



A STATE OF
CALIFORNIA
PUBLIC
AGENCY

QUAIL VALLEY WATER DISTRICT

BOARD OF DIRECTORS

Mike Biglay
Jean Grodewald
Rita Leonard
Enrique Lopez
Richard Sims

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 26th, 2019 at 8:30 AM.

NOTE: To comply with the Americans with Disabilities Act, to participate in any Board meeting please contact Richard Cantrell 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 Richard Cantrell 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 Special Meeting held 12/8/18.
5. Presentations:
 - 5.1. Update on Prop 84 project. (General Manager Hardenbrook)
 - 5.2. Update on wells, reservoirs and system status. (General Manager Hardenbrook)
 - 5.3. Update on Voluntary Rate Increase. (General Manager Hardenbrook)
 - 5.4. Update on Mountain Valley Association (General Manager Hardenbrook)



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6. Action Items:
 - 6.1. Discussion and possible action to appoint Secretary and Treasurer effective upon retirement of current Secretary/Treasurer. (General Manager Hardenbrook)
 - 6.2. Discussion of monthly financial statements and consideration and possible action to approve payments for December. (General Manager Hardenbrook)
 - 6.3. Discussion and possible action accepting settlement offer with PVWC. (General Manager Hardenbrook)
 - 6.4. Discussion and possible action to retain special counsel. (General Manager Hardenbrook)
 - 6.5. Discussion and possible action terminating service agreement with property owner (Lot 46, Tract 3312) and refund of connection fees received. (General Manager Hardenbrook)
 - 6.6. Discussion and possible action adopting change to Rule 1.17. or special assessment for proposed development. (General Manager Hardenbrook)
 - 6.7. Discussion and possible action on continuation of Voluntary Rate Increase. (General Manager Hardenbrook)
 - 6.8. Discussion and possible action to establish a succession plan. (General Manager Hardenbrook)
7. Reports of Officers, Board Members and Standing Committees.
8. Report of General Manager.
9. Board Members' Requests for Future Agenda Items.
10. Adjournment.



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BOARD OF DIRECTORS

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

Held at 24750 Sand Canyon Road, Tehachapi, CA
On Saturday, January 26th, 2019 at 8:30 AM.

1. Roll Call.

Meeting called to order at 8:30 AM. There were present, representing a quorum:
Director Biglay;
Director Grodewald;
Director Leonard;
Director Lopez;
Director Sims.

2. Adoption of Agenda.

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

3. Public comments for NON-agenda items.

None.

4. Consent Calendar:

4.1. Approve minutes from Special Meeting held 12/8/18.

Director Biglay moved, seconded by Director Sims, to approve minutes from 10/27/18 regular meeting and 11/3/18 special meeting. Motion approved by unanimous assent.

5. Presentations:

5.1. Update on Prop 84 project. (General Manager Hardenbrook)

General Manager Hardenbrook provided Board with an update on the Prop 84 arsenic remediation project.

5.2. Update on wells, reservoirs and system status. (General Manager Hardenbrook)

General Manager Hardenbrook provided Board with a report on the operational status of the distribution system.

5.3. Update on Voluntary Rate Increase. (General Manager Hardenbrook)

General Manager Hardenbrook provided Board with an update on the voluntary rate increase including impact to cash flow, customer feedback regarding confusion over increase.



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- 5.4. Update on Mountain Valley Association (General Manager Hardenbrook)
General Manager Hardenbrook provided Board with a brief overview of issues faced by Mountain Valley Association and possible effects to QVWD.
6. Action Items:
- 6.1. Discussion and possible action to appoint Secretary and Treasurer effective upon retirement of current Secretary/Treasurer. (General Manager Hardenbrook)
General Manager advised Board that with the retirement of Mr. Cantrell, a Secretary and Treasurer will need to be appointed by the Board by the next regular meeting. No action taken.
- 6.2. Discussion of monthly financial statements and consideration and possible action to approve payments for December. (General Manager Hardenbrook)
General Manager Hardenbrook led Board in a review of financial statements for November. Director Biglay moved, seconded by Director Leonard, to approve payment of bills for December. Motion approved by unanimous assent.
- 6.3. Discussion and possible action accepting settlement offer with PVWC. (General Manager Hardenbrook)
Director Biglay moved, seconded by Director Lopez, to table item to February regular meeting. Motion approved by unanimous assent.
- 6.4. Discussion and possible action to retain special counsel. (General Manager Hardenbrook)
Director Biglay moved, seconded by Director Leonard, to retain the law firm of Freidman and Springwater to assist QVWD with issues related to PVWC. Motion approved 4-1. Director Leonard, seconded by Director Lopez, to authorize General Manager Hardenbrook to sign documents retaining counsel on behalf of QVWD. Motion approved by unanimous assent.
- 6.5. Discussion and possible action terminating service agreement with property owner (Lot 46, Tract 3312) and refund of connection fees received. (General Manager Hardenbrook)
No action taken.
- 6.6. Discussion and possible action adopting change to Rule 1.17. or special assessment for proposed development. (General Manager Hardenbrook)
General Manager Hardenbrook advised Board of request by property owner for potential water service to 5 parcels and request for consideration of discounted fees if all 5 connections were installed concurrently. General Manager Hardenbrook explained that connections will require a water main extension to be paid by developer and discussed Rule 1.17. Also discussed was the potential to serve other lots from the proposed line extension. Director Lopez moved, seconded by Director Biglay, to offer a construction discount, consistent with discount offered during Prop 84 construction, of



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\$2,500.00 per connection for installation of all 5 services concurrent with construction of water main extension, offer to be valid for 90 days from 1/28/19. Motion approved by unanimous assent.

- 6.7. Discussion and possible action on continuation of Voluntary Rate Increase. (General Manager Hardenbrook)
No action taken.
- 6.8. Discussion and possible action to establish a succession plan. (General Manager Hardenbrook)
No action taken.
7. Reports of Officers, Board Members and Standing Committees.
None.
8. Report of General Manager.
General Manager Hardenbrook provided a written report.
9. Board Members' Requests for Future Agenda Items.
None.
10. Adjournment.
There being no further business before the Board, Director Biglay moved, seconded by Director Grodewald, to adjourn at 10:46. 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.

Richard Cantrell, Secretary

Prop 84 Update

January 2019

District has requested an extension of time for project completion to September 30, 2019. We are still waiting for approval of the request.

Claim 30 has been approved and we are awaiting payment. Claim 31 submitted but cannot be approved until time extension is approved.

WaterBoards intended to perform 50% progress inspection concurrent with pre-construction meeting but declined due to weather and scheduling. WaterBoards will likely reschedule once reservoir construction is underway.

