



A STATE OF
CALIFORNIA
PUBLIC AGENCY

QUAIL VALLEY WATER DISTRICT

BOARD OF DIRECTORS

Mike Biglay
Enrique Lopez
Dawn Shiells
James Sweany
Catherine Tate

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, January 31, 2026 at 8:30 AM.

NOTE: To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact the District 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 office, 24750 Sand Canyon Road, Tehachapi. Please contact the District 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 10/25/2025.
5. Action Items:
 - 5.1. Organize Board (appoint Officers). (General Manager Hardenbrook)
 - 5.2. Discussion of quarterly financial statements, consideration and possible action approving payments for October, November, and December, 2025. (General Manager Hardenbrook)

- 5.3. Discussion and possible action offering employee retirement plan. (General Manager Hardenbrook)
- 5.4. Discussion and possible action to retain auditor for FYE 2026 biennial audit. (General Manager Hardenbrook)
6. Staff Reports.
 - 6.1. General Manager's report.
 - 6.2. Update on Cross Connection Control Program.
 - 6.3. Update on Lot 6 Parcel Split.
 - 6.4. Update on Sand Canyon Well.
 - 6.5. Update on Prop 84 project.
 - 6.6. Update on wells, reservoirs, and system status.
7. Board Members' Requests for Future Agenda Items
8. Adjournment.



A STATE OF
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PUBLIC AGENCY

QUAIL VALLEY WATER DISTRICT

BOARD OF DIRECTORS

Mike Biglay
Enrique Lopez
James Sweany
Catherine Tate
Dawn Shiells

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

Held at 24750 Sand Canyon Road, Tehachapi, CA

Saturday, October 25, 2025, at 8:30 AM.

1. Roll Call.

Meeting called to order at 8:31 AM. There were present, representing a quorum:

Director Biglay;

Director Lopez;

Director Shiells;

Director Sweany.

Absent were Director Tate.

2. Adoption of Agenda.

Director Shiells moved, seconded by Director Lopez, 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 of 08/23/2025.

Director Lopez, moved, seconded by Director Shiells 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 and September, 2025. (General Manager Hardenbrook)

General Manager Hardenbrook led a review and explanation of financial statements.

Director Shiells moved, seconded by Director Biglay, to approve payments for August and September, 2025. Motion approved by unanimous assent.

5.2. Discussion and possible action offering employee retirement plan. General Manager Hardenbrook.

No action.

5.3. Discussion and possible action to refund balance of VRI to property owner with inactive water service. (General Manager Hardenbrook)
Director Biglay motioned, seconded by Director Shiells to refund balance of VRI to property owner with inactive water service. Motion approved by unanimous assent.

5.4. Discussion and possible action to reschedule Regular Meetings of the Board of Directors on November 29, 2025, and December 27, 2025, to avoid possible conflict with holiday schedule. (General Manager Hardenbrook).
Director Biglay motioned, seconded by Director Lopez, to reschedule the Regular Meetings of the Board of Directors on November 29, 2025, and December 27, 2025 to December 13, 2025. Motion approved by unanimous assent.

6. Reports of General Manager.

6.1. General Manager's report.
General Manager Hardenbrook provided an overview of written report.

6.2. Report on water line hit by road maintenance activities on Umtali.
General Manager Hardenbrook provided a verbal report.

6.3. Update on Cross Connection Control Program.
No update.

6.4. Update on Lot 6 Parcel Split.
No update.

6.5. Update on Sand Canyon Well.
General Manager Hardenbrook provided a verbal report.

6.6. Update on Prop 84 project.
General Manager Hardenbrook provided a verbal report on system status.

6.7. Update on wells, reservoirs, and system status.
General Manager Hardenbrook provided a written report on system status.

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

8. Adjournment.
Director Biglay motioned to adjourn at 9:11am. 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.

Dawnette Boatman, Secretary

FINANCIAL REPORT SUMMARY

January 2026

- Current (Jan 28, 2026) cash (Petty Cash, Kern County, Checking Accounts, Payroll Account) on hand: \$27,617.
- Accounts Receivable as of Jan 28, 2026: \$131,684. Balance includes approximately \$4,000 in arrears over 1 year that are likely not recoverable and need to be charged off along with approximately \$6,000 in arrears on disconnected accounts that won't be recovered until property is reconnected. Also included in Accounts Receivable is \$87,230 in unreimbursed Prop 84 expenses.
- Total current liabilities (1/28/26): \$81,448.
- Long Term Liabilities includes RCAC loan principal of \$48,209.
- Voluntary Rate Increase balance: \$33.89, down from peak of \$21,860 in December of 2019.
- Upcoming Significant Expenses:
 - Sand Canyon Well: Title 22 sampling approximately \$3,000.
 - 1999 Chevrolet truck will need the transfer case replaced. If repairs are done by Staff, cost should be about \$2,000.
 - 1989 GMC truck will need the transmission replaced at an approximate cost of \$3,500.

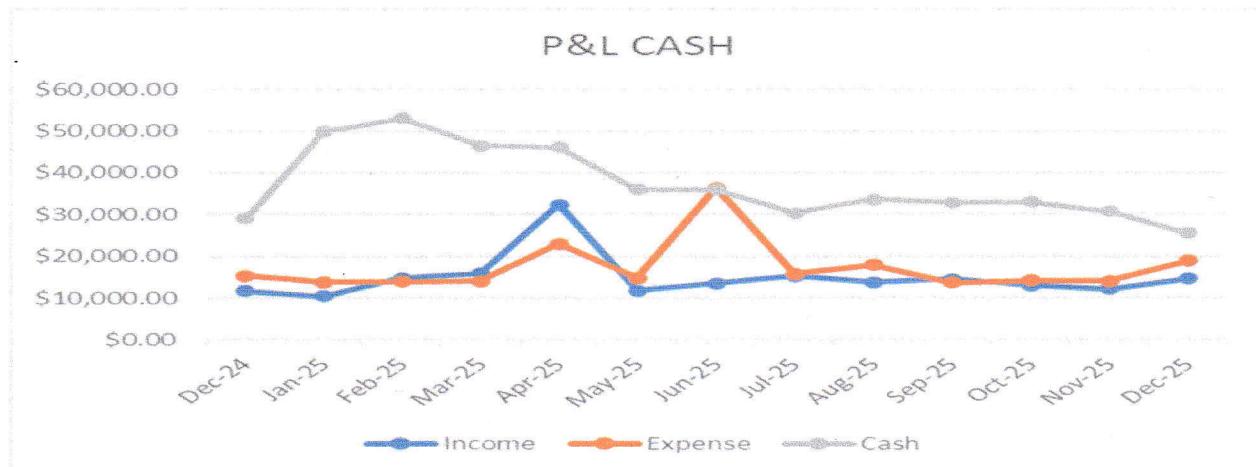
All of the above costs are not budgeted.

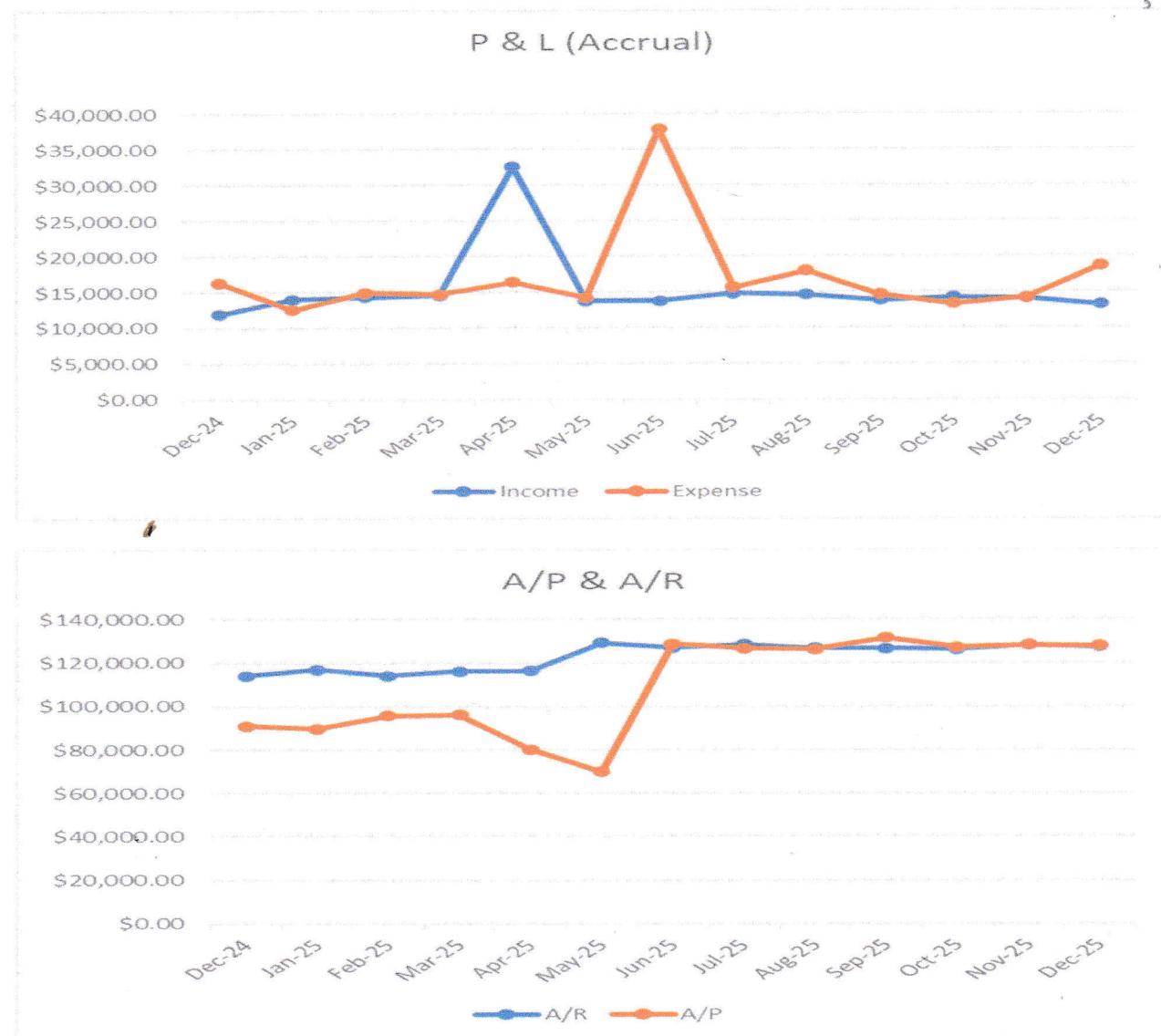
Notes to below charts:

P&L Cash large increase in cash for January/February attributable to Property Taxes credited to Kern County tax account. A second increase should have occurred in April/May but tax information still not available from Kern County due to their accounting system changeover.

P&L (Accrual) large increase in Income for April attributable to Property Taxes received, large increase in Expense for June attributable to recordation of annual depreciation expense.

A/P & A/R large increase in A/P for May attributable to RCAC loan to pay CoBank Prop 84 LOC.





