRETARY-MANAGER:

The President at this time reported to the Board that Mr. Paul Birnbach has found it no longer feasible to continue to act as Secretary-Manager of this District. He has, therefore, requested that the Board undertake to appoint another person in his stead. On motion of Director Laird, seconded by Director Moscoso and unanimously carried, Mr. Kenneth Yates was duly appointed Secretary-Manager of the District. In each instance, the President stated that he would issue the Certificate of Appointment so that the persons appointed may assume office as soon as possible.

### ELECTION OF DIRECTORS:

It was noted by Director Laird that an election appears to have been called pursuant to some color of law by the Board of Supervisors of Kern County for the offices of three Directors. It was explained to the Board by Attorney McElligott that these offices were due for election in November of 1973 and that for some reason the Election Department in the County Clerk's office appears to be unaware of the location of the District office. In any event, if an attempt had been made to reach the District at the address which is reflected on the Statement of Facts, Suite 245, 21243 Ventura Boulevard, Woodland Hills, California, no record of such has been found. It has, therefore, become a question as to the authority for the holding of the election in June of this year. It would seem that the only source for such authority would come through the right of a voter to request that the Board of Supervisors call an election if the Board of the District has failed to do so. (§2505 of the Elections Code). However, it should be noted that if the election is indeed being legally held, it should also have encompassed the office of the Assessor-Tax Collector-Treasurer. However, none of the notices which have been published in the local newspaper, insofar as President Salant was aware, reflected any offices other than three Board Members. There being no information concerning any nominations to said office, it was suggested that the Board adopt a resolution requesting the appointment in lieu of election of the present incumbent, Mr. Kenneth J. Fisher. For such purpose, Resolution No. 19, "A Resolution Requesting that the Board of Supervisors of Kern County Make Appointment to the Office of Assessor-Tax Collector-Treasurer" was duly adopted on motion of Director Salant, seconded by Director Laird and unanimously carried.

### CHANGE OF MEETING PLACE AND MAILING ADDRESS:

On motion of Director Moscoso, seconded by Director Laird and unanimously carried, Resolution No. 20, "A Resolution Amending Resolution No. 2, 'A Resolution Fixing Time and Place for the Regular Meetings of the Board of Directors of the Sand Canyon Water District, the Location of the District Office, Providing the Manner in which Special Meetings May be Called, Designating an Official Mailing Address, and Establishing the Order of Business and Rules for its Proceedings'", was duly adopted. Said resolution changed the meeting place and mailing address of the District to Suite 1200, 16055 Ventura Boulevard, Encino, California 90067.

### TAX RATE:

Attorney McElligott again drew to the attention of the Board the major need to prepare a current budget in order to undertake the providing of water as had been previously discussed. However,

in the interim period between the time of the last meeting of the Board at which any business was conducted and this date, limitations have been placed on the power of agencies such as this one to levy taxes. In view of the fact that this District has never levied taxes, but has instead accepted contributions toward its cost, it will be necessary to call and hold an election for the purpose of submitting to the voters of the District the question of establishing a tax limitation. It now appears that the earliest date available will be the first Tuesday after the first Monday in November. It was generally agreed that the Board would undertake to review its needs for the purpose of determining an appropriate schedule at the next regular meeting of the Board.

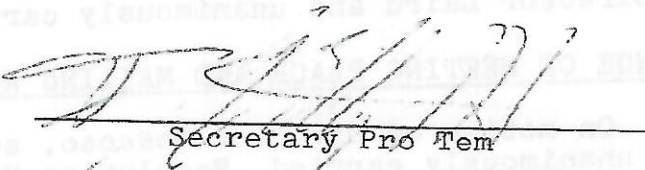
PAYMENT OF BILLS:

The following bill was approved for payment upon availability of funds:

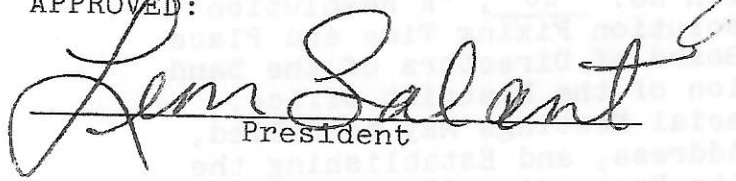
Wilson, Jones, Morton & Lynch \$ 1,377.33

ADJOURNMENT:

There being no further business to come before the Board at this time, the meeting was duly adjourned.