Well Phase:

Abundant has installed 250' of casing and is waiting for suitable weather for site access to continue casing installation.

Reservoir Phase:

District has provided Cora with Notice to Proceed and they have advised District they will be MOBing in on Wednesday, 1/23/19 and expect to begin earthwork at Montclair site. West tank has been removed from scope to reduce cost and treatment building has been reduced in size from 36 X 36 to 30 X 30. QVWD and REVE are continuing to work with Cora on other possible changes to reduce project cost.

REVE is continuing to complete specs for treatment plant and SCADA.

AVCC is working to provide maintenance manual materials satisfactory to REVE, REVE and District are coordinating a site inspection of installed facilities to allow close-out of pipeline phase.

SYSTEM STATUS

January 2019

- Montclair well and reservoir sole source for entire system.
- For the month of January to date (1/21/19), Montclair well is averaged 5.1 hours per day supplying an average of 11059 gallons per day. Average pumping for December was 12107 gallons per day.
- In response to dirty water complaints and system maintenance, staff flushed at 12 locations a total of 11528 gallons of water in the month of December.
- Montclair well continues to function normally with no issues.
- January monthly bacteriological samples were collected in compliance with the combined system BSSP, all samples were absent for bacteria.

Quail Valley Water District

Financial Reports

December 2018

QUAIL VALLEY WATER DISTRICT

Water Usage for December 2018

Combined System	204305 Gals
Hackamore Well	1341 Gals
Total Water Used	205,646 Gals

Quail Valley Water District
Sales by Item Summary
January 1 - 17, 2019

	Jan 1 - 17, 19			
	Qty	Amount	% of Sales	Avg Price
Service				
Interest Due (Interest Due On Connection)	28.57	28.57	0.3%	1.00
Late Fee (Late Fee)	50.92	50.92	0.5%	1.00
Meter Charge (Monthly Meter Charge)	63	5,287.90	53.3%	83.93
Oct 2018 Rate Increase (Oct 2018 Voluntary Rate Increase)	20	700.00	7.1%	35.00
Prop 84	31.00	1,609.22	16.2%	51.91
Room Rent (Room Rental Fee)	1	25.00	0.3%	25.00
Transfer Charge (Account Setup / Transfer Charge)	1	150.00	1.5%	150.00
Unit Charge (Monthly Water Usage (1 Unit = 748 Gallons))	303	1,663.47	16.8%	5.49
Total Service	498.49	9,515.08	95.9%	19.09
Other Charges				
Connection Principal (Connection Principal Due)	294.43	294.43	3.0%	1.00
Fin Chg (Finance Charges on Overdue Balance)	14	111.59	1.1%	7.97
Total Other Charges	308.43	406.02	4.1%	1.32
TOTAL	806.92	9,921.10	100.0%	12.30

Quail Valley Water District

1/16/2019 12:18 PM

Register: 131000 · Cash:131003 · Union Bank

From 12/01/2018 through 01/31/2019

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
12/01/2018			-split-	Deposit		X	2,089.46	6,569.85
12/03/2018	CCADJ		Merchant deposit fees	Batch Fee ID=...	4.44	X		6,565.41
12/04/2018			130000 · Undeposited ...	Deposit		X	118.36	6,683.77
12/04/2018			-split-	Deposit		X	1,684.93	8,368.70
12/04/2018	CCADJ		Merchant deposit fees	Batch Fee ID=...	7.16	X		8,361.54
12/05/2018			130000 · Undeposited ...	Deposit		X	195.94	8,557.48
12/10/2018	CCADJ		Merchant deposit fees	Batch Fee ID=...	6.08	X		8,551.40
12/11/2018			130000 · Undeposited ...	Deposit		X	165.00	8,716.40
12/11/2018	CCADJ		Merchant deposit fees	Batch Fee ID=...	3.48	X		8,712.92
12/12/2018			130000 · Undeposited ...	Deposit		X	90.91	8,803.83
12/12/2018	E-pay	UNITED STATES T...	-split-	77-0328828 Q...	2,175.22	X		6,628.61
12/12/2018	E-pay	EMPLOYMENT DE...	229000 · Taxes Accrue...	698-1692-4 Q...	295.00	X		6,333.61
12/12/2018	NLNTP-J...	Southern Calif Edison	222000 · Accounts Pay...	Country Canyo...	24.89	X		6,308.72
12/12/2018	NLNTW-...	Southern Calif Edison	222000 · Accounts Pay...	QVWD Office ...	52.21	X		6,256.51
12/12/2018	NLNWS-...	U. S. Bank	222000 · Accounts Pay...	Cal Cards	754.48	X		5,502.03
12/12/2018	NLNYH-...	CORE & MAIN	222000 · Accounts Pay...	232086	32.94	X		5,469.09
12/12/2018	NNTG-3...	McMaster-Carr	222000 · Accounts Pay...	various parts	163.47	X		5,305.62
12/12/2018	NLNY6-...	B C Laboratories, Inc.	222000 · Accounts Pay...	Lab Tests 11/1...	160.00	X		5,145.62
12/12/2018	NLNSL-...	State Water Resource...	222000 · Accounts Pay...	Water System ...	352.00	X		4,793.62
12/12/2018	NLNXK-...	Union Bank	222000 · Accounts Pay...	VISA Cards	4.74	X		4,788.88
12/12/2018	NLNV2-...	Southern Calif Edison	222000 · Accounts Pay...	Umtali Well - 1...	24.33	X		4,764.55
12/12/2018	NLNY1-...	A-1 Answering Service	222000 · Accounts Pay...		94.34			4,670.21
12/12/2018	NLNW6-...	Southern Calif Edison	222000 · Accounts Pay...	Hackamore We...	94.57	X		4,575.64
12/12/2018	NLNXT-...	A T & T	222000 · Accounts Pay...	office phone bi...	105.91	X		4,469.73
12/12/2018	NLNWK...	Southern Calif Edison	222000 · Accounts Pay...	Montclair Wel...	147.73	X		4,322.00
12/12/2018	NLNWD...	Southern Calif Edison	222000 · Accounts Pay...	Montclair Wel...	152.78	X		4,169.22
12/12/2018	NLNSV-...	Belden Blane Raytis,...	222000 · Accounts Pay...	PVWC issues ...	1,216.00	X		2,953.22
12/12/2018	NLNT2-...	McMaster-Carr	222000 · Accounts Pay...		55.30	X		2,897.92
12/12/2018	NLNT8-...	Quill Corporation	222000 · Accounts Pay...	office supplies ...	542.11	X		2,355.81
12/12/2018			131000 · Cash:131002 ...	Funds Transfer		X	4,500.00	6,855.81
12/13/2018			-split-	Deposit		X	1,040.36	7,896.17
12/13/2018		QuickBooks Payroll ...	2110 · Direct Deposit ...	Created by Pay...	3,835.95	X		4,060.22
12/14/2018	DD1201	Dan L Casteel	-split-	Direct Deposit		X		4,060.22
12/14/2018	DD1202	Randy D Hardenbrook	-split-	Direct Deposit		X		4,060.22
12/14/2018	DD1203	Richard Cantrell.	-split-	Direct Deposit		X		4,060.22
12/20/2018			-split-	Deposit		X	2,024.58	6,084.80
12/20/2018	NMH1T-...	State Compensation I...	222000 · Accounts Pay...	Total Premium ...	740.42	X		5,344.38
12/24/2018	CCADJ		Merchant deposit fees	Batch Fee ID=...	4.06	X		5,340.32
12/26/2018			130000 · Undeposited ...	Deposit		X	107.38	5,447.70
12/27/2018			-split-	Deposit		X	1,934.50	7,382.20