There are no account registers available for Valley Strong Savings or Kern County accounts as no activity has been recorded for the 2nd quarter. Kern County has finally provided statements through August 2025 and the information has been recorded. Historically District would expect receiving about \$29,000 in tax collections in 2nd quarter.

Patriot payroll account indicates normal activity.

Valley Strong Checking account indicates normal activity with the exception of a payment of \$1,200 to Well Rehab for video log of the Sand Canyon well, \$770 to Sheila Barnes for refund of Voluntary Rate Increase payments, and \$905 to WaterBoards for their annual fee.

Visa account indicates normal activity with exception of \$234 to Ionos for website hosting annual charges.

CalCard account indicates normal activity with a charge of \$377.79 to Ebay for a replacement battery for East Tank solar power, \$135.72 to Ebay for a battery charger and \$193.74 for tools and parts to repair damage to ignition switch and steering column on service truck.

RCAC account indicates normal activity with a balance of \$48,209.

Budget versus Actual report indicates an income shortfall of \$4,652 for 2nd quarter. Of this shortfall, about \$29,000 is attributed to tax revenues not being recorded caused by a lack of reporting from Kern County and this should be corrected once transaction reports are again available.

Water Sales are about 95% of budget. A 10% rate increase was put in effect on January 1 which should increase income to budget projections.

Operating and Nonoperating expenses are below budget projections.

Staff does ~~not~~ currently recommend any budget adjustments.

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Accrual Basis

**Quail Valley Water District
Profit & Loss**
October through December 2025

Oct - Dec 25

Ordinary Income/Expense	Oct - Dec 25
Income	
410000 · Operating Revenues (Revenue related to District operations)	
411000 · Water Sales (This account accumulates all costs in accounts 401110-4011799.)	38,628.30
411100 · Water Sales - Residential (This account includes revenues earned from water supplied to s...)	599.58
411200 · Water Sales - Business (This account includes revenues earned from water supplied to pre...)	
Total 411000 · Water Sales (This account accumulates all costs in accounts 401110-4011799.)	39,227.88
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 a...)	
421550 · Late Fees	1,178.35
421580 · Disconnect Notice Fee	90.00
Total 421500 · Water Services-Other (This account includes billings for customer installations of me...)	1,268.35
421515 · 515 - Account Transfer Fee	150.00
Total 421000 · Water Services (This account accumulates all costs in accounts 402110-402159.)	1,418.35
Total 410000 · Operating Revenues (Revenue related to District operations)	40,646.23
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,...)	75.00
492000 · Non-Operating - Interest Revenue (This account includes interest revenues on special deposits...)	630.26
Total 490000 · Non-Operating Revenues (This account accumulates all costs from accounts 409100-409899...)	705.26
Total Income	41,351.49
Cost of Goods Sold	
50000 · Cost of Goods Sold (Costs of items purchased and then sold to customers)	29.68
Total COGS	29.68
Gross Profit	41,321.81
Expense	
Merchant deposit fees	449.10
500000 · Operating Expenses	
510000 · Source of Supply	
511000 · Supervisor, Labor & Expense (This account includes the cost of labor and materials used ...)	0.00
512000 · Maintenance-Structure & Improve (This account includes the cost of labor and materials u...)	72.00
Total 510000 · Source of Supply	72.00
520000 · Pumping (521000-Operation of pumping plant. 522000-Operation & maintenance of pumping pl...)	
521000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used ...)	0.00
522000 · Maintenance-Structures & Improv (This account includes the costs of labor and materials ...)	
522661 · Wages-Maintenance, Pumping (Wages and salaries related to maintenance of pumping ...)	0.00
Total 522000 · Maintenance-Structures & Improv (This account includes the costs of labor and mate...)	0.00
523000 · Fuel or Power Purchased-Pumping (This account includes the cost of fuel or power purcha...)	
523103 · SCE Montclaire 1	1,475.50
523108 · SCE Tangan/Bloemfontein	-6.56
523111 · SCE Hackamore	10.20
523273 · SCE Country CynBooster	8.84
Total 523000 · Fuel or Power Purchased-Pumping (This account includes the cost of fuel or power p...)	1,487.98
Total 520000 · Pumping (521000-Operation of pumping plant. 522000-Operation & maintenance of pump...)	1,487.98
530000 · Water Treatment (531000-Operation of Water Treatment Plant (includes sampling) 532000-Main...	
531000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used ...)	
531100 · Chemicals-Water Quality	189.66
531200 · Water Quality Testing	823.69
531000 · Supervision, Labor & Expense (This account includes the cost of labor and materials us...)	40.12
Total 531000 · Supervision, Labor & Expense (This account includes the cost of labor and materials ...)	1,053.47
532000 · Maintenance-Structures & impro (This account includes the costs of labor and materials u...)	0.00
Total 530000 · Water Treatment (531000-Operation of Water Treatment Plant (includes sampling) 532000...	1,053.47

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Accrual Basis

Quail Valley Water District
Profit & Loss
October through December 2025

Oct - Dec 25

540000 · Transmission & Distribution (541000-Operation of Distribution Plant 542000-Repair & Maintenance)		
541000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used ...)		
541661 · Wages, Transmission & Distribut (Wages and salaries related to supervision and operat...)	851.36	
5416611 · Cross-Connection Control Progra (Labor cost associated with administration of Dis...)	1,474.41	
541661 · Wages, Transmission & Distribut (Wages and salaries related to supervision and ope...)		
Total 541661 · Wages, Transmission & Distribut (Wages and salaries related to supervision and ...)	2,325.77	
Total 541000 · Supervision, Labor & Expense (This account includes the cost of labor and materials ...)	2,325.77	
542000 · Maintenance-Structures & Improv (This account includes the cost of labor and materials u...)		
542661 · Wages, Transmission & Distribut (Wages and salaries related to the maintenance of tra...)		
5426611 · FLUSHING	0.00	
542661 · Wages, Transmission & Distribut (Wages and salaries related to the maintenance of ...)	1,143.42	
Total 542661 · Wages, Transmission & Distribut (Wages and salaries related to the maintenance ...)	1,143.42	
542000 · Maintenance-Structures & Improv (This account includes the cost of labor and material...)	349.00	
Total 542000 · Maintenance-Structures & Improv (This account includes the cost of labor and materi...)	1,492.42	
Total 540000 · Transmission & Distribution (541000-Operation of Distribution Plant 542000-Repair & Maintenance)	3,818.19	
550000 · Customer Accounts (551000-meter reading, billing, maintaining customer accounts. 552000-U...		
551000 · Supervision, Meter Reading & Ot (This account includes the costs of labor and materials u...)		
551661 · Wages, Customer Accounts (Wages and salaries related to maintenance of customer acc...)	361.08	
Total 551000 · Supervision, Meter Reading & Ot (This account includes the costs of labor and materi...)	361.08	
Total 550000 · Customer Accounts (551000-meter reading, billing, maintaining customer accounts. 552000-U...	361.08	
560000 · Administrative & General		
561000 · Salaries (This account includes salaries and other considerations (but not Directors' fees) f...)		
561661 · Wages, Administration (Wages and salaries related to general administration not charg...)	2,113.99	
561000 · Salaries (This account includes salaries and other considerations (but not Directors' fee...)	4,058.09	
Total 561000 · Salaries (This account includes salaries and other considerations (but not Directors' ...)	6,172.08	
562000 · Office Supplies & Other Expense (This account includes office supplies and other expense...)		
562710 · Postage	312.00	
562720 · Bank Charges	59.85	
562730 · Office Supplies	11.76	
562740 · Freight	27.13	
562760 · Com-Telephone-Internet	1,160.66	
562770 · Utilities-Office		
562771 · SCE Office	288.58	
562772 · Propane Office	542.09	
Total 562770 · Utilities-Office	830.67	
562780 · Dues & Subscriptions		
Total 562000 · Office Supplies & Other Expense (This account includes office supplies and other ex...)	120.00	
Total 562000 · Office Supplies & Other Expense (This account includes office supplies and other ex...)	2,522.07	
563000 · Contractual Services (This account includes the fees and expenses of professional consul...		
564000 · Property Insurance, Injuries & (This account includes the cost of insurance or reserve accr...	1,131.00	
565000 · Employee Retirement & Benefits (This account includes charges to provide for payment of ...)	2,397.99	
565664 · Workers Comp Insurance	1,860.00	
565000 · Employee Retirement & Benefits (This account includes charges to provide for payment...	2,702.62	
Total 565000 · Employee Retirement & Benefits (This account includes charges to provide for paym...	4,562.62	
566000 · Franchise Requirements (This account includes payments to municipal or other governme...	905.60	
568000 · Maintenance-General Plant (This account includes the costs assignable to customer accou...		
568100 · Building Maintenance	1,218.99	
568640 · Op Expenses Auto		
568641 · Repair & Main-Auto	223.16	
568642 · Small Tools & Supplies	731.49	
568645 · Repair & Main-Equip	126.00	
568646 · Fuel - Auto	715.52	
Total 568640 · Op Expenses Auto	1,796.17	
Total 568000 · Maintenance-General Plant (This account includes the costs assignable to customer ...)	3,015.16	
Total 560000 · Administrative & General	20,706.52	

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Accrual Basis

Quail Valley Water District
Profit & Loss
October through December 2025

	Oct - Dec 25
570000 · Other Operating Expenses	
572000 · Taxes (This account includes the amount of federal, state, county, municipal and other tax...)	219.01
Total 570000 · Other Operating Expenses	219.01
Total 500000 · Operating Expenses	27,718.25
600000 · Nonoperating Expenses	
601000 · Interest on Long-Term Debt (This account includes the amount of interest applicable to outsta...)	400.14
601100 · RCAC Loan Interest	0.02
Total 601000 · Interest on Long-Term Debt (This account includes the amount of interest applicable to ...)	400.14
600000 · Nonoperating Expenses - Other	200.07
Total 600000 · Nonoperating Expenses	600.21
660000 · Payroll Expenses (Payroll expenses)	17,206.02
660010 · Bank Service Charges	0.02
Total Expense	45,973.60
Net Ordinary Income	-4,651.79
Net Income	-4,651.79

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Accrual Basis

Quail Valley Water District
Balance Sheet
As of December 31, 2025

Dec 31, 25

ASSETS**Current Assets****Checking/Savings**

131000 · Cash (Currency, coin, checks, money orders and banker's drafts on hand or on deposit)	
131001 · Petty Cash (Petty Cash)	52.92
131002 · Cash-Kern County (Account held by Kern County Controller - Property tax Proceeds)	14,323.49
131006 · Patriot Software Payroll Acct (Payroll Account)	7,134.12
131007 · Valley Strong Checking (Valley Strong Credit Union -Checking Account)	3,545.95
131008 · Valley Strong Savings (Valley Strong Credit Union - Savings)	5.00
Total 131000 · Cash (Currency, coin, checks, money orders and banker's drafts on hand or on deposit)	25,061.48
133000 · Special Deposits (This account includes deposits with others for special purposes other than current assets)	526.84
Total Checking/Savings	25,588.32