  
Secretary Pro Tem

APPROVED:

  
President

MINUTES OF THE REGULAR MEETING  
OF THE BOARD OF DIRECTORS OF THE  
SAND CANYON WATER DISTRICT

5.7

The Board of Directors of the Sand Canyon Water District duly met at a regular meeting on July 9, 1976, at the hour of 9:00 A.M. at the regular meeting place of the District, being 3200 Twenty-First Street, Suite 401, Bakersfield, California.

DIRECTORS PRESENT: J.R. Speed, Doug Minner and Claire Holmes

DIRECTORS ABSENT: Adrain Bellinger and Robert Martin

OTHERS PRESENT: Wm. A. Anderson

DISCUSSION REGARDING CONFLICT OF INTEREST CODE: Mr. Anderson advised the Board that this was the time set for hearing on the proposed Conflict of Interest Code and to determine that it is in the proper order for approval. After a discussion, the hearing was closed and on motion of Director Minner, seconded by Director Holmes and unanimously carried, the proposed Conflict of Interest Code was approved for filing with the Clerk of the Board of Supervisors.

DISCUSSION REGARDING WATER SYSTEM WITHIN TRACT 3312:  
The Board of Directors discussed the construction of a water system within Tract 3312 and the methods of serving same. It was further discussed that an application had to be filed with the Health Department and other applications on the design must be filed with the Kern County Planning Department and other county departments. After extensive discussion, on motion of Director Holmes, seconded by Director Minner and unanimously carried, the District officers, attorney and engineer were authorized to prepare and file such

DISCUSSION REGARDING 1976-1977 BUDGET: A discussion was held regarding the budget for the District. It was determined that the District needed to raise the sum of \$30,000.00 for the payment of expenses of the District. On motion of Director Minner, seconded by Director Holmes, and unanimously carried, the budget was adopted.

ORDINANCE NO. 3: On motion of Director Holmes, seconded by Director Minner and unanimously carried, Ordinance No. 3 was adopted establishing the amount of money to be raised by taxes was the sum of \$22,000.00.

RESOLUTION NO. 29: A Resolution establishing the 1976-1977 fiscal year tax rate was reviewed by the Board of Directors. Mr. Anderson advised the Board of Directors that the assessed valuation figures had been received from the Auditor Controller's office. After a discussion by the Board, on motion of Director Minner, seconded by Director Holmes, and unanimously carried, the tax rate was established for the entire District for the 1976-1977 fiscal year at \$5.00 per each \$100.00 assessed valuation.

DISCUSSION REGARDING ADVANCES MADE BY DYNASONICS CORP.  
TO THE SAND CANYON WATER DISTRICT:

Mr. J.R. Sneed advised the Board of Directors that during the fiscal year 1975-1976, Dynasonics had advanced the sum of \$2,697.04 for the operation of the District and that Dynasonics Corp., requested reimbursement for said sum pursuant to an earlier agreement. After discussion by the Board of Directors, on motion by Director Minner, seconded by Director Holmes, and unanimously carried, it was approved that the District would reimburse Dynasonics Corporation for the sum of \$2,697.04, at such time as revenues were received by the District and the District was financially able to reimburse Dynasonics Corp., by the following vote:

AYES: Directors Minner and Holmes

NOES: NONE

ABSENT: Directors Bellinger and Martin



RESIGNATION OF J.R. SMITH:

Mr. Speed advised the Board of Directors that due to the press of business, he would like to resign from the Board of Directors, however, he was aware that it would be difficult to find qualified property owners within the Sand Canyon Water District who would have the time to serve on the Board of Directors. He therefore requested the Board to attempt to locate a substitute for his position but he would act as a Director until such time as a replacement could be found.

There being no further business to come before the Board, the meeting was adjourned.

Respectfully submitted:

FRANCIS J. JENNINGS, Secretary

APPROVED:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Directors

Determination of directors terms  
of office

Present

Adrian Bellhop, Murray, Grand Canyon

Doug Minter, Water Right

J.R. Samuel, July 18, 1975

Wm. P.