Quail Valley Water District

1/16/2019 12:18 PM

Register: 131000 · Cash:131003 · Union Bank

From 12/01/2018 through 01/31/2019

Sorted by: Date, Type, Number/Ref

Date	Number	Payee	Account	Memo	Payment	C	Deposit	Balance
12/28/2018			490000 · Non-Operatin...	Deposit		X	100.49	7,482.69
12/28/2018		QuickBooks Payroll ...	2110 · Direct Deposit ...	Created by Pay...	3,524.27	X		3,958.42
12/31/2018	DD1204	Dan L Casteel	-split-	Direct Deposit		X		3,958.42
12/31/2018	DD1205	Randy D Hardenbrook	-split-	Direct Deposit		X		3,958.42
12/31/2018	DD1206	Richard Cantrell.	-split-	Direct Deposit		X		3,958.42
01/04/2019	CCADJ		Merchant deposit fees	Batch Fee ID=...	11.72			3,946.70
01/05/2019			-split-	Deposit			317.70	4,264.40
01/07/2019	CCADJ		Merchant deposit fees	Batch Fee ID=...	11.61			4,252.79
01/08/2019			130000 · Undeposited ...	Deposit			323.19	4,575.98
01/09/2019			-split-	Deposit			2,352.48	6,928.46
01/09/2019	CCADJ		Merchant deposit fees	Batch Fee ID=...	5.02			6,923.44
01/09/2019	NPHPV-...	Southern Calif Edison	222000 · Accounts Pay...	Hackamore We...	27.96			6,895.48
01/09/2019	NPHQJ-...	A-1 Answering Service	222000 · Accounts Pay...	answering servi...	94.80			6,800.68
01/09/2019	NPHR2-J...	U. S. Bank	222000 · Accounts Pay...	Cal Cards	1,150.87			5,649.81
01/09/2019	NPHNX-...	B C Laboratories, Inc.	222000 · Accounts Pay...	lab tests 12/11/...	130.00			5,519.81
01/09/2019	NPHRB-...	Belden Blane Raytis,...	222000 · Accounts Pay...	Legal Fees for ...	1,536.00			3,983.81
01/09/2019	NPHQW...	Union Bank	222000 · Accounts Pay...	VISA Cards	151.21			3,832.60
01/09/2019	NPHQ8-...	Suburban Propane	222000 · Accounts Pay...		710.65			3,121.95
01/09/2019	NPHP9-...	Southern Calif Edison	222000 · Accounts Pay...	Montclair Wel...	199.30			2,922.65
01/09/2019	NPHP3-...	Southern Calif Edison	222000 · Accounts Pay...	Final Bill Umta...	20.34			2,902.31
01/09/2019	NPHPH-...	Southern Calif Edison	222000 · Accounts Pay...	Country Canyo...	29.52			2,872.79
01/09/2019	NPHNK-...	BSK Associates	222000 · Accounts Pay...	Lab Tests 12/0...	52.00			2,820.79
01/09/2019	NPHQP-...	A T & T	222000 · Accounts Pay...	Phone Bill Dec...	100.97			2,719.82
01/09/2019	NPHPP-...	Southern Calif Edison	222000 · Accounts Pay...	QVWD Office ...	106.27			2,613.55
01/09/2019	NPHQ0-...	State Compensation I...	222000 · Accounts Pay...	Total Premium ...	740.42			1,873.13
01/09/2019			131000 · Cash:131002 ...	Funds Transfer			16,500.00	18,373.13
01/10/2019			130000 · Undeposited ...	Deposit			134.76	18,507.89
01/10/2019	E-pay	UNITED STATES T...	-split-	77-0328828 Q...	2,083.18			16,424.71
01/10/2019	E-pay	EMPLOYMENT DE...	229000 · Taxes Accrue...	698-1692-4 Q...	286.98			16,137.73
01/14/2019		QuickBooks Payroll ...	2110 · Direct Deposit ...	Created by Pay...	3,609.58			12,528.15
01/15/2019			-split-	Deposit			2,565.74	15,093.89
01/15/2019	DD1207	Dan L Casteel	-split-	Direct Deposit		X		15,093.89
01/15/2019	DD1208	Randy D Hardenbrook	-split-	Direct Deposit		X		15,093.89
01/15/2019	DD1209	Richard Cantrell.	-split-	Direct Deposit		X		15,093.89

Quail Valley Water District Profit & Loss July through December 2018

Jul - Dec 18

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 single or multiple fam	9,050.00
411110 · May 2018 Rate Increase	47,216.12
411100 · Water Sales - Residential (This account includes revenues earned from water supplied to single or multiple f...	
Total 411100 · Water Sales - Residential (This account includes revenues earned from water supplied to single or multip	56,266.12
Total 411000 · Water Sales (This account accumulates all costs in accounts 401110-4011799.)	56,266.12
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 service connecti	
421550 · Late Fees	932.30
421580 · Disconnect Notice Fee	90.00
421590 · Disconnection Fee	437.50
Total 421500 · Water Services-Other (This account includes billings for customer installations of meters and service co	1,459.80
421515 · 515 - Account Transfer Fee	450.00
Total 421000 · Water Services (This account accumulates all costs in accounts 402110-402159.)	1,909.80
Total 410000 · Operating Revenues (Revenue related to District operations)	58,175.92
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 other property	275.00
492000 · Non-Operating - Interest Revenue (This account includes interest revenues on special deposits, loans, notes, ad	1,810.31
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 unsecured roll of	18,063.83
493100 · Property Taxes-Current Unsecured (All taxes apportioned as a result of levies made against the unsecured roll o	3,115.05
493200 · Property Taxes-Prior Unsecured (All taxes apportioned as a result of levies made against the unsecured rolls o	-118.27
493450 · Penalties and Costs On Delinque (Include all amounts apportioned as a result of penalties and costs charged ag	9.32
493500 · Supplemental Property Taxes-Cur (Property tax revenues(secured and unsecured) received pursuant to Chapt...	41.01
493600 · Supplemental-Prior Taxes & Pena (Prior year supplemental roll property taxes, interest and penalties.)	27.09
Total 493000 · Taxes and Assessments (This account accumulates all charges from accounts 409305-409365.)	21,158.03
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 compensate the di...	42.67
Total 495000 · Intergovernmental Revenues (This account accumulates all costs in accounts 4095100-4095359.)	42.67
490000 · Non-Operating Revenues (This account accumulates all costs from accounts 409100-409899.) - Other	-150.00
Total 490000 · Non-Operating Revenues (This account accumulates all costs from accounts 409100-409899.)	23,136.01