Accounts Receivable

137000 · Accounts Receivable (This account includes the amounts due from customers for utility bills)	
137121 · Accounts Receivable	13,760.77
137125 · Accounts Rec - Prop 84	87,230.75
137126 · Accounts Rec-Conn-Fees	2,401.88
137200 · Accounts Receivable Over 1 Yr (Accounts receivable past due in excess of 12 months)	4,473.63
137000 · Accounts Receivable (This account includes the amounts due from customers for utility bills)	14,792.95
Total 137000 · Accounts Receivable (This account includes the amounts due from customers for utility bills)	122,659.98
138000 · Allowance For Uncollectable Acc (This account includes periodic credits for amounts uncollectable)	4,604.07
Total Accounts Receivable	127,264.05

Other Current Assets

12100 · Inventory Asset (Costs of inventory purchased for resale)	2,831.23
130000 · Undeposited Funds (Funds received, but not yet deposited to a bank account)	3,079.02
146000 · Inventory of Material and Suppl (This account includes the cost of all unapplied materials)	17,676.26

Total Other Current Assets

23,586.51

Total Current Assets

176,438.88

Fixed Assets**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 to use)	31,216.96
111400 · Pumping Plant (This category covers the cost of plant and equipment in connection with water supply)	
1114151 · Tanganda Booster Relocation (Costs accumulated for relocation of Tanganda B...)	6,252.21
1114161 · Country Cnyn Bstr Pump Replacem (Costs accumulated for Country Canyon Bo...)	1,692.83
111400 · Pumping Plant (This category covers the cost of plant and equipment in connection with water supply)	42,798.12
Total 111400 · Pumping Plant (This category covers the cost of plant and equipment in connection with water supply)	50,743.16
111500 · Water Treatment Plant (This category covers all costs of plant and equipment used for water treatment)	2,975.22
111600 · Transmission & Distribution Pla (This category covers all cost of plant and equipment used for transmission and distribution)	379,262.67
111700 · General Plant (This category covers all costs of plant and equipment used for general plant and equipment)	
111710 · Vehicles and Equipment (VEHICLES AND EQUIPMENT)	
1117101 · Trencher (Ditch Witch 3500 Trencher)	3,783.24
1117102 · 1999 Chev (1999 Chevrolet K20)	15,266.30
1117103 · 1989 GMC (1989 GMC 2500 Utility Truck)	4,196.17
Total 111710 · Vehicles and Equipment (VEHICLES AND EQUIPMENT)	23,245.71
111700 · General Plant (This category covers all costs of plant and equipment used for general plant and equipment)	74,031.90
Total 111700 · General Plant (This category covers all costs of plant and equipment used for general plant and equipment)	97,277.61
Total 111000 · Utility Plant In Service (This account accumulates accounts 111100-111999)	561,475.62

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Accrual Basis

Quail Valley Water District
Balance Sheet
As of December 31, 2025

Dec 31, 25

112000 · Construction in Progress (This category covers labor, materials, overhead amounts a...	
1121420 · Equestrian Main	
1121425 · Labor	350.00
1121420 · Equestrian Main - Other	-410.00
Total 1121420 · Equestrian Main	-60.00
112300 · Const In Progress-111300 (Source of Supply Plant)	4,908.46
112500 · Const In Progress-111500 (Water Treatment Plant)	3,648.67
1128400 · Prop 84 Construction Project (All costs advanced by district for Prop 84 constructi...	
1128401 · 1. Construction of Facilities	75,880.46
1128402 · 2. Construction Management	207.57
1128404 · 4. Easement Recording	-66,491.17
1128406 · 6. Construction Survey	1,595.00
1128412 · Unreimbursed Costs	103,536.69
1128400 · Prop 84 Construction Project (All costs advanced by district for Prop 84 constru...	30,778.66
Total 1128400 · Prop 84 Construction Project (All costs advanced by district for Prop 84 con...	145,507.21
112000 · Construction in Progress (This category covers labor, materials, overhead amounts...	126,386.09
Total 112000 · Construction in Progress (This category covers labor, materials, overhead amou...	280,390.43
114000 · Other Physical Property (This account includes the cost of land, structures, and equip...	65,000.00
115000 · Accumulated Depreciation and Am (This account accumulates accounts 115100-115999)	
115100 · Depreciation, Plant In Service (The cumulative depreciation and amortization charg...	
115140 · Depreciation, Pumping Plant In (The cumulative depreciation and amortization f...	-41,223.58
115150 · Depreciation, Treatment Plant (The cumulative depreciation and amortization ch...	-3,322.33
115160 · Depreciation, Distribution Plan (The cumulative depreciation and amortization c...	-94,554.66
115170 · Depreciation, General Plant In (The cumulative depreciation and amortization for...	-48,511.33
115100 · Depreciation, Plant In Service (The cumulative depreciation and amortization ch...	-99,784.00
Total 115100 · Depreciation, Plant In Service (The cumulative depreciation and amortization ...	-287,395.90
115200 · Depreciation, Plant Held Future (The cumulative depreciation and amortization char...	-6,800.00
Total 115000 · Accumulated Depreciation and Am (This account accumulates accounts 115100-...	-294,195.90
Total 110000 · Property, Plant & Equipment	612,670.15
Total Fixed Assets	612,670.15
Other Assets	
120000 · Investments, Restricted Assets (Investments, Restricted Assets, & Other Long -Term As...	
125000 · Other Long-Term Assets (This category covers assets not properly includable in accou...	
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	-24,887.97
Total 125100 · A/R Connection Fees	18,109.07
Total 125000 · Other Long-Term Assets (This category covers assets not properly includable in ...	18,109.07
Total 120000 · Investments, Restricted Assets (Investments, Restricted Assets, & Other Long -Ter...	18,109.07
150000 · Deferred Charges	
151000 · Preliminary Survey & Investigat (This account includes all costs for preliminary survey...	
151100 · Prop 84 Feasibility Study	442,500.32
Total 151000 · Preliminary Survey & Investigat (This account includes all costs for preliminary ...	442,500.32

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Accrual Basis

Quail Valley Water District
Balance Sheet
As of December 31, 2025

	Dec 31, 25
150000 · Deferred Charges - Other	-1.20
Total 150000 · Deferred Charges	442,499.12
Total Other Assets	460,608.19
TOTAL ASSETS	1,249,717.22
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
22000 · Accounts Payable (Amounts owed on open account to private persons or organizat...)	75,907.27
Total Accounts Payable	75,907.27
Credit Cards	
222100 · Acc Payable -Visa Cards	-2.99
222104 · 3542 - Acc Payable-FNBO-Randy	2.99
222100 · Acc Payable -Visa Cards - Other	0.00
Total 222100 · Acc Payable -Visa Cards	0.00
222200 · Acc Payable - Cal Cards	400.59
222201 · 4344 Acc Payable-CalCard-Randy	582.46
222207 · 6227 Izzy - Cal Card (Izzy's Cal Card)	861.56
222208 · 6201 Dawnnette - Cal Card (Dawnnette's Cal Card)	166.55
222210 · 6562 James-CalCard	0.00
Total 222200 · Acc Payable - Cal Cards	2,011.16
Total Credit Cards	2,011.16
Other Current Liabilities	
226000 · Deposits	846.51
226200 · Service Connection/Meter Depos (This account includes amounts deposited wit...)	0.00
Total 226000 · Deposits	846.51
229000 · Taxes Accrued (This account covers obligations to pay taxes (income, property, pa...	1,001.55
229331 · 331 - Federal Taxes	-115.83
229333 · 333 - Calif State Taxes	0.00
Total 229000 · Taxes Accrued (This account covers obligations to pay taxes (income, proper...	885.72
230000 · Other Current Liabilities (This account covers miscellaneous obligations of the dist...	0.00
230102 · May 2018 Voluntary Rate Increases	33.89
Total 230000 · Other Current Liabilities (This account covers miscellaneous obligations of th...	33.89
24000 · Payroll Liabilities (Unpaid payroll liabilities. Amounts withheld or accrued, but not ye...	400.00
Total Other Current Liabilities	2,166.12
Total Current Liabilities	80,084.55
Long Term Liabilities	
211000 · Long-Term Debt	
211201 - RCAC Loan 2024 (Loan to finance remaining Prop 84 Line of Credit balance)	48,209.57
211000 · Long-Term Debt - Other	-348.56
Total 211000 · Long-Term Debt	47,861.01
212000 · Due To Other Gov Agencies	
212300 · Due To Other Local Agencies (This account includes long-term debt, other than bo...)	-436.00
Total 212000 · Due To Other Gov Agencies	-436.00
Total Long Term Liabilities	47,425.01
Total Liabilities	127,509.56

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Accrual Basis

Quail Valley Water District
Balance Sheet
As of December 31, 2025

Dec 31, 25

Equity	
250000 · Contributed Capital	
251000 · Contrib In Aid Of Cons-Plant (This account includes amounts received, in the form of ...	
251100 · ContributionsInAid-Plant-State	869,468.90
251400 · ContributionsInAid-Plant-Other	172,099.83
Total 251000 · Contrib In Aid Of Cons-Plant (This account includes amounts received, in the for...	1,041,568.73
250000 · Contributed Capital - Other	51,296.00
Total 250000 · Contributed Capital	1,092,864.73
263000 · Retained Earnings-Unreserved (This account includes the amount of accumulated earnin...	-449,638.86
30000 · Opening Balance Equity (Opening balances during setup post to this account. The balanc...	487,933.98
Net Income	-8,952.19
Total Equity	1,122,207.66
TOTAL LIABILITIES & EQUITY	1,249,717.22

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01/28/26

Quail Valley Water District
Statement of Cash Flows
October through December 2025

Oct - Dec 25

OPERATING ACTIVITIES	
Net Income	-4,651.79
Adjustments to reconcile Net Income to net cash provided by operations:	
137000 · Accounts Receivable	-525.46
137000 · Accounts Receivable:137121 · Accounts Receivable	-592.76
12100 · Inventory Asset	-117.34
146000 · Inventory of Material and Suppl	-300.68
222000 · Accounts Payable	-4,394.32
222200 · Acc Payable - Cal Cards:222201 · 4344 Acc Payable-CalCard-Randy	1,153.25
222200 · Acc Payable - Cal Cards:222207 · 6227 Izzy - Cal Card	771.60
222200 · Acc Payable - Cal Cards:222208 · 6201 Dawnnette - Cal Card	941.56
222200 · Acc Payable - Cal Cards:222210 · 6562 James-CalCard	166.55
229000 · Taxes Accrued:229331 · 331 - Federal Taxes	-820.23
229000 · Taxes Accrued:229333 · 333 - Calif State Taxes	-55.47
230000 · Other Current Liabilities:230102 · May 2018 Voluntary Rate Increases	-770.00
Net cash provided by Operating Activities	-9,195.09
INVESTING ACTIVITIES	
110000 · Property, Plant & Equipment:112000 · Construction in Progress:112300 · Const In Progress-111300	-11.25
Net cash provided by Investing Activities	-11.25
FINANCING ACTIVITIES	
211000 · Long-Term Debt:211201 - RCAC Loan 2024	-1,054.41
212000 · Due To Other Gov Agencies:212300 · Due To Other Local Agencies	-64.00
Net cash provided by Financing Activities	-1,118.41
Net cash increase for period	-10,324.75
Cash at beginning of period	38,992.09
Cash at end of period	28,667.34