~~Bob Martin~~ Doug Minter accepts the short  
term

E. Lins & ? will run for  
directors in place of Lins  
& Moscow

600,000

Budget: Assessed value of district

Water Wells turn over to district  
also two dams

At Election after Election board  
will reduce board of directors  
to 5 members

Resolution to collect money  
through Kun Lo Tax Collector  
for year 1976-77

Order Secretary to file with  
his 37203 Water Code

Mr Adrian has Doug  
Budget - 35,000 costs of dist  
Doug Minter > Adrian

## WATER CODE

### SECTION 36550-36560

36550. As used in this part "board of supervisors" means the board of supervisors of the principal county.

36551. As used in this part "bond" means a general obligation bond.

36552. Between the date on which the district was formed and 90 days thereafter, and between those dates annually thereafter, the board shall file with the clerk of the board of supervisors an estimate of the sum required by the district to discharge all of its obligations:

- (a) That are unpaid and matured at that date.
- (b) That will mature during the next year.
- (c) That it is probable will be incurred and mature during the next year.

36553. The annual estimate shall specify the portion thereof which will be required for the payment of bonds and of the interest on bonds.

36554. The annual estimate may include an amount to be determined by the board but not to exceed 1 percent of the total assessed value of the land, which sum shall be apportioned to the bond fund and used for the redemption or purchase of unmatured bonds or for the creation of a sinking fund to pay bonds as they become due.

36555. The board shall deduct from the annual estimate the amount it anticipates will be derived from sales of water by the district and be available as needed to discharge its obligations during the next year, and this amount shall not be included in the sum required to be raised by assessment for that year.

36556. If, at the time any annual estimate is required to be filed, the board anticipates that the receipts from all sources will be sufficient and available as needed to pay all the district's obligations due and payable during the next year, the board, in lieu of filing the estimate, may so report to the board of supervisors and no assessment shall be levied for that year.

36557. Immediately upon the formation of the district the board may levy and collect the sum of fifty cents (\$.50) per acre for each acre of land. The money collected shall be used by the board to pay the preliminary expenses incurred in forming the district.

36558. The board may from time to time by resolution provide for a district fiscal year to commence and end at the dates specified in such resolution.

36559. If a fiscal year is adopted pursuant to Section 36558, in lieu of submitting the annual estimate at the time set forth in Section 36552, the board may, by resolution, establish that the annual estimate required by Section 36552 shall be filed within 90 days from the beginning of the district's fiscal year so adopted. In that event, the annual assessment made pursuant to Section 36570 shall be made between the first day of the fiscal year and 90 days thereafter.

36560. Assessments that are imposed pursuant to this part and Part 7.5 (commencing with Section 37200) to pay the principal of, and interest on, general obligation bonds of a district or which are issued by a district for an improvement district are ad valorem taxes that are imposed in accordance with subdivision (b) of Section 1 of Article XIII A of the California Constitution and are not, therefore, subject to the procedures and approval process of Article XIII D of the California Constitution. This section shall not be construed as declaring that any other type of assessment is either exempt from, or subject to, the procedures and approval process of Article XIII D of the California Constitution.

## WATER CODE

### SECTION 36570-36579

36570. Between the date on which the district was formed and 90 days thereafter, and between those dates in each succeeding year, the assessor shall assess all land, except that if all funds required to be raised are raised other than by assessment, no assessment need be levied and no assessment book need be prepared or equalized.

36571. All of the land shall be assessed at its full cash value.

36572. The assessor shall, within the time for assessing the land, file with the clerk of the board of supervisors an assessment book with appropriate headings in which shall be listed all of the land.

36573. The assessment book shall contain:

- (a) The name of the holder of title to the land if known, and if unknown, that fact shall be stated.
- (b) A description of the land sufficient to identify it.
- (c) The cash value of the land.

36574. If the district is contained in more than one county the assessment book shall be prepared with a separate part in a separate volume for the land in each county.