Quail Valley Water District
Profit & Loss
 July through December 2018

10:42 AM
 01/17/19
 Accrual Basis

	Jul - Dec 18
49900 · Uncategorized Income (Income not categorized elsewhere)	31.11
Total Income	81,343.04
Cost of Goods Sold	
50000 · Cost of Goods Sold (Costs of items purchased and then sold to customers)	425.39
Total COGS	425.39
Gross Profit	80,917.65
Expense	
Merchant deposit fees	276.77
50000 · Operating Expenses	
51000 · Source of Supply	
51100 · Supervision, Labor & Expense (This account includes the cost of labor and materials used and expenses incurred...)	0.00
512000 · Maintenance-Structure & Improve (This account includes the cost of labor and materials used and expenses incurred...)	0.00
Total 510000 · Source of Supply	0.00
520000 · Pumping (521000-Operation of pumping plant. 522000-Operation & maintenance of pumping plant. 523000-Energy c	
521000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used and expenses incurred...)	0.00
522000 · Maintenance-Structures & Improv (This account includes the costs of labor and materials used and expenses incurred...)	469.35
522661 · Wages-Maintenance, Pumping (Wages and salaries related to maintenance of pumping facilities.)	469.35
Total 522000 · Maintenance-Structures & Improv (This account includes the costs of labor and materials used and expenses incurred...)	469.35
523000 · Fuel or Power Purchased-Pumping (This account includes the cost of fuel or power purchased which is used ...)	
523103 · SCE Montclair 1	1,239.20
523104 · SCE Umtali	147.12
523107 · SCE Pretoria	0.20
523111 · SCE Hackamore	255.09
523273 · SCE Country CynBooster	154.36
Total 523000 · Fuel or Power Purchased-Pumping (This account includes the cost of fuel or power purchased which is used ...)	1,795.97
Total 520000 · Pumping (521000-Operation of pumping plant. 522000-Operation & maintenance of pumping plant. 523000-En	2,265.32
530000 · Water Treatment (531000-Operation of Water Treatment Plant (includes sampling) 532000-Maintenance & repair of	
531000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used and expenses incurred...)	295.41
531100 · Chemicals-Water Quality	893.47
531200 · Water Quality Testing	0.00
531000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used and expenses incurred...)	1,188.88
Total 531000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used and expenses incurred...)	1,188.88
532000 · Maintenance-Structures & Improv (This account includes the costs of labor and materials used and expenses incurred...)	0.00
Total 530000 · Water Treatment (531000-Operation of Water Treatment Plant (includes sampling) 532000-Maintenance & rep	1,188.88

Quail Valley Water District
Profit & Loss
 July through December 2018

	Jul - Dec 18
540000 · Transmission & Distribution (541000-Operation of Distribution Plant 542000-Repair & Maintenance of Distributi	
541000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used and expenses incur...	
541661 · Wages, Transmission & Distribut (Wages and salaries related to supervision and operation of transmission ...	0.00
Total 541000 · Supervision, Labor & Expense (This account includes the cost of labor and materials used and expenses...	0.00
542000 · Maintenance-Structures & Improv (This account includes the cost of labor and materials used and expenses in...	
542661 · Wages, Transmission & Distribut (Wages and salaries related to the maintenance of transmission and distri...	305.62
5426611 · FLUSHING	1,364.40
542661 · Wages, Transmission & Distribut (Wages and salaries related to the maintenance of transmission and dist...	1,670.02
Total 542661 · Wages, Transmission & Distribut (Wages and salaries related to the maintenance of transmission and ...	1,024.36
542000 · Maintenance-Structures & Improv (This account includes the cost of labor and materials used and expenses...	
Total 542000 · Maintenance-Structures & Improv (This account includes the cost of labor and materials used and expen...	2,694.38
Total 540000 · Transmission & Distribution (541000-Operation of Distribution Plant 542000-Repair & Maintenance of Dist	2,694.38
550000 · Customer Accounts (551000-meter reading, billing, maintaining customer accounts. 552000-Uncollectable account	
551000 · Supervision, Meter Reading & Ot (This account includes the costs of labor and materials used and expenses in...	
551661 · Wages, Customer Accounts (Wages and salaries related to maintenance of customer accounts including met...	2,312.90
Total 551000 · Supervision, Meter Reading & Ot (This account includes the costs of labor and materials used and expen...	2,312.90
Total 550000 · Customer Accounts (551000-meter reading, billing, maintaining customer accounts. 552000-Uncollectable a	2,312.90
560000 · Administrative & General	
561000 · Salaries (This account includes salaries and other considerations (but not Directors' fees) for services of	
561661 · Wages, Administration (Wages and salaries related to general administration not chargeable to a specific ac...	4,008.19
561000 · Salaries (This account includes salaries and other considerations (but not Directors' fees) for services of	7,988.57
Total 561000 · Salaries (This account includes salaries and other considerations (but not Directors' fees) for services	11,996.76
562000 · Office Supplies & Other Expense (This account includes office supplies and other expenses incurred in connecti	
562710 · Postage	624.37
562720 · Bank Charges	3.50
562730 · Office Supplies	834.10
562740 · Freight	26.71
562750 · Answering Service	672.90
562760 · Com-Telephone-Internet	1,206.43
562770 · Utilities-Office	
562771 · SCE Office	478.15
562772 · Propane Office	754.63
Total 562770 · Utilities-Office	1,232.78
562780 · Dues & Subscriptions	390.00
Total 562000 · Office Supplies & Other Expense (This account includes office supplies and other expenses incurred in co	4,990.79