Quail Valley Water District

1/28/2026 3:22 PM

Register: 131000 · Cash:131007 · Valley Strong Checking

From 10/01/2025 through 12/31/2025

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
10/01/2025			-split-	Deposit		X	365.05	14,798.40
10/02/2025			130000 · Undeposited ...	Deposit		X	223.00	15,021.40
10/02/2025			-split-	Deposit		X	530.66	15,552.06
10/02/2025	Auto Pay	RCAC (Rural Comm...	222000 · Accounts Pay...		551.54	X		15,000.52
10/02/2025	Auto Pay	Southern Calif Edison	222000 · Accounts Pay...	#5411 - Montcl...	617.72	X		14,382.80
10/02/2025	2BN1A864	CALNET3	222000 · Accounts Pay...	08/06/2025 to ...	235.53	X		14,147.27
10/03/2025			130000 · Undeposited ...	Deposit		X	165.05	14,312.32
10/06/2025			130000 · Undeposited ...	Deposit		X	165.05	14,477.37
10/06/2025			-split-	Deposit		X	389.26	14,866.63
10/06/2025			130000 · Undeposited ...	Deposit		X	260.00	15,126.63
10/07/2025			131000 · Cash:131006 ...	Funds Transfer ...	2,315.19	X		12,811.44
10/07/2025			131000 · Cash:131006 ...	Funds Transfer ...	893.69	X		11,917.75
10/08/2025			130000 · Undeposited ...	Deposit		X	165.05	12,082.80
10/08/2025			-split-	Deposit		X	762.90	12,845.70
10/09/2025			130000 · Undeposited ...	Deposit		X	174.55	13,020.25
10/10/2025			130000 · Undeposited ...	Deposit		X	400.00	13,420.25
10/10/2025			-split-	Deposit		X	1,915.50	15,335.75
10/10/2025			-split-	Deposit		X	712.05	16,047.80
10/10/2025	1078	Dawnette Boatman	-split-		521.52	X		15,526.28
10/10/2025	1079	Travis J Vankirk	-split-		806.52	X		14,719.76
10/14/2025			130000 · Undeposited ...	Deposit		X	168.36	14,888.12
10/14/2025	ABM1I8...	Mountain Valley Ass...	222000 · Accounts Pay...	Annual Assess...	216.00	X		14,672.12
10/14/2025	XBW1H...	Hydrocorp, Inc.	222000 · Accounts Pay...		212.84	X		14,459.28
10/14/2025	PBV158...	Well Rehabilitation S...	222000 · Accounts Pay...	Video Survey ...	1,200.00	X		13,259.28
10/14/2025	1BW168...	BSK Associates	222000 · Accounts Pay...		965.02	X		12,294.26
10/15/2025	QBG1A8...	U. S. Bank - Cal Card	222000 · Accounts Pay...		2,874.31	X		9,419.95
10/16/2025			130000 · Undeposited ...	Deposit		X	164.00	9,583.95
10/17/2025			130000 · Undeposited ...	Deposit		X	135.93	9,719.88
10/20/2025			130000 · Undeposited ...	Deposit		X	380.00	10,099.88
10/21/2025	IBY1S8...	CALNET3	222000 · Accounts Pay...	09/06/2025 to ...	117.47	X		9,982.41
10/21/2025			131000 · Cash:131006 ...	Funds Transfer ...	2,383.08	X		7,599.33
10/21/2025			131000 · Cash:131006 ...	Funds Transfer ...	899.20	X		6,700.13
10/22/2025			-split-	Deposit		X	355.55	7,055.68
10/22/2025			-split-	Deposit		X	421.35	7,477.03
10/23/2025			130000 · Undeposited ...	Deposit		X	261.80	7,738.83
10/23/2025	GBF1ZJS9	Kern County Auditor...	222000 · Accounts Pay...	LAFCO Operat...	64.00	X		7,674.83
10/24/2025			-split-	Deposit		X	3,043.50	10,718.33
10/24/2025			130000 · Undeposited ...	Deposit		X	400.00	11,118.33
10/24/2025	1080	Dawnette Boatman	-split-		521.52	X		10,596.81
10/24/2025	1081	Travis J Vankirk	-split-		822.61	X		9,774.20

Quail Valley Water District

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Register: 131000 · Cash:131007 · Valley Strong Checking

From 10/01/2025 through 12/31/2025

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
10/28/2025			130000 · Undeposited ...	Deposit		X	260.00	10,034.20
10/28/2025	Auto Pay	Union Bank - Visa	222000 · Accounts Pay...		68.49	X		9,965.71
10/29/2025			-split-	Deposit		X	770.96	10,736.67
10/29/2025			-split-	Deposit		X	876.53	11,613.20
10/29/2025	Auto Pay	State Compensation I...	222000 · Accounts Pay...	Premium charg...	620.00	X		10,993.20
10/30/2025			130000 · Undeposited ...	Deposit		X	153.13	11,146.33
10/30/2025			-split-	Deposit		X	784.48	11,930.81
10/30/2025	TBX1FJ...	McMaster-Carr	222000 · Accounts Pay...		138.56	X		11,792.25
10/31/2025			-split-	Deposit		X	356.60	12,148.85
10/31/2025	Auto Pay	Evolv, Inc.	222000 · Accounts Pay...	GovCard Progr...	19.95	X		12,128.90
11/03/2025			130000 · Undeposited ...	Deposit		X	187.86	12,316.76
11/03/2025			130000 · Undeposited ...	Deposit		X	194.17	12,510.93
11/03/2025	Auto Pay	Southern Calif Edison	222000 · Accounts Pay...	#4719 - Office,...	62.06	X		12,448.87
11/04/2025			131000 · Cash:131006 ...	Funds Transfer ...	2,228.37	X		10,220.50
11/04/2025			131000 · Cash:131006 ...	Funds Transfer ...	890.84	X		9,329.66
11/05/2025	Auto Pay	RCAC (Rural Comm...	222000 · Accounts Pay...		551.54	X		8,778.12
11/05/2025	Auto Pay	Southern Calif Edison	222000 · Accounts Pay...	#5411 - Montcl...	474.54	X		8,303.58
11/06/2025			-split-	Deposit		X	1,096.29	9,399.87
11/07/2025			-split-	Deposit		X	2,036.99	11,436.86
11/07/2025			130000 · Undeposited ...	Deposit		X	152.35	11,589.21
11/07/2025			-split-	Deposit		X	369.85	11,959.06
11/07/2025	1082	Dawnette Boatman	-split-		554.12	X		11,404.94
11/07/2025	1083	Travis J Vankirk	-split-		782.41	X		10,622.53
11/10/2025			-split-	Deposit		X	349.10	10,971.63
11/11/2025	1B61NJFK	Hydrocorp, Inc.	222000 · Accounts Pay...	Cross Connecti...	212.84	X		10,758.79
11/11/2025	4B61NJFK	U. S. Bank - Cal Card	222000 · Accounts Pay...		1,743.28	X		9,015.51
11/11/2025	5B61NJFK	BSK Associates	222000 · Accounts Pay...		405.73	X		8,609.78
11/12/2025			130000 · Undeposited ...	Deposit		X	282.25	8,892.03
11/12/2025			-split-	Deposit		X	1,114.71	10,006.74
11/13/2025			-split-	Deposit		X	385.62	10,392.36
11/17/2025			130000 · Undeposited ...	Deposit		X	143.70	10,536.06
11/17/2025			130000 · Undeposited ...	Deposit		X	300.00	10,836.06
11/17/2025			130000 · Undeposited ...	Deposit		X	560.34	11,396.40
11/18/2025			131000 · Cash:131006 ...	Funds Transfer ...	2,316.59	X		9,079.81
11/18/2025			131000 · Cash:131006 ...	Funds Transfer ...	888.17	X		8,191.64
11/19/2025			130000 · Undeposited ...	Deposit		X	155.55	8,347.19
11/20/2025			130000 · Undeposited ...	Deposit		X	468.06	8,815.25
11/20/2025	1084	Dawnette Boatman	-split-		521.51	X		8,293.74
11/20/2025	1085	Travis J Vankirk	-split-		790.45	X		7,503.29
11/21/2025			-split-	Deposit		X	1,509.80	9,013.09

Quail Valley Water District

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Register: 131000 · Cash:131007 · Valley Strong Checking

From 10/01/2025 through 12/31/2025

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
11/25/2025			130000 · Undeposited ...	Deposit		X	194.41	9,207.50
11/25/2025			130000 · Undeposited ...	Deposit		X	294.22	9,501.72
11/26/2025			130000 · Undeposited ...	Deposit		X	180.11	9,681.83
11/26/2025			130000 · Undeposited ...	Deposit		X	193.00	9,874.83
11/26/2025	Auto Pay	Union Bank - Visa	222000 · Accounts Pay...		68.49	X		9,806.34
11/28/2025			130000 · Undeposited ...	Deposit		X	231.30	10,037.64
11/28/2025			-split-	Deposit		X	338.51	10,376.15
11/28/2025		Evolv, Inc.	222000 · Accounts Pay...	GovCard Progr...	19.95	X		10,356.20
11/28/2025	Auto Pay	State Compensation I...	222000 · Accounts Pay...	Premium harge...	620.00	X		9,736.20
12/01/2025			130000 · Undeposited ...	Deposit		X	225.96	9,962.16
12/01/2025			130000 · Undeposited ...	Deposit		X	275.00	10,237.16
12/01/2025			-split-	Deposit		X	371.66	10,608.82
12/02/2025			-split-	Deposit		X	348.51	10,957.33
12/02/2025	Auto Pay	Southern Calif Edison	222000 · Accounts Pay...	#4719 - Office,...	106.06	X		10,851.27
12/02/2025	To Print	RCAC (Rural Comm...	222000 · Accounts Pay...		551.54	X		10,299.73
12/02/2025			131000 · Cash:131006 ...	Funds Transfer ...	2,295.58	X		8,004.15
12/02/2025			131000 · Cash:131006 ...	Funds Transfer ...	949.54	X		7,054.61
12/03/2025			130000 · Undeposited ...	Deposit		X	300.00	7,354.61
12/03/2025			-split-	Deposit		X	596.15	7,950.76
12/05/2025			-split-	Deposit		X	2,570.45	10,521.21
12/05/2025			-split-	Deposit		X	655.15	11,176.36
12/05/2025	1086	Dawnnette Boatman	-split-		684.06	X		10,492.30
12/05/2025	1087	Travis J Vankirk	-split-		870.83	X		9,621.47
12/08/2025			130000 · Undeposited ...	Deposit		X	155.55	9,777.02
12/08/2025			130000 · Undeposited ...	Deposit		X	170.90	9,947.92
12/08/2025		Valley Strong Credit ...	660010 · Bank Service ...		0.02	X		9,947.90
12/08/2025	Auto Pay	Southern Calif Edison	222000 · Accounts Pay...	#5411 - Montcl...	494.85	X		9,453.05
12/09/2025			-split-	Deposit		X	310.73	9,763.78
12/09/2025	1088	7-9424:Barnes, Sheil...	137000 · Accounts Rec...	7-9424-01	770.00	X		8,993.78
12/10/2025			130000 · Undeposited ...	Deposit		X	155.55	9,149.33
12/10/2025			-split-	Deposit		X	426.25	9,575.58
12/10/2025	3B91TZ...	U. S. Bank - Cal Card	222000 · Accounts Pay...		1,520.60	X		8,054.98
12/10/2025	EB91TZ...	State Water Resource...	222000 · Accounts Pay...	Annual Fees 07...	905.60	X		7,149.38
12/10/2025	FB91TZ...	Hydrocorp, Inc.	222000 · Accounts Pay...	Cross Connecti...	212.84	X		6,936.54
12/11/2025			130000 · Undeposited ...	Deposit		X	193.55	7,130.09
12/11/2025			130000 · Undeposited ...	Deposit		X	754.00	7,884.09
12/15/2025			130000 · Undeposited ...	Deposit		X	200.00	8,084.09
12/16/2025			131000 · Cash:131006 ...	Funds Transfer ...	2,316.58	X		5,767.51
12/16/2025			131000 · Cash:131006 ...	Funds Transfer ...	882.66	X		4,884.85
12/17/2025			-split-	Deposit		X	2,131.02	7,015.87