36575. In lieu of assessing the land, as aforesaid, the board may direct the assessor to, and the assessor shall thereupon adopt as the cash value of the land, and shall insert in the assessment book as such cash value the value of the land as the same appears on the assessment roll of the county in which the land is situated, except that any value of rights to minerals, oil, gas, or other hydrocarbon substances underlying the land which may be included in the assessed value of the land on the assessment roll of such county, shall be deducted by the assessor from such assessed value and the remainder of such assessed value shall be adopted as the cash value of the land, and inserted in the assessment book as such cash value.

36576. Notwithstanding Section 36571, until such time as a district which has not theretofore delivered water for any purpose puts into

1.8

operation facilities for the delivery of water, the board may levy a special assessment of an equal amount upon each acre of land within the district sufficient to defray all expenses as estimated by the board to be incurred for the general benefit of the district during the period in which facilities for the delivery of water primarily for agricultural purposes are being planned and constructed. In no event shall such equal amount assessment exceed three dollars (\$3) per acre per year.

36577. In lieu of assessing all land pursuant to its cash value as set forth in Section 36571 or the county assessed value pursuant to Section 36575, the board may provide for an alternative method of valuation based upon the benefits bestowed on the land by directing the assessor to, and the assessor shall thereafter, adopt as the assessed value of all land in the district an amount determined by the board pursuant to Section 36578.

36578. If the board elects to have land within the district valued pursuant to Section 36577, the following procedures shall apply:

(a) Prior to its adoption of a valuation based upon benefits under this section, the board shall hold a public hearing at which owners of property or residents of the district may appear and be heard. Notice of the hearing shall be given by the secretary by posting notice thereof at the district office at least 20 days prior to the hearing, stating the purpose, time, and place of hearing, together with publication thereof in a newspaper of general circulation in each county in which the district has land in accordance with Section 6063 of the Government Code. The notice shall also be mailed to each landowner as shown in the records of the district at least 20 days prior to the hearing.

(b) At the hearing, evidence shall be introduced by the assessor and may be introduced by landowners or residents within the district as to the valuation schedules to be adopted by the board.

(c) At the conclusion of the hearing, or as it may be continued from time to time, the board shall adopt a schedule of valuations on a per acre basis, or fractions thereof, for agricultural land and on a parcel, acreage, or square foot basis for nonagricultural land. The schedule shall reflect the proportional benefits bestowed on the property assessed by the operation of the district. Land may be classified as to direct or indirect receipt of district benefit, irrigated or nonirrigated use, commercial, industrial, or residential use, or any other method which reflects the benefits received.

(d) Upon the board's adoption of a schedule of valuations, the duties and responsibilities of the board of supervisors and clerk of the board of supervisors established in this chapter and Chapter 2 (commencing with Section 36725) shall be carried out by the board and secretary of the district, respectively.

(e) There shall be no allocation of property tax revenues pursuant to Chapter 6 (commencing with Section 95) of Part 0.5 of Division 1 of the Revenue and Taxation Code to any district that utilizes the provisions of Section 36577. Each district utilizing Section 36577 shall notify the county auditor pursuant to Section 100 of the Revenue and Taxation Code that the district does not desire to receive a property tax allocation.

36579. If the board elects to have land within the district valued pursuant to Sections 36577 and 36578, the board may also provide for more than one schedule of valuations based upon different benefits bestowed on the land and the assignment of more than one valuation to the lands in the district and the levy of a separate assessment for the different benefits bestowed on the land. If the board elects to provide for separate valuations for separate benefits pursuant to this section, this chapter shall apply to the separate assessments. The assessment book shall include all assessments, but the assessor may, at his or her option, prepare separate assessment statements.

## WATER CODE

### SECTION 36600-36611

36600. Within 60 days after the estimate and the assessment book have been filed with the clerk of the board of supervisors, the board of supervisors shall fix a time for a hearing, not less than 22 days and not more than 40 days thereafter, at which the board of supervisors acting as a board of equalization shall meet and hear any objections to the assessments.

36601. The clerk of the board of supervisors shall give notice of the hearing by publication once a week for two consecutive weeks in a newspaper of general circulation published in each affected county, which notice shall state each of the following:

(a) The time and place of the hearing, which shall be the regular meeting place of the board of supervisors.

(b) The time and place where the assessment book may be inspected by the public.