Quail Valley Water District
Profit & Loss
 July through December 2018

	Jul - Dec 18
563000 · Contractual Services (This account includes the fees and expenses of professional consultants and others for	
565000 · Employee Retirement & Benefits (This account includes charges to provide for payment of benefits to retired em	5,248.00
565663 · Employee Reimbursement	1,592.16
565664 · Workers Comp Insurance	5,410.83
565000 · Employee Retirement & Benefits (This account includes charges to provide for payment of benefits to retire...	769.24
Total 565000 · Employee Retirement & Benefits (This account includes charges to provide for payment of benefits to reti	7,772.23
566000 · Franchise Requirements (This account includes payments to municipal or other governmental authorities in c...	352.00
568000 · Maintenance-General Plant (This account includes the costs assignable to customer accounts, sales and admi...	
568100 · Building Maintenance	1,910.14
568640 · Op Expenses Auto	
568642 · Small Tools & Supplies	760.73
568645 · Repair & Main-Equip	263.48
568646 · Fuel - Auto	623.41
568647 · Waste Disposal	18.53
Total 568640 · Op Expenses Auto	1,666.15
Total 568000 · Maintenance-General Plant (This account includes the costs assignable to customer accounts, sales and...	3,576.29
Total 560000 · Administrative & General	33,936.07
570000 · Other Operating Expenses	
572000 · Taxes (This account includes the amount of federal, state, county, municipal and other taxes, which are proper	156.40
Total 570000 · Other Operating Expenses	156.40
Total 500000 · Operating Expenses	42,553.95
600000 · Nonoperating Expenses	
604000 · Other Nonoperating Expenses (This account includes all nonoperating expenses which are not properly includible	348.00
Total 600000 · Nonoperating Expenses	348.00
660000 · Payroll Expenses (Payroll expenses)	34,715.43
660010 · Bank Service Charges	20.00
69800 · Uncategorized Expenses (Expenses not categorized elsewhere)	24.00
Total Expense	77,938.15
Net Ordinary Income	2,979.50
Net Income	2,979.50

**Quail Valley Water District
Balance Sheet**
As of December 31, 2018

10:53 AM
01/17/19
Accrual Basis

	Dec 31, 18
ASSETS	
Current Assets	
Checking/Savings	
131000 · Cash (Currency, coin, checks, money orders and banker's drafts on hand or on deposit with the county treasurer	16,775.87
131002 · Cash-Kern County (Account held by Kern County Controller - Property tax Proceeds)	3,958.42
131003 · Union Bank	
Total 131000 · Cash (Currency, coin, checks, money orders and banker's drafts on hand or on deposit with the county tre	20,734.29
Total Checking/Savings	20,734.29
Accounts Receivable	
137000 · Accounts Receivable (This account includes the amounts due from customers for utility services, including merc	
137121 · Accounts Receivable	54,410.82
137125 · Accounts Rec - Prop 84	65,377.87
137000 · Accounts Receivable (This account includes the amounts due from customers for utility services, including merc	-1,196.62
Total 137000 · Accounts Receivable (This account includes the amounts due from customers for utility services, includin	118,592.07
Total Accounts Receivable	118,592.07
Other Current Assets	
12100 · Inventory Asset (Costs of inventory purchased for resale)	14,250.36
130000 · Undeposited Funds (Funds received, but not yet deposited to a bank account)	249.65
146000 · Inventory of Material and Suppl (This account includes the cost of all unapplied materials and supplies includ	5,781.39
Total Other Current Assets	20,281.40
Total Current Assets	159,607.76
Fixed Assets	
110000 · Property, Plant & Equipment	
111000 · Utility Plant In Service (This account accumulates accounts 111100-111999)	31,216.96
111200 · Land (This account includes the cost of land owned by the district and including rights, interests, and privi	
111400 · Pumping Plant (This category covers the cost of plant and equipment in connection with pumping equipment. Incl	
1114161 · Country Cnyn Bstr Pump Replacem (Costs accumulated for Country Canyon Booster Pump replacement 2016)	1,692.83
111400 · Pumping Plant (This category covers the cost of plant and equipment in connection with pumping equipment. Incl	24,053.52
Total 111400 · Pumping Plant (This category covers the cost of plant and equipment in connection with pumping equipment	25,746.35
111500 · Water Treatment Plant (This category covers all costs of plant and equipment used in connection with water tre	2,975.22
111600 · Transmission & Distribution Pla (This category covers all cost of plant and equipment used in connection with	279,652.35
111700 · General Plant (This category covers all costs of plant and equipment used for general water utility purposes.	
1117100 · Vehicles and Equipment (VEHICLES AND EQUIPMENT)	
1117161 · Trencher (Ditch Witch 3500 Trencher)	3,783.24
Total 111700 · Vehicles and Equipment (VEHICLES AND EQUIPMENT)	3,783.24

**Quail Valley Water District
Balance Sheet
As of December 31, 2018**

10:53 AM
01/17/19
Accrual Basis

	Dec 31, 18
111700 · General Plant (This category covers all costs of plant and equipment used for general water utility purposes.	85,050.58
Total 111700 · General Plant (This category covers all costs of plant and equipment used for general water utility purp	88,833.82
Total 111000 · Utility Plant In Service (This account accumulates accounts 111100-111999)	428,424.70
112000 · Construction in Progress (This category covers labor, materials, overhead amounts and interest costs incurred	
1121420 · Equestrian Main	350.00
1121425 · Labor	-350.00
1121420 · Equestrian Main - Other	
Total 1121420 · Equestrian Main	0.00
112300 · Const In Progress-111300 (Source of Supply Plant)	836.73
112400 · Const In Progress-111400 (Pumping Plant)	715.96
Total 112300 · Const In Progress-111700 (General Plant)	5,418.72
112700 · Const In Progress-111700 (General Plant)	
1127161 · Office Building Remodel-ADA (Costs accumulated for office building repairs/remodel/ADA compliance for 2015/16	5,418.72
Total 112700 · Const In Progress-111700 (General Plant)	5,418.72
1128400 · Prop 84 Construction Project (All costs advanced by district for Prop 84 construction project.)	
1128401 · 1. Construction of Facilities	2,645.77
1128402 · 2. Construction Management	90.77
1128404 · 4. Easement Recording	-1,595.00
1128407 · 7. Prop 218 Rate study	-660.00
1128400 · Prop 84 Construction Project (All costs advanced by district for Prop 84 construction project.) - Other	1,000.00
Total 1128400 · Prop 84 Construction Project (All costs advanced by district for Prop 84 construction project.)	1,481.54
112000 · Construction in Progress (This category covers labor, materials, overhead amounts and interest costs incurred	69,691.54
Total 112000 · Construction in Progress (This category covers labor, materials, overhead amounts and interest costs inc	78,144.49
115000 · Accumulated Depreciation and Am (This account accumulates accounts 115100-115999)	
115100 · Depreciation, Plant In Service (The cumulative depreciation and amortization charges since the time of acquisi	-4,174.10
115130 · Depreciation, Source of Supply (The cumulative depreciation and amortization for the Source of Supply Plant In	-7,224.56
115140 · Depreciation, Pumping Plant In (The cumulative depreciation and amortization for the Pumping Plant In Service	-26,856.77
115160 · Depreciation, Distribution Plan (The cumulative depreciation and amortization charges for Transmission and Dis	-8,186.75
115170 · Depreciation, General Plant In (The cumulative depreciation and amortization for the General Plant In Service	-99,784.00
115100 · Depreciation, Plant In Service (The cumulative depreciation and amortization charges since the time of acquisi	-146,226.18
Total 115100 · Depreciation, Plant In Service (The cumulative depreciation and amortization charges since the time of a	-5,516.63
115300 · Depreciation, Other Physical Pr (The cumulative depreciation and amortization charges since the time of acquis	-151,742.81
Total 115000 · Accumulated Depreciation and Am (This account accumulates accounts 115100-115999)	354,826.38
Total 110000 · Property, Plant & Equipment	354,826.38
Total Fixed Assets	354,826.38