Quail Valley Water District

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Register: 131000 · Cash:131007 · Valley Strong Checking

From 10/01/2025 through 12/31/2025

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
12/18/2025	6B91NZ...	CALNET3	222000 · Accounts Pay...		241.28	X		6,774.59
12/18/2025	MB31VZ...	BSK Associates	222000 · Accounts Pay...		303.24	X		6,471.35
12/19/2025			-split-	Deposit		X	1,470.50	7,941.85
12/19/2025	1089	Dawnette Boatman	-split-		521.52	X		7,420.33
12/19/2025	1090	Travis J Vankirk	-split-		774.37	X		6,645.96
12/22/2025			130000 · Undeposited ...	Deposit		X	179.97	6,825.93
12/22/2025			-split-	Deposit		X	487.36	7,313.29
12/22/2025	1091	Bill R. Walker CPA	222000 · Accounts Pay...	2025 Annual Fi...	975.00	X		6,338.29
12/23/2025			-split-	Deposit		X	528.79	6,867.08
12/24/2025			130000 · Undeposited ...	Deposit		X	175.00	7,042.08
12/24/2025			130000 · Undeposited ...	Deposit		X	207.70	7,249.78
12/26/2025			130000 · Undeposited ...	Deposit		X	161.95	7,411.73
12/26/2025	1092	Dawnette Boatman	-split-		2,195.48	X		5,216.25
12/26/2025			131000 · Cash:131006 ...	Funds Transfer	606.73	X		4,609.52
12/27/2025			130000 · Undeposited ...	Deposit		X	200.07	4,809.59
12/29/2025			130000 · Undeposited ...	Deposit		X	153.00	4,962.59
12/29/2025			-split-	Deposit		X	325.97	5,288.56
12/29/2025	To Print	Union Bank - Visa	222000 · Accounts Pay...		68.49	X		5,220.07
12/30/2025	To Print	State Compensation I...	222000 · Accounts Pay...	12/01/2025 to ...	620.00	X		4,600.07
12/31/2025		Southern Calif Edison	222000 · Accounts Pay...	Country Canyo...	8.84	X		4,591.23
12/31/2025		Southern Calif Edison	222000 · Accounts Pay...	Hackamore We...	10.20	X		4,581.03
12/31/2025		Southern Calif Edison	222000 · Accounts Pay...	Office 11/19/2...	120.46	X		4,460.57
12/31/2025	ACH	Evolv, Inc.	222000 · Accounts Pay...		19.95	X		4,440.62
12/31/2025			131000 · Cash:131006 ...	Funds Transfer	894.67	X		3,545.95

Quail Valley Water District

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Register: 222200 · Acc Payable - Cal Cards

From 10/01/2025 through 12/31/2025

Sorted by: Date, Type, Number/Ref

Date	Ref.	Payee	Account	Memo	Charge	C	Payment	Balance
10/01/2025	24500845	Supply House	-split-		354.31	X		-667.49
10/01/2025	20250676	Kern Data	500000 · Operating Ex...	Monthly Subsc...	40.00	X		-627.49
10/02/2025		Home Depot	-split-		34.59	X		-592.90
10/02/2025	8199	The Barn	500000 · Operating Ex...		80.00	X		-512.90
10/02/2025	939160	Tractor Supply	-split-		22.71	X		-490.19
10/06/2025	5522860...	Starlink	500000 · Operating Ex...	Monthly Internet	165.00	X		-325.19
10/07/2025	91074	Leslie's Pool Supplies	-split-		105.50	X		-219.69
10/13/2025	WB9192...	Zoro.com	-split-		136.95	X		-82.74
10/20/2025	97098	Pilot/Flying J	500000 · Operating Ex...		112.87	X		30.13
10/22/2025			-split-		136.40	X		166.53
10/24/2025		Walmart	-split-		11.95	X		178.48
11/01/2025	20250747	Kern Data	500000 · Operating Ex...	Monthly Subsc...	40.00	X		218.48
11/05/2025		Home Depot	-split-		127.17	X		345.65
11/05/2025	4447-354...	O'Reilly Auto Parts	-split-		41.10	X		386.75
11/05/2025	99473131	Pilot/Flying J	500000 · Operating Ex...		131.69	X		518.44
11/06/2025	5808250...	Starlink	500000 · Operating Ex...		165.00	X		683.44
11/13/2025		Zoro.com	-split-		77.94	X		761.38
11/17/2025	10-13846...	Ebay	-split-		377.79	X		1,139.17
11/18/2025		Home Depot	-split-		173.37	X		1,312.54
11/18/2025	99483613	Pilot/Flying J	500000 · Operating Ex...		101.00	X		1,413.54
11/19/2025	2413851...	Ebay	-split-		135.72	X		1,549.26
11/20/2025		UniTel	500000 · Operating Ex...		25.00	X		1,574.26
11/20/2025	0243256...	USPS	-split-		314.75			1,889.01
11/20/2025		U. S. Bank - Cal Card	222000 · Accounts Pay...				703.51	1,185.50
11/20/2025		U. S. Bank - Cal Card	222000 · Accounts Pay...				376.13	809.37
11/20/2025		U. S. Bank - Cal Card	222000 · Accounts Pay...				40.00	769.37
11/20/2025		U. S. Bank - Cal Card	222000 · Accounts Pay...				400.96	368.41
11/21/2025	0813868...	Ebay	-split-		193.74			562.15
11/26/2025	92481	Leslie's Pool Supplies	-split-		105.50			667.65
12/01/2025	5991	PSC Flammable Labels	-split-		98.25			765.90
12/01/2025	20250809	Kern Data	500000 · Operating Ex...	Monthly Subsc...	40.00			805.90
12/03/2025		Home Depot	-split-		8.10			814.00
12/03/2025		O'Reilly Auto Parts	-split-		27.04			841.04
12/03/2025	072670	Pilot/Flying J	500000 · Operating Ex...		92.11			933.15
12/06/2025	6125506...	Starlink	500000 · Operating Ex...		165.00			1,098.15
12/10/2025	32907752	Superior Plus Propan...	-split-		586.81			1,684.96
12/11/2025		Home Depot	-split-		22.71			1,707.67
12/11/2025	99504307	Pilot/Flying J	500000 · Operating Ex...		55.23			1,762.90
12/17/2025	4447-362...	O'Reilly Auto Parts	-split-		48.01			1,810.91
12/17/2025	99508846	Pilot/Flying J	500000 · Operating Ex...		88.61			1,899.52

Quail Valley Water District

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Register: 222200 · Acc Payable - Cal Cards

From 10/01/2025 through 12/31/2025

Sorted by: Date, Type, Number/Ref

Date	Ref.	Payee	Account	Memo	Charge	C	Payment	Balance
12/23/2025		Home Depot	500000 · Operating Ex...	N95 Masks, Ro...	57.63			1,957.15
12/23/2025		Pilot/Flying J	500000 · Operating Ex...	1999 Chevy Se...	54.01			2,011.16

Quail Valley Water District

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Register: 222100 · Acc Payable -Visa Cards

From 10/01/2025 through 12/31/2025

Sorted by: Date, Type, Number/Ref

Date	Ref.	Payee	Account	Memo	Charge	C	Payment	Balance
10/01/2025	11878490	Patriot Software Pay...	500000 · Operating Ex...	;Full-Service P...	52.00	X		52.00
10/09/2025	57851801	Ionos	500000 · Operating Ex...	Email archiving	13.50	X		65.50
10/15/2025	2020579...	Ionos	500000 · Operating Ex...	Extra Mail Stor...	2.99	X		68.49
10/31/2025		Union Bank - Visa	222000 · Accounts Pay...			X	68.49	0.00
11/01/2025	12057198	Patriot Software Pay...	500000 · Operating Ex...	Full-Service Pa...	52.00	X		52.00
11/09/2025	2020584...	Ionos	500000 · Operating Ex...	e-mail archiving	13.50	X		65.50
11/17/2025		Ionos	500000 · Operating Ex...	Extra s-mail sto...	2.99	X		68.49
11/28/2025		Union Bank - Visa	222000 · Accounts Pay...				68.49	0.00
12/01/2025	12200783	Patriot Software Pay...	500000 · Operating Ex...	Full Service Pa...	52.00			52.00
12/09/2025	2020590...	Ionos	500000 · Operating Ex...	Email archiving	14.50			66.50
12/15/2025	2020591...	Ionos	500000 · Operating Ex...	Extra e-mail st...	234.43			300.93
12/31/2025		Union Bank - Visa	222000 · Accounts Pay...				300.93	0.00

Quail Valley Water District

1/28/2026 3:26 PM

Register: 211000 · Long-Term Debt:211201 - RCAC Loan 2024

From 10/01/2025 through 12/31/2025

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Increase	C	Decrease	Balance
10/22/2025		RCAC (Rural Comm...	222000 · Accounts Pay...					
11/16/2025		RCAC (Rural Comm...	222000 · Accounts Pay...				350.01	48,913.97
12/17/2025		RCAC (Rural Comm...	222000 · Accounts Pay...				351.47	48,562.50