36602. The first publication of the notice shall be at least 15 days prior to the date fixed for the hearing.

36603. From the time of calling the hearing and until the hearing is held, the assessment book shall be open to public inspection at the office of the board of supervisors.

36604. At the hearing the board of supervisors, meeting as a board of equalization, shall:

(a) Hear all objections presented to it regarding the correctness of any assessment.

(b) Hear all testimony relevant to the objections.

(c) Continue in session from day to day until all objections and relevant evidence have been heard and acted upon.

36605. After hearing all objections and evidence, the board of supervisors shall:

(a) Add to or deduct from the valuation assessed to any parcel of land a percent thereof sufficient to raise it or reduce it to its full cash value.

(b) Fix the full cash value of any land that has not been assessed.

(c) In the case of lands assessed pursuant to Section 36577, change the assessed value of any parcel so as to reflect the proportional benefit bestowed upon the parcel by the operations of



the district.

36606. Any changes or additions ordered by the board of supervisors, acting as a board of equalization, shall be entered in the assessment book in the proper place and the order shall be endorsed on the margin of the entry, signed by the chairman, and attested by the clerk of the board of supervisors.

36607. Before the hearing is closed the assessor shall add the total values as determined by the board of supervisors and determine the gross assessed valuation of all the land and make a statement thereof.

36608. After the statement is completed, the board of supervisors, acting as a board of equalization, shall fix an ad valorem rate of assessment upon each one hundred dollars (\$100) in value of the land assessed sufficient to raise the sums specified in the annual estimate.

36609. After fixing the rate of assessment, the board of supervisors shall adjourn as a board of equalization and the hearing is completed.

36610. The orders of the board of supervisors made at the hearing are final and when endorsed on or attached to the assessment book are conclusive evidence that the assessment was made and levied in accordance with the law.

36611. Any person interested in land and aggrieved by a decision of the board of supervisors may, in order to have an assessment or levy thereon corrected, modified, or annulled, institute an action therefor in the superior court of the principal county.

# NOVEMBER 2021

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	1	2	3	4	5	6
7	8	9	10	11 Veterans Day	12	13
14	15	16	17	18	19	20
21	22	23	24	25 Thanksgiving Day	26	27 BOB Mtg
28	29	30				

# DECEMBER 2021

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25 Christmas BOD Mtg.
26	27	28	29	30	31	

## Report of General Manager

September 23, 2021 through October 22, 2021

- Monitor and operate Montclair well and chlorination equipment.
- Monitor chlorine residuals in water system.
- Label piping at Water Treatment Plant.
- Fabricate and install frame for platform to access filter housing maintenance openings, install wood deck.
- Inspect WTP propane tank with KCFD for lpg permit.
- Attend board meeting.
- Complete invoices for fiscal year 2021 capital improvements.
- Remove filter 1 diffusers, scrape and vacuum top layer of filter media.
- Research, source and order NSF approved reclaim sludge filter and filter housing.
- Pick up chlorine from Palmdale Leslie's.
- Backwash filter 1 without diffusers, re-install diffusers.
- Remove level switches from reclaim tank, install mushroom cap vents on tank to accommodate increased fill rate.
- Provide requested financial information to Bill Walker for 2019 audit.
- Read meters with Izzy and assist with September billing.
- Perform monthly inspection of PRV's, wells, repair leak from cracked brass fitting at Upper Quail Ridge PRV.
- Relocate chlorine storage refrigerator to south wall, install outlet to provide power for refrigerator.
- Collect bac-T, Fe, Mn samples, deliver to labs.
- Remove hydro tank from Hackamore well, install at WTP.
- Remove diffusers from filter 2, run backwash.
- Install reclaim tank sludge filter on sludge pump, pipe effluent back to reclaim tank.
- Clear road to Hackamore reservoir for access to tank.
- Complete Prop 84 2<sup>nd</sup> and 3<sup>rd</sup> quarter progress reports.
- Repair leak on Quail Estates Lane just south of Dearborn.

### Issues and Concerns:

- Continue investigating filter plugging during backwash cycles.
- Need to develop operations manual for complete system operation and administration to ensure continuity in event of personnel changes.
- Need to develop additional water source(s).
- Draft agreement for Pretoria well use.
- Follow up with property owner regarding service to multiple parcels.
- Draft drought restrictions policy.
- Complete rate study.