Quail Valley Water District
Balance Sheet
 As of December 31, 2018

10:53 AM
 01/17/19
 Accrual Basis

	Dec 31, 18
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 123000-142999.)	
125100 · A/R Connection Fees	
125101 · Anderson, M.	4,882.95
125103 · Giesregen, J.	7,324.80
125105 · Hlade, Fe	2,118.69
125106 · Lozano, M.	5,165.57
125107 · Miller, J.	8,839.19
125108 · Miller, L.	5,596.54
125111 · Stanciliff R.	2,647.64
125113 · Villasenor, D.	6,365.15
125100 · A/R Connection Fees - Other	-10,082.72
Total 125100 · A/R Connection Fees	32,857.81
Total 125000 · Other Long-Term Assets (This category covers assets not properly includible in accounts 123000-142999.)	32,857.81
Total 120000 · Investments, Restricted Assets (Investments, Restricted Assets, & Other Long -Term Assets.)	32,857.81
150000 · Deferred Charges	
151000 · Preliminary Survey & Investigat (This account includes all costs for preliminary surveys, plans, and investiga	
151100 · Prop 84 Feasibility Study	442,500.32
Total 151000 · Preliminary Survey & Investigat (This account includes all costs for preliminary surveys, plans, and inv	442,500.32
Total 150000 · Deferred Charges	442,500.32
Total Other Assets	475,358.13
TOTAL ASSETS	989,792.27
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
222000 · Accounts Payable (Amounts owed on open account to private persons or organizations for goods and services furn	36,229.27
Total Accounts Payable	36,229.27
Credit Cards	
222100 · Acc Payable -Visa Cards	
222104 · 354 - Acc Payable-FNBO-Randy	7,135.18
222100 · Acc Payable -Visa Cards - Other	-6,983.97
Total 222100 · Acc Payable -Visa Cards	151.21

Quail Valley Water District
Balance Sheet
 As of December 31, 2018

10:53 AM
 01/17/19
 Accrual Basis

Dec 31, 18

222200 · Acc Payable - Cal Cards	32,633.38
222201 · Acc Payable-CalCard-Randy	7,954.85
222202 · Acc Payable-CalCard-Oscar	6,358.65
222204 · Acc Payable-CalCard-Rich	4,559.47
222206 · Acc Payable-CalCard-Dan	-50,355.48
222200 · Acc Payable - Cal Cards - Other	
Total 222200 · Acc Payable - Cal Cards	1,150.87
Total Credit Cards	1,302.08
Other Current Liabilities	
229000 · Taxes Accrued (This account covers obligations to pay taxes (income, property, payroll, etc.) which have accrued)	2,094.12
229331 · 331 - Federal Taxes	89.45
229333 · 333 - Calif State Taxes	
Total 229000 · Taxes Accrued (This account covers obligations to pay taxes (income, property, payroll, etc.) which have accrued)	2,183.57
230000 · Other Current Liabilities (This account covers miscellaneous obligations of the district due within one year)	
230101 (Loan-Hardenbrook)	11,600.00
Total 230000 · Other Current Liabilities (This account covers miscellaneous obligations of the district due within one year)	11,600.00
Total Other Current Liabilities	13,783.57
Total Current Liabilities	51,314.92
Total Liabilities	51,314.92
Equity	
250000 · Contributed Capital	
251000 · Contrib In Aid Of Cons-Plant (This account includes amounts received, in the form of grants, donations, or other)	
251100 · ContributionsInAid-Plant-State	559,081.02
251300 · ContributionsInAid-Plant-Local	2,468.75
251400 · ContributionsInAid-Plant-Other	52,000.00
Total 251000 · Contrib In Aid Of Cons-Plant (This account includes amounts received, in the form of grants, donations, or other)	613,549.77
Total 250000 · Contributed Capital	613,549.77
263000 · Retained Earnings-Unreserved (This account includes the amount of accumulated earnings which are not reserved)	-168,104.59
30000 · Opening Balance Equity (Opening balances during setup post to this account. The balance of this account should be zero)	490,052.67
Net Income	2,979.50
Total Equity	938,477.35
TOTAL LIABILITIES & EQUITY	989,792.27