352.93 48,209.57

Quail Valley Water District

1/28/2026 3:21 PM

Register: 131000 · Cash:131006 · Patriot Software Payroll Acct

From 10/01/2025 through 12/31/2025

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
10/01/2025		UNITED STATES T...	-split-	77-0328828	820.23			6,294.92
10/07/2025			131000 · Cash:131007 ...	Funds Transfer ...		2,315.19		8,610.11
10/07/2025			131000 · Cash:131007 ...	Funds Transfer ...		893.69		9,503.80
10/10/2025		Isaias R Villafana	-split-			2,315.19		7,188.61
10/15/2025		EMPLOYMENT DE...	229000 · Taxes Accrue...	698-1692-4	457.76			6,730.85
10/16/2025		UNITED STATES T...	-split-	77-0328828	827.82			5,903.03
10/21/2025			131000 · Cash:131007 ...	Funds Transfer ...		2,383.08		8,286.11
10/21/2025			131000 · Cash:131007 ...	Funds Transfer ...		899.20		9,185.31
10/23/2025		Isaias R Villafana	-split-			2,383.08		6,802.23
10/29/2025		UNITED STATES T...	-split-	77-0328828	832.89			5,969.34
10/31/2025		EMPLOYMENT DE...	-split-	698-1692-4	51.94			5,917.40
11/04/2025			131000 · Cash:131007 ...	Funds Transfer ...		2,228.37		8,145.77
11/04/2025			131000 · Cash:131007 ...	Funds Transfer ...		890.84		9,036.61
11/07/2025		Isaias R Villafana	-split-			2,228.37		6,808.24
11/13/2025		UNITED STATES T...	-split-	77-0328828	825.63			5,982.61
11/18/2025			131000 · Cash:131007 ...	Funds Transfer ...		2,316.59		8,299.20
11/18/2025			131000 · Cash:131007 ...	Funds Transfer ...		888.17		9,187.37
11/20/2025		Isaias R Villafana	-split-			2,316.59		6,870.78
11/26/2025		UNITED STATES T...	-split-	77-0328828	822.74			6,048.04
12/02/2025			131000 · Cash:131007 ...	Funds Transfer ...		2,295.58		8,343.62
12/02/2025			131000 · Cash:131007 ...	Funds Transfer ...		949.54		9,293.16
12/05/2025		Isaias R Villafana	-split-			2,295.58		6,997.58
12/10/2025		UNITED STATES T...	-split-	77-0328828	876.03			6,121.55
12/16/2025			131000 · Cash:131007 ...	Funds Transfer ...		2,316.58		8,438.13
12/16/2025			131000 · Cash:131007 ...	Funds Transfer ...		882.66		9,320.79
12/19/2025		Isaias R Villafana	-split-			2,316.58		7,004.21
12/24/2025		UNITED STATES T...	-split-	77-0328828	817.67			6,186.54
12/26/2025			131000 · Cash:131007 ...	Funds Transfer		606.73		6,793.27
12/31/2025		UNITED STATES T...	-split-	77-0328828	553.82			6,239.45
12/31/2025			131000 · Cash:131007 ...	Funds Transfer		894.67		7,134.12

Quail Valley Water District
Profit & Loss Budget vs. Actual
July through December 2025

Ordinary Income/Expense	Jul - Dec 25	Budget	\$ Over Budget	% of Budget
Income				
410000 - Operating Revenues (Revenue related to District operations)				
411000 - Water Sales (This account accumulates all costs in accounts 401110-4011799.)	79,763.40	83,761.33	-3,997.93	95.2%
411100 - Water Sales - Residential (This account includes revenues earned from wa...	1,199.16	1,319.10	-119.94	90.9%
411200 - Water Sales - Business (This account includes revenues earned from wate...	0.00	0.00	0.00	0.0%
Total 411000 - Water Sales (This account accumulates all costs in accounts 401110-401...	80,962.56	85,080.43	-4,117.87	95.2%
421000 - Water Services (This account accumulates all costs in accounts 402110-4021...				
421500 - Water Services-Other (This account includes billings for customer installat...	0.00	0.00	0.00	0.0%
421511 - 511 - Connection Fee	1,887.62	1,880.89	6.73	100.4%
421550 - Late Fees	300.00	390.00	-90.00	76.9%
421580 - Disconnect Notice Fee	0.00	0.00	0.00	0.0%
421590 - Disconnection Fee				
Total 421500 - Water Services-Other (This account includes billings for customer in...	2,187.62	2,270.89	-83.27	96.3%
421515 - 515 - Account Transfer Fee	300.00	300.00	0.00	100.0%
Total 421000 - Water Services (This account accumulates all costs in accounts 402110-...	2,487.62	2,570.89	-83.27	96.8%
Total 421000 - Operating Revenues (Revenue related to District operations)				
490000 - Non-Operating Revenues (This account accumulates all costs from accounts 40...	83,450.18	87,651.32	-4,201.14	95.2%
491000 - Non-Operating Revenue - Rents (This account includes all rent revenues from...	150.00	175.00	-25.00	85.7%
492000 - Non-Operating - Interest Revenue (This account includes interest revenues on ...	608.68	323.31	285.37	188.3%
493000 - Taxes and Assessments (This account accumulates all charges from account...				
493050 - 1001-Prop Taxes-Current Secured (All taxes apportioned as a result of levi...	355.21	26,082.50	-25,727.29	1.4%
493100 - 1003-Prop Taxes-Prior Unsecured (All taxes apportioned as a result of levi...	998.48	4,718.86	-3,720.38	21.2%
493200 - Property Taxes-Prior Unsecured (All taxes apportioned as a result of levi...	0.00	-2.50	2.50	0.0%
493350 - Property Assessments (Non ad valorem levies made against property in th...	0.00	6,177.12	-6,177.12	0.0%
493450 - 1099-Penalties/Costs On Delinqu (Include all amounts apportioned as a res...	17.13	20.62	-3.49	83.1%
493500 - Supplemental Property Taxes-Cur (Property tax revenues(secured and uns...)	208.90	326.22	-117.32	64.0%
493600 - Supplemental-Prior Taxes & Pena (Prior year supplemental roll property ta...	76.09	109.52	-33.43	69.5%
Total 493000 - Taxes and Assessments (This account accumulates all charges from ac...	1,655.81	37,432.34	-35,776.53	4.4%
495000 - Intergovernmental Revenues (This account accumulates all costs in accounts...				
495200 - 1176-Homeowners Prop Tax Relief (This account includes amount receive...	0.00	40.18	-40.18	0.0%
Total 495000 - Intergovernmental Revenues (This account accumulates all costs in acc...	0.00	40.18	-40.18	0.0%
498000 - Other Non-Operating Revenues (This account includes all non-operating reve...				
498530 - 530 - Miscellaneous	122.93	0.00	122.93	100.0%
Total 498000 - Other Non-Operating Revenues (This account includes all non-operatin...	122.93	0.00	122.93	100.0%
Total 490000 - Non-Operating Revenues (This account accumulates all costs from accoun...	2,537.42	37,970.83	-35,433.41	6.7%

Quail Valley Water District
Profit & Loss Budget vs. Actual
July through December 2025

	Jul - Dec 25	Budget	\$ Over Budget	% of Budget
49900 - Uncategorized Income (Income not categorized elsewhere)	0.00	0.00	0.00	0.0%
Total Income	85,987.60	125,622.15	-39,634.55	68.4%
Cost of Goods Sold	29.68	-698.88	728.56	-4.2%
50000 - Cost of Goods Sold (Costs of items purchased and then sold to customers)	29.68	-698.88	728.56	-4.2%
Total COGS	85,957.92	126,321.03	-40,363.11	68.0%
Gross Profit				
Expense				
Merchant deposit fees	688.01	823.65	-135.64	83.5%
500000 - Operating Expenses				
510000 - Source of Supply				
511000 - Supervision, Labor & Expense (This account includes the cost of labor and...	0.00	0.00	0.00	0.0%
512000 - Maintenance-Structure & Improve (This account includes the cost of labor ...	194.06	0.00	194.06	100.0%
Total 510000 - Source of Supply				
520000 - Pumping (522000-Operation of pumping plant, 522000-Operation & maintenance...	0.00	0.00	0.00	0.0%
521000 - Supervision, Labor & Expense (This account includes the cost of labor an...				
522000 - Maintenance-Structures & Improve (This account includes the costs of labo...				
522661 - Wages-Maintenance, Pumping (Wages and salaries related to maintena...	0.00	0.00	0.00	0.0%
Total 522000 - Maintenance-Structures & Improve (This account includes the costs of...	0.00	0.00	0.00	0.0%
523000 - Fuel or Power Purchased-Pumping (This account includes the cost of fuel ...				
523103 - SCE Montcalire 1	3,368.74	3,587.30	-218.56	93.9%
523108 - SCE TanganBloemfontein	44.24	-11.42	55.66	-387.4%
523111 - SCE Hackamore	64.29	117.65	-53.36	54.6%
523273 - SCE Country CynBooster	57.09	6.90	50.19	827.4%
Total 523000 - Fuel or Power Purchased-Pumping (This account includes the cost o...	3,534.36	3,700.43	-166.07	95.5%
Total 520000 - Pumping (521000-Operation of pumping plant, 522000-Operation & maint...	3,534.36	3,700.43	-166.07	95.5%
530000 - Water Treatment (531000-Operation of Water Treatment Plant (includes samp...				
531000 - Supervision, Labor & Expense (This account includes the cost of labor an...				
531100 - Chemicals-Water Quality	819.53	760.19	59.34	107.8%
531200 - Water Quality Testing	2,413.39	2,804.30	-390.91	86.1%
531000 - Supervision, Labor & Expense (This account includes the cost of labo...	250.75	625.72	-374.97	40.1%
Total 531000 - Supervision, Labor & Expense (This account includes the cost of lab...	3,483.67	4,190.21	-706.54	83.1%
532000 - Maintenance-Structures & Improve (This account includes the costs of labo...	149.00	0.00	149.00	100.0%
Total 530000 - Water Treatment (531000-Operation of Water Treatment Plant (includes ...	3,632.67	4,190.21	-557.54	86.7%

Quail Valley Water District
Profit & Loss Budget vs. Actual
July through December 2025