### Completed:

- Final valve can on Olympics installed.
- Montclair booster replaced and backwash pump relocated to replace second booster, backwash water is now supplied by boosters.

#### Upcoming:

- Install blow-off on Lalaponzi.
- Replace blow-off at 13029 Umtali.
- Complete site grading.
- Relocate existing Montclair tank to West Tank site and install tank.
- Install blow-off at east and west ends of Umtali to facilitate flushing Umtali line.
- Oversee well construction and re-hab. **(In Process)**
- Cleanup along Umtali (complete services, install valve boxes, backfill, etc.).
- Re-roof office building.
- Finish Building remodel-Dan.
- Replace door on garage-Dan.
- Install cross and valves at Umtali and Roper for service on Roper and Inyanga.
- Finish Insulating Country Canyon booster building **(Near Completion)**
- Repair storm damage at Pretoria and Hackamore wells.
- Install back-up generator at Office.
- Install arsenic treatment at Hackamore well.
- Install building to house well, filter system at Hackamore well.
- Replace Pretoria 2" main with 4" main.

## Prop 84 Update

October 22, 2021

### Well Phase:

Abundant Water Wells is working to schedule installation but is experiencing delays due to staffing issues.

### Reservoir Phase:

District is working with Cora to schedule reservoir warranty inspections during low-demand season.

### Treatment Plant:

District, REVE and E&EC are working to resolve change orders and close out treatment phase. Staff has installed platform to access filter vessel openings. Filter 1 and 2 have had diffusers removed and backwashed without diffusers. Diffuser was re-installed in filter 1 and filter is in normal service. Diffuser was not re-installed in filter 2 and filter was returned to service allowing comparison of operation and backwash with and without diffusers.

### District Construction Activities:

District staff has installed cartridge filter on reclaim sludge pump and added piping to direct effluent back to reclaim tank to filter sludge. Reclaim sludge pump has been operated to a filter backpressure of 20 psi and filter was changed. Subsequent running of sludge pump produces near clear water indicating filter loading to be minimal per backwash as accumulation in tank was from multiple backwashes. Plan is to install bank of 4 filters on backwash effluent line to reclaim tank to accommodate flow during backwash and to filter backwash water to remove majority of sludge prior to reclaim tank.

### Financial Update:

Claim 43 is being prepared for submittal to WaterBoards for review and payment.



## SYSTEM STATUS

October 2021

- Montclair well remains the sole source for entire system.
- For the month of October to date (10/21/21), Montclair well is averaging 5.88 hours per day supplying an average of 11,425 gallons per day. Average pumping for September was 17,073 gallons per day.
- Montclair well continues to function normally with no issues. Pumping and static levels stabilizing with the reduced demand of winter months. On September 21<sup>st</sup>, the static water level was 262 feet and pumping water level on September 29<sup>th</sup> was 273 feet. On October 21<sup>st</sup>, static water level was 262 feet.
- No flushing was performed in September.
- Monthly bacteriological sampling for September was completed in compliance with the combined system BSSP. All samples were negative for coliform and e. coli.
- Fe and Mn samples continue to indicate N/D levels post filtration.

Sep-21			2021 Yearly Totals		
Water Produced	512,194	100%	Water Produced	3,578,256	100%
Water Sold	425,002	83%	Water Sold	3,128,933	87%
Flushing	0	0%	Flushing	0	0%
Misc Use	0	0%	Misc Use	0	0%
Lost	87,192	17%	Lost	449,323	13%
<b>Hackamore</b>			<b>Hackamore</b>		
Water Produced	3,870	100%	Water Produced	38,656	100%
Water Sold	3,502	90%	Water Sold	25,775	67%
Flushing	0	0%	Flushing	0	0%
Lost	368	10%	Lost	12,881	33%
<b>Tanganda</b>			<b>Tanganda</b>		
Water Produced	621	100%	Water Produced	642,255	100%
Water Sold	2,244	361%	Water Sold	643,743	100%
Flushing	0	0%	Flushing	0	0%
Lost	-1,623	261%	Lost	-1,488	0%

Hackamore well was pumping at 9.5 gpm on October 30<sup>th</sup>.