Quail Valley Water District
Statement of Cash Flows
 July through December 2018

	Jul - Dec 18
OPERATING ACTIVITIES	
Net Income	2,979.50
Adjustments to reconcile Net Income to net cash provided by operations:	
137000 · Accounts Receivable	341.79
137000 · Accounts Receivable:137121 · Accounts Receivable	-4,861.90
12100 · Inventory Asset	-4,647.28
146000 · Inventory of Material and Suppl	627.33
222000 · Accounts Payable	-981.63
222100 · Acc Payable -Visa Cards	-19.69
222100 · Acc Payable -Visa Cards:222104 · 354 · Acc Payable-FNBO-Randy	166.16
222200 · Acc Payable - Cal Cards	-5,487.23
222200 · Acc Payable - Cal Cards:222201 · Acc Payable-CalCard-Randy	3,768.72
222200 · Acc Payable - Cal Cards:222204 · Acc Payable-CalCard-Rich	1,777.51
222200 · Acc Payable - Cal Cards:222206 · Acc Payable-CalCard-Dan	274.45
229000 · Taxes Accrued:229331 · 331 - Federal Taxes	87.84
229000 · Taxes Accrued:229333 · 333 - Calif State Taxes	-57.66
Net cash provided by Operating Activities	-6,032.09
INVESTING ACTIVITIES	
110000 · Property, Plant & Equipment:111000 · Utility Plant In Service:111400 · Pumping Plant	-6,077.01
110000 · Property, Plant & Equipment:111000 · Utility Plant In Service:111600 · Transmission & Distribution Pla	-8,809.20
110000 · Property, Plant & Equipment:111000 · Utility Plant In Service:111700 · General Plant	-10,342.68
110000 · Property, Plant & Equipment:112000 · Construction in Progress	984.26
110000 · Property, Plant & Equipment:112000 · Construction in Progress:112400 · Const In Progress-111400	2,472.90
120000 · Investments, Restricted Assets:125000 · Other Long-Term Assets:125100 · A/R Connection Fees	1,724.53
Net cash provided by Investing Activities	-20,047.20
FINANCING ACTIVITIES	
250000 · Contributed Capital:251000 · Contrib In Aid Of Cons-Plant:251100 · ContributionsInAid-Plant-State	31,142.66
30000 · Opening Balance Equity	13,765.40
Net cash provided by Financing Activities	44,908.06
Net cash increase for period	18,828.77
Cash at beginning of period	2,155.17
Cash at end of period	20,983.94

QUAIL VALLEY WATER DISTRICT

December 2018

Cal Cards - U S Bank

Randy Hardenbrook

Hughes Net	internet	10/30/2018	\$114.18
Kern Data	renewal	11/1/2018	\$40.00
Home Depot	parts	11/1/2018	\$202.36
Leslie Pool Supplies	chlorine	11/4/2018	\$26.24
MSFT	office 365	11/12/2018	\$8.25
Speedy Fuel	fuel	11/13/2018	\$193.55
UPS	postage	11/14/2018	\$38.95
UPS	postage	11/14/2018	\$12.31
UPS	postage	11/14/2018	\$14.00
UPS	postage	11/14/2018	\$14.00
Home Depot	parts	11/14/2018	\$86.64
			<u>\$750.48</u>

Richard Cantrell

intuit	payroll	10/30/18	\$4.00
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Total paid on Cal Cards in Dec 2018 \$754.48

Paid 12/12/18 Bill Pay NLNWS-0BJJQ \$754.48

Visa Card - Union Bank

Randy Hardenbrook

1&1 internet	xtra storage	10/22/2018	\$2.99
interest			\$1.75
			<u>\$4.74</u>

Total paid on Visa Cards in Dec 2018 \$4.74

Paid 12/12/18 BillPay NLNXX-VKB5Y \$2.99

AGREEMENT ACKNOWLEDGING SERVICE AREA BOUNDARY
AND
RELATED ISSUES

The Quail Valley Water District ("QVWD" or District") and Vierra LLC DBA Pinon Valley Water Company ("PVWC" or Water Company"), intending to be bound, agree as follows:

Parties

1. QVWD is a public agency established pursuant to Section 34000 *et seq.* of the California Water Code. QVWD's mailing address is 24750 Sand Canyon Road, Tehachapi, CA 93561
2. PVWC is a water corporation within the meaning of Section 241 of the California Public Utilities Code and is regulated by the California Public Utilities Commission ("Commission" or "CPUC") pursuant to authority vested in the Commission by the Legislature under Article XII of the California Constitution. PVWC's mailing address is PO BOX 1089, Tehachapi, CA 93581

Recitals

3. The service area of PVWC recognized by the CPUC includes all of Tract 3312, Mountain Valley Estates, as per map recorded April 13, 1972, in Book 23, pages, 106 to 111 of Parcel Maps in the office of the County Recorder of Kern County. ("Tract 3312".)
4. QVWD has (1) operated water service facilities located within Tract 3312 (2) collected connection fees or other non-recurring payments from the owners of property in Tract 3312 (3) currently provides active water service to two lots, Lots 181 and 196, in Tract 3312 and (4) currently assesses monthly charges to another lot in Tract 3312, Lot 40, although no water is currently used on that lot.
5. QVWD and PVWC now seek to memorialize an agreement with respect to water service in Tract 3312 and to, in furtherance of the agreement, take certain actions described below.

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WHEREFORE, QVWD and PVWC agree as follows:

Lots Presently Receiving, or Being Billed For, Active Water Service from QVWD

6. As of the effective date of this agreement, QVWD actively provides water service to Lots 181 and 196 in Tract 3312. QVWD is also assessing regular monthly charges to the owner of Lot 40 although no water is currently delivered to that lot. QVWD will continue to provide service to Lots 181 and 196 until such time as PVWC notifies QVWD that PVWC is prepared to provide such service. PVWC acknowledges and hereby provides express permission to QVWD to continue water service to Lots 181 and 196 until such time as PVWC notifies QVWD that PVWC is prepared to provide to Lots 181 and 196.

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7. No less than thirty (30) days after the date of execution of this agreement PVWC will notify QVWD that PVWC is prepared to provide water service to Lots 181, 196 and 40. Upon doing so, PVWC shall notify QVWD and the owners of Lots 181, 196 and 40 that (1) PVWC has assumed responsibility for service and (2) all future bills for water service will be rendered by PVWC. QVWD and PVWC agree to employ their best efforts to coordinate a billing transition date.

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Connection Fees

8. QVWD will retain any connection fees or other non-recurring payments received by QVWD prior to the effective date of this agreement. Within thirty (30) days of the effective date of this agreement QVWD will ~~assign transfer to PVWC~~ any receivable of connection fees or other non-recurring payments ("connection fee receivables") with respect to any lots lying within Tract 3312 to PVWC.

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9. QVWD has provided PVWC a schedule of connection fees or other non-recurring payments received from the owners of lots within Tract 3312 and the balance of the connection fee receivables with respect to such lots. That schedule is set forth in Exhibit B to this agreement. QVWD represents that it has made a diligent search and reasonable inquiry, and based thereon, QVWD believes that, other than as set forth in Exhibit B, no connection fees or other non-recurring payments have been paid to QVWD or any predecessor in interest of QVWD in connection with present or future water service to lots lying within Tract 3312. Nor does QVWD possess any record indicating that any predecessor in interest of QVWD has been paid any such fee. In consideration of the transfer of land and facilities in Tract 3312 (collectively the "System") pursuant to this agreement, including the well, reservoir, pipelines and appurtenances, from QVWD to PVWC, PVWC acknowledges that no additional compensation is due from QVWD to PVWC for any connection fees received for the System.