	Jul - Dec 25	Budget	\$ Over Budget	% of Budget
540000 - Transmission & Distribution (541000-Operation of Distribution Plant 542000-R...				
541000 - Supervision, Labor & Expense (This account includes the cost of labor an...				
5416611 - Wages, Transmission & Distribut (Wages and salaries related to supervi...	2,363.04	1,277.04	1,086.00	185.0%
5416611 - Cross-Connection Control Progra (Labor cost associated with admini...	0.00	1,744.80	-1,744.80	0.0%
5416612 - 5416612-Locate (Activities to locate existing utilities (Dig-Alert))	3,064.76	3,381.27	-316.51	90.6%
541661 - Wages, Transmission & Distribut (Wages and salaries related to supe...	<u>5,427.80</u>	<u>6,403.11</u>	<u>-975.31</u>	<u>84.8%</u>
Total 541661 - Wages, Transmission & Distribut (Wages and salaries related to s...	5,427.80	6,403.11	-975.31	84.8%
Total 541000 - Supervision, Labor & Expense (This account includes the cost of lab...	5,427.80	6,403.11	-975.31	84.8%
542000 - Maintenance-Structures & Improv (This account includes the cost of labor ...				
542661 - Wages, Transmission & Distribut (Wages and salaries related to the mail...	0.00	1,323.63	0.00	0.0%
542661 - Wages, Transmission & Distribut (Wages and salaries related to the mail...	<u>2,306.05</u>	<u>1,323.63</u>	<u>982.42</u>	<u>174.2%</u>
Total 542661 - Wages, Transmission & Distribut (Wages and salaries related to th...	2,306.05	1,323.63	982.42	174.2%
Total 542000 - Maintenance-Structures & Improv (This account includes the cost of lab...	2,306.05	0.00	349.00	100.0%
Total 542000 - Maintenance-Structures & Improv (This account includes the cost of lab...	2,655.05	1,323.63	1,331.42	200.6%
Total 540000 - Transmission & Distribution (541000-Operation of Distribution Plant 5420...	8,082.85	7,726.74	356.11	104.6%
550000 - Customer Accounts (551000-meter reading, billing, maintaining customer acc...				
551000 - Supervision, Meter Reading & Ot (This account includes the costs of labor ...				
551661 - Wages, Customer Accounts (Wages and salaries related to maintenance ...	756.84	1,991.47	-1,234.63	38.0%
Total 551000 - Supervision, Meter Reading & Ot (This account includes the costs of ...	756.84	1,991.47	-1,234.63	38.0%
Total 550000 - Customer Accounts (551000-meter reading, billing, maintaining custom...	756.84	1,991.47	-1,234.63	38.0%
560000 - Administrative & General				
561000 - Salaries (This account includes salaries and other considerations (but not ...				
561661 - Wages, Administration (Wages and salaries related to general administr...	4,373.86	4,500.63	-126.77	97.2%
561000 - Salaries (This account includes salaries and other considerations (but n...	<u>7,741.12</u>	<u>7,255.91</u>	<u>485.21</u>	<u>106.7%</u>
Total 561000 - Salaries (This account includes salaries and other considerations (bu...	12,114.98	11,756.54	358.44	103.0%
562000 - Office Supplies & Other Expense (This account includes office supplies an...				
562710 - Postage	419.83	288.32	131.51	145.6%
562720 - Bank Charges	119.70	25.00	94.70	478.8%
562730 - Office Supplies	181.53	541.70	-360.17	33.5%
562740 - Freight	27.13	249.57	-222.44	10.9%
562760 - Com-Telephone-Internet	2,341.08	1,917.75	423.33	122.1%
562770 - Utilities-Office	856.27	1,616.01	-759.74	53.0%
562771 - SCE Office	<u>1,226.41</u>	<u>699.61</u>	<u>526.80</u>	<u>175.3%</u>
Total 562770 - Utilities-Office	2,082.68	2,315.62	-232.94	89.9%

Quail Valley Water District
Profit & Loss Budget vs. Actual
July through December 2025

	Jul - Dec 25	Budget	\$ Over Budget	% of Budget
562780 - Dues & Subscriptions	460.00	540.00	-80.00	85.2%
562000 - Office Supplies & Other Expense (This account includes office supplies ...	811.00	0.00	811.00	100.0%
Total 562000 - Office Supplies & Other Expense (This account includes office suppli...	6,442.95	5,877.96	564.99	109.6%
563000 - Contractual Services (This account includes the fees and expenses of pro...	1,287.00	5,363.40	-4,076.40	24.0%
564000 - Property Insurance, Injuries & (This account includes the cost of insurance...	4,795.99	5,208.94	-412.95	92.1%
565000 - Employee Retirement & Benefits (This account includes charges to provid...				
565663 - Employee Reimbursement	2.14	329.94	-327.80	0.6%
565664 - Workers Comp Insurance	3,184.61	7,772.00	-4,587.39	41.0%
565665 - Meetings, Seminars & Training (Includes travel, meals and lodging cost...	0.00	0.00	0.00	0.0%
565666 - 666 - Safety Supplies	0.00	180.00	-180.00	0.0%
565000 - Employee Retirement & Benefits (This account includes charges to prov...	3,808.07	1,492.09	2,315.98	255.2%
Total 565000 - Employee Retirement & Benefits (This account includes charges to p...	6,994.82	9,774.03	-2,779.21	71.6%
566000 - Franchise Requirements (This account includes payments to municipal or ...				
568000 - Maintenance-General Plant (This account includes the costs assignable to ...				
568100 - Building Maintenance	0.00	44.07	-44.07	0.0%
568110 - Building Maintenance-Office	2,184.76	192.53	1,992.23	1,124.8%
Total 568100 - Building Maintenance	2,184.76	236.60	1,948.16	923.4%
568640 - Op Expenses Auto				
568641 - Repair & Main-Auto	416.06	92.34	323.72	450.6%
568642 - Small Tools & Supplies	1,434.77	975.85	458.92	147.0%
568645 - Repair & Main-Equip	133.96	722.36	-588.40	18.5%
568646 - Fuel - Auto	1,271.21	1,974.68	-703.47	64.4%
568647 - Waste Disposal	0.00	3.53	-3.53	0.0%
568640 - Op Expenses Auto - Other	350.00			
Total 568640 - Op Expenses Auto	3,606.00	3,768.76	-162.76	95.7%
5686400 - Maintenance-General Plant (This account includes the costs assigna...				
560000 - Administrative & General - Other	5,790.76	4,005.36	1,785.40	144.6%
Total 560000 - Administrative & General	-755.80	37,916.30	43,061.87	-5,145.57
570000 - Other Operating Expenses				
571000 - Depreciation (This account includes such amounts of depreciation and am...	0.00	0.00	0.00	0.0%
572000 - Taxes (This account includes the amount of federal, state, county, municip...	517.45	1,291.23	-773.78	40.1%
Total 570000 - Other Operating Expenses	517.45	1,291.23	-773.78	40.1%
Total 500000 - Operating Expenses	54,634.53	61,961.95	-7,327.42	88.2%

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Accrual B

Quail Valley Water District **Profit & Loss Budget vs. Actual**

July through December 2025

	Jul - Dec 25	Budget	\$ Over Budget	% of Budget
6000000 · Nonoperating Expenses				
601000 · Interest on Long-Term Debt (This account includes the amount of interest on...	810.44	1,200.00	-389.56	67.5%
601100 · RCAC Loan Interest				
Total 601000 · Interest on Long-Term Debt (This account includes the amount of interest on...	810.44	1,200.00	-389.56	67.5%
604000 · Other Nonoperating Expenses (This account includes all nonoperating expenses)				
600000 · Nonoperating Expenses - Other				
Total 600000 · Nonoperating Expenses	403.05	986.00	-619.60	37.2%
660000 · Payroll Expenses (Payroll expenses)				
660010 · Bank Service Charges				
Total Expense				
Net Ordinary Income				
Other Income/Expense				
800000 · Ask My Accountant (Transactions to be discussed with accountant, consultant, or t...				
Total Other Expense				
Net Other Income				
Net Income				



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PUBLIC AGENCY

QUAIL VALLEY WATER DISTRICT

BOARD OF DIRECTORS

Mike Biglay
Enrique Lopez
Dawn Shiells
James Sweany
Catherine Tate

BOARD MEMO

Re: 5.4. Discussion and possible action to retain auditor for FYE 2026 biennial audit.

Date: January 29, 2026

By: Randy Hardenbrook, General Manager

Subject: Proposal from Ryan Dalmas, CPA

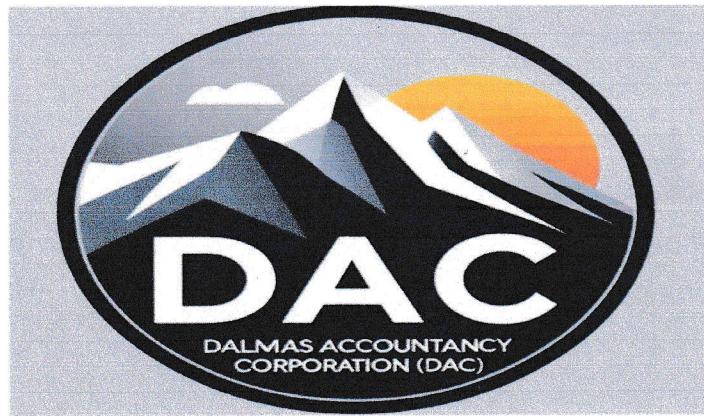
District has received a proposal from Ryan Dalmas, CPA to perform audit services for the District. Our current auditor, Bill Walker, CPA, has indicated his intentions to no longer perform audits. The District has not requested proposals but when we attempted to locate an auditor in the past, we found it very difficult to find an auditor willing to perform audits for an entity as small as us and non that were cost competitive. Mr. Dalmas is local to the Tehachapi area and currently works with other small government entities.

While Mr. Walker has kept his fees for service consistent for several years, Mr. Dalmas has proposed a fee structure tied to inflation. A comparison of fees, using the same inflation adjustments to Mr. Walker's fees, indicates an increase in cost of slightly less than \$5,000 over the next 5 years for Mr. Dalmas' services.

In light of the length of time that Mr. Walker has been performing our audits and some issues with the timeliness of their completion, it is recommended that a change in auditors is warranted if for no other reason than having a fresh set of eyes performing the audits may find any previously overlooked deficiencies.

Mr. Walker has indicated that he will be continuing to offer bookkeeping service going forward and without the conflict of being our auditor, we may be able to use his expertise to assist us in better preparing our books.

It is staff's recommendation that District retain Mr. Dalmas for performing audits and for the completion of the Annual Financial Transactions Report to State Controller's Office.



Cover Letter to Proposal

January 27, 2026

Board of Directors
Quail Valley Water District
24750 Sand Canyon Road
Tehachapi, CA 93561

Dear Members of the Board:

We are pleased to submit this proposal to provide professional independent financial auditing services for the Quail Valley Water District for the biennial period ending June 30, 2026, with the option to renew for additional terms.

Dalmas Accountancy Corporation (DAC) is an independent certified public accounting firm of recognized ability and standing, and we are properly licensed to practice in the State of California. We are committed to performing a high-quality audit that meets all regulatory requirements and provides valuable insights to District management. Our principal objective is to provide an opinion on whether the financial statements are presented fairly and in accordance with generally accepted accounting principles (GAAP).

We look forward to the opportunity to work with the Quail Valley Water District.

Sincerely,



Ryan Dalmas, CPA
DAC President
ryan@dac.cpa

I. Firm Qualifications and Experience

- *License to Practice in California:* DAC (License # 10085) and all assigned professional staff are currently and properly licensed to practice as Certified Public Accountants in the State of California, in good standing with the California Board of Accountancy.
- *Firm Structure and Location:* DAC is a sole practitioner firm located in Tehachapi, CA at 122 S. Green St. Suite 5. All work on this engagement will be performed from this office and on-site at the District's facilities.
- *Governmental Auditing Experience:* The firm's audit practice includes significant experience with governmental entities, specifically California special districts and water utilities.
- *Peer Review / Quality Control:* We confirm our compliance with the latest external quality control review (peer review) requirements and are prepared to pass without deficiencies in our initial peer review report which is due by April 30, 2027. An independent, third party CPA will be utilized for an audit file review as a quality control measure that the working papers contain sufficient, appropriate evidence before the audited financial statements are issued/finalized.
- *Independence:* DAC is independent of the Quail Valley Water District, as defined by generally accepted auditing standards (GAAS) and the U.S. Government Accountability Office's Generally Accepted Government Auditing Standards (GAGAS/Yellow Book). We will provide written notice of any professional relationships that may impact independence during the engagement period.
- *Disciplinary Action:* An affirmative statement that there are no pending or actual disciplinary actions against the firm or its key personnel within the past three (3) years.

II. On-Site Supervisory and Staff Qualifications

- The engagement will be led by Ryan Dalmas, CPA (License # 161032), who has over 5 years of experience in governmental auditing, including specific experience with water district accounting systems.
- All staff assigned to this engagement meet the Continuing Professional Education (CPE) requirements of the California Board of Accountancy and GAGAS.

III. Approach to the Audit

- *Auditing Standards:* The audit will be performed in accordance with GAAS, the standards applicable to financial audits contained in GAGAS (Government Auditing Standards, 2018

Revision, or latest), and all minimum requirements of the California State Controller's Office.

- *Audit Planning and Internal Controls*: Our approach includes a proper study and evaluation of the District's internal control structure to assess risk and design appropriate audit procedures. We will also determine the applicable laws and regulations subject to audit testing.
- *Water Loss Audit*: We will ensure that the District's annual water loss audit report, prepared using the AWWA Free Water Audit Software, is properly validated and reported in accordance with California Water Code regulations (SB 555 and AB 1414).
- *Deliverables* - We will deliver:
 - An auditor's opinion on the basic financial statements.
 - Reports on compliance and internal control over financial reporting.
 - A management letter with finding(s) and recommendations.
 - Required footnote disclosures and supplementary information in accordance with Governmental Accounting Standards Board (GASB) statements.
- *Anticipated Problems*: There are no anticipated potential audit problems and if any are encountered they will be immediately communicated to management so they can be resolved in a timely manner.

IV. Proposed Audit Schedule

We propose the following general timeline, which will be finalized in an entrance conference:

- *Predecessor Auditor Workpaper Review/New Client Due Diligence*: February 2026 to March 2026.
- *Planning Phase/Entrance Conference*: April 2026 to May 2026.
- *Interim Fieldwork*: June 2026.
- *Final Fieldwork*: September 2026 to October 2026.
- *Draft Report & Exit Conference*: November 2026.
- *Final Report Submission*: December 2026.

V. Client References

We have performed similar accounting/audit services for the following clients:

- Tehachapi Valley Healthcare District: Peggy Mendiburu, CEO, 661-750-4848, pmendiburu@tvhd.org
- Tehachapi Valley Recreation & Park District: Corey Torres, MPA/District Manager, 661-822-3228, c.torres@tvrpd.org
- Lamont Public Utility District: Scott Taylor, General Manager, 661-845-1213, staylor@LPUD.org

VI. Cost Proposal

We propose an all-inclusive maximum price not to exceed the following for the biennial audit services, including all direct and indirect costs:

- Fiscal year ending 6/30/2026 Audit: \$7,425
- Fiscal year ending 6/30/2028 Audit: \$7,950 (Option to renew)
- Fiscal year ending 6/30/2030 Audit: \$8,500 (Option to renew)
- Fiscal year ending 6/30/2032 Audit: \$9,100 (Option to renew)
- Submission of SCO Report(s): \$250 per Audit x 4 = \$1,000 (Optional service)
- Total Not-to-Exceed: \$33,975

Progress payments will be invoiced based on the hours of work completed during the engagement. We maintain professional liability insurance coverage of \$250,000 through the AICPA Professional Liability Insurance Program via policy # APL 793091272.

<u>Audit Cost (\$)</u>		
2017 Grand Jury Report		5,500.00
COLA increases by year:		
2018	2%	5,610.00
2019	2.8%	5,767.08
2020	1.6%	5,859.35
2021	1.3%	5,935.52
2022	5.9%	6,285.72
2023	8.7%	6,832.58
2024	3.2%	7,051.22
2025	2.5%	7,227.50
2026	2.8%	7,429.87
Average COLA above		
2027	3.4%	7,684.14
2028	3.4%	7,947.11
2029	3.4%	8,219.07
2030	3.4%	8,500.35
2031	3.4%	8,791.25
2032	3.4%	9,092.11

7,425.00
7,950.00
8,500.00
9,100.00
<u>1,000.00</u> SCO Reports
33,975.00 Total Not-to-Exceed

Report of General Manager

January 28, 2026

- Prepare for and attend (telephonically) October Board meeting.
- Complete Safer reports for July, August, September.
- Respond to phone service outage. Research and acquire voip line, set up phone system for voip line, contact AT&T to forward 1923 to voip line. Post notices on website, Nextdoor with new phone number.
- Send FYE financial reports to Bill for preparation of Financial Transactions Report.
- Assist staff determining meter read issue with new digital meters.
- Assist staff troubleshooting pump issue at Hackamore well.
- Discuss attempted theft of service trucks with Izzy.
- Call Izzy to make him aware of comms issue with SCADA due to low voltage at East Tank site. Research and order replacement battery for site.
- Order repair parts and tools for damaged service truck.
- Draft December Newsletter.
- Draft employee compensation report and provide to Transparent California.
- Assist staff with issuing VRI refund and interpreting new Kern County financial coding. Enter tax receipts for June, July, and August. Reconcile tax accounts.
- Complete and mail Financial Transactions Report cover sheet to SCO.
- Assist Staff with Payroll.
- Noticed extreme water loss on West side of system, call staff to respond and locate leak. Attempt to contact WaterBoards regarding possible loss of water pressure on Westside-no response. Attempt to contact OES, OES not aware of procedure to notify WaterBoards during holiday. Isolate East side from system to prevent water loss. Staff located leak, assist with determining course of action to isolate leak. Monitor SCADA to verify tanks refilling. Continue to monitor tanks for next several weeks and slowly adjust tank levels to bring back to normal without stressing well.
- Draft January Newsletter, post to website.
- Assist staff with payroll.
- Discuss water service with new resident on Chimanmani, email application.
- Update payroll deposit, tax payments in accounting software.
- Assist staff with accounting entries, requesting funds transfer from Kern County, reconcile checking account.
- Download electric bills and enter in accounting system.
- Assist staff installing new battery at East Tank.
- Assist staff with payroll.
- Discuss leak from blow-off on Sand Canyon with staff.
- Assist staff creating and distributing W2s.
- Prepare, file and distribute 1099s.
- Review water quality sample results.
- Prepare reports for January Board Meeting.

SYSTEM STATUS

January 27, 2026

- Montclaire West Well continues to be the sole source for the entire system.
- Static water level has dropped to the level of the Montclaire East Well pump and the well is no longer able to produce water.
- For the month of January to date (1/27/26), Montclaire wells are averaging 9.07 hours per day, down from 9.54 in December, supplying an average of 13,428 gallons per day. Average pumping for December was 14,209 gallons per day.
- On January 26th, 2026, the Montclaire West Well static water level was 349 feet. On January 24th, 2025, static water level was 331 feet.
- 12-month running average monthly production as of January 1st was 497,647 gallons, an increase of 10,383 gallons from the same period in 2025.
- Monthly routine bacteriological sampling for November, December, and January were completed in compliance with the combined system BSSP. All Routine samples were negative for coliform and e. coli.
- Fe and Mn samples indicate N/D levels post filtration.
- Hackamore well was pumping at 9.00 gpm on December 1st, 2025.

Oct-25			2025 Year To Date Totals			Oct 2024 Totals		
Water Produced	407,925	100%	Water Produced	5,549,876	100%	Water Produced	528,782	100%
Water Sold	234,662	58%	Water Sold	2,373,212	43%	Water Sold	305,971	58%
Flushing		0%	Flushing		0%	Flushing		0%
Misc Use	172,000	42%	Misc Use	1,720,000	31%	Misc Use		0%
Lost	1,263	0%	Lost	1,456,664	26%	Lost	222,811	42%
Hackamore			Hackamore			Hackamore		
Water Produced	5,956	100%	Water Produced	34,509	100%	Water Produced	6,683	100%
Water Sold	2,901	49%	Water Sold	20,464	59%	Water Sold	4,389	66%
Flushing		0%	Flushing		0%	Flushing		0%
Lost	3,055	51%	Lost	14,045	41%	Lost	2,294	34%

Nov-25			2025 Year To Date Totals			Nov 2024 Totals		
Water Produced	425,477	100%	Water Produced	5,975,353	100%	Water Produced	492,941	100%
Water Sold	186,581	44%	Water Sold	2,559,793	43%	Water Sold	215,519	44%
Flushing		0%	Flushing		0%	Flushing		0%
Misc Use	172,000	40%	Misc Use	1,892,000	32%	Misc Use		0%
Lost	66,896	16%	Lost	1,523,560	25%	Lost	277,422	56%
Hackamore			Hackamore			Hackamore		
Water Produced	1,581	100%	Water Produced	36,090	100%	Water Produced	5,158	100%
Water Sold	1,707	108%	Water Sold	22,171	61%	Water Sold	3,328	65%
Flushing		0%	Flushing		0%	Flushing		0%
Lost	-126	-8%	Lost	13,919	39%	Lost	1,830	35%

Dec-25			2025 Year To Date Totals			Dec 2024 Totals		
Water Produced	482,934	100%	Water Produced	6,379,688	100%	Water Produced	599,723	100%
Water Sold	170,991	35%	Water Sold	2,730,784	43%	Water Sold	230,627	38%
Flushing		0%	Flushing		0%	Flushing		0%
Misc Use	222,000	46%	Misc Use	2,114,000	33%	Misc Use		0%
Lost	89,943	19%	Lost	1,534,904	24%	Lost	369,096	62%
Hackamore			Hackamore			Hackamore		
Water Produced	2,781	100%	Water Produced	38,871	100%	Water Produced	2,756	100%
Water Sold	2,400	86%	Water Sold	24,571	63%	Water Sold	3,574	130%
Flushing		0%	Flushing		0%	Flushing		0%
Lost	381	14%	Lost	14,300	37%	Lost	-818	-30%

- Since November 2023, system water loss increased dramatically from a historical 10% to 20% of production to more than 60% of production.
 - In addition to the previously located leak between Montclaire and Pine Ridge, staff located a leak from a blow-off on Sand Canyon that was leaking into Sand Creek and appears to have been leaking for a considerable amount of time. This leak was estimated to be about 6,000 gallons a day and represented a large impact on the system.
 - A catastrophic failure of the Upper Quail Ridge water main that supplies the WTP, Chappel, and Quail Ridge Court resulted in a water loss estimated at 50,000 gallons before the leak was located and isolated.
 - Staff is continuing to visually inspect water mains looking for any signs of additional leaks.
 - Utilizing the above estimated water losses, monthly water loss returns to historical 20% levels. Staff will continue to monitor water loss to see if this trend continues.