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Equestrian Drive

10. Within thirty (30) days of the execution of this agreement, QVWD shall detach and relinquish ownership of all piping and related appurtenances installed on Equestrian Drive that are located within Tract 3312, and PVWC shall assume all responsibility for such facilities and the services provided therefrom.

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~~9.~~

~~Equestrian Drive~~

~~10. Within thirty (30) days of the execution of this agreement, QVWD shall detach and relinquish ownership of all piping and related appurtenances installed on Equestrian Drive that are located within Tract 3312, and PVWC shall assume all responsibility for such facilities and the services provided therefrom. Except as set forth in Paragraph 14 below, PVWC shall agree to indemnify, hold harmless, and release QVWD from and against any liability relating to~~

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or arising from water service to customers from said facilities following the commencement of service by PVWC.

Lot 46

11. QVWD has advised PVWC that the owner of Lot 46 has abandoned the connection and no longer seeks water service. QVWD will advise PVWC within 10 days of any refund of connection fees by QVWD to the owner of Lot 46.

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Lot 197 and Facilities on Hackamore Street

12. Within thirty (30) days of the execution of this agreement QVWD will transfer Lot 197 (Kern County APN 495-152-04) to PVWC by quit claim deed at no cost to PVWC. QVWD confirms that a lien on Lot 197 previously held by J.R. Smeed and related entities has been reconvened by recorded deed to QVWD. QVWD has provided PVWC with a copy of the recorded deed and it is Exhibit C to this agreement.

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13. The transfer referenced in Paragraph 12 will include the well, reservoir, piping and appurtenances located on Lot 197. Concurrently with said transfer, QVWD shall relinquish ownership of all piping and related appurtenances installed on Hackamore Street, Country Canyon Road and Halter Drive within Tract 3312, and PVWC shall assume all responsibility for such facilities and the services provided therefrom and shall agree to indemnify, hold harmless, and, except as set forth in Paragraph 14 below, release QVWD from and against any

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14. Following the transfer described in Paragraphs 12 and 13 and the commencement of service by PVWC to Lots 181 and 196, PVWC will release QVWD and shall agree to hold QVWD harmless from and against any claims by owners of lots within Tract 3312 related to the adequacy of water service provided to those customers following the commencement of service by PVWC.

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13.15. Liability relating to or arising from water service to customers from said facilities following the transfer of said facilities to PVWC.

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14.16. QVWD has provided PVWC a schedule of connection fees or other non-recurring payments received from the owners of lots within Tract 3312 and the balance of the connection fee receivables with respect to such lots. That schedule is set forth in Exhibit B to this agreement. QVWD represents that it has made a diligent search and reasonable inquiry, and based thereon, QVWD believes that, other than as set forth in Exhibit B, no connection fees or other non-recurring payments have been paid to QVWD or any predecessor in interest of QVWD in connection with present or future water service to lots lying within Tract 3312. Nor does QVWD possess any record indicating that any predecessor in interest of QVWD has been paid any such fee. In consideration of the transfer of land and facilities in Tract 3312 (collectively the "System") pursuant to this agreement, including the well, reservoir, pipelines

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~~and appurtenances, from QVWD to PVWC, PVWC acknowledges that no additional compensation is due from QVWD to PVWC for any connection fees received for the System.~~

~~15.17.~~ In order to avoid future disputes by water customers with respect to connection fees paid to QVWD, PVWC agrees that any owner of a lot in Tract 3312 that seeks to receive water service from PVWC shall pay the sum required by PVWC's tariff less a credit (not to exceed the amount which would otherwise be due under PVWC's tariffs) calculated as follows:

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- (a) All lots shown as having paid \$2,280 (Lots 33, 65, 200, 201, 202 and 203) shall receive a credit of \$1,000.00.
- (b) Lot 40 shall receive a credit of \$8,000.00
- (c) Lot 66 shall receive a credit of \$775.00

~~16.18.~~ Nothing in Paragraphs 10 or 12 or any other provision of this agreement shall obligate PVWC to indemnify QVWD or hold QVWD harmless with respect to any claim by an owner of property or other customer to QVWD with respect any sum paid by that owner or customer (or the successor interest to that owner or successor) to QVWD prior to the transfer of facilities to PVWC.

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~~17.19.~~ Within 30 days of the date of execution of this agreement, by letter set forth as Exhibit A to this agreement, QVWD will advise the Water Division of the California Public Utilities Commission that QVWD acknowledges that (1) all lots within Tract 3312 lie within the service area of PVWC and (b) no lot in Tract 3312 may be served by QVWD without the permission of PVWC.

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~~18.20.~~ QVWD will not provide service to any lot within PVWC's service area (Tract 3312), without the express written permission of PVWC and the submission of an Advice Letter to California Public Utilities Commission reflecting QVWD's service to that lot (excluding the express permission granted in Paragraph 6 above).

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~~19. QVWD will in no way interfere with the detachment of Tract 3312.~~

Commented [TJM1]: Per your email.

~~20.21.~~ At the request of PVWC, QVWD will enter into a recordable written agreement with PVWC memorializing the proscription on service by QVWD set forth in Paragraph 18~~5~~ above.

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~~21.22.~~ Any notice to QVWD under this agreement shall be provided to QVWD at the address set forth above and with a copy to the following counsel:

Mr. Dan Raytis
Belden Blaine Raytis, LLP

5016 California Ave., Suite 3
Bakersfield, CA 93309
Email: dan@bbr.law

Any notice to PVWC under this agreement shall be sent to PVWC at the address set forth above with a copy to the following counsel:

Mr. Thomas J. MacBride, Jr.
Goodin, MacBride, Squeri & Day, LLP
505 Sansome Street, Suite 900
San Francisco, CA 94111
Email: tmacbride@goodinmacbride.com

[ADD PROVISIONS RE MUTUAL RELEASE, INTEGRATION, CONTROLLING LAW, VENUE, AUTHORITY, ETC].



A STATE OF
CALIFORNIA
PUBLIC AGENCY

QUAIL VALLEY WATER DISTRICT

BOARD OF DIRECTORS

Mike Biglay
Jean Grodewald
Rita Leonard
Enrique Lopez
Dick Sims

BOARD MEMO

Re: Line Extension
Date: 1-23-19
By: Randy Hardenbrook
Subject: New service connections in PM 32

A new property owner with multiple lots in PM 32 has requested an estimated cost to extend water main on Country Canyon north approximately 2300 feet and install service connections for 5 residential connections and has also asked what cost reduction we would provide for payment and installation of all 5 connections at one time. Only one connection will be serving an existing residence while the other 4 connections would be placed in service as "spec" houses are constructed and occupied.

I have provided the attached materials list for the line extension as well as a material list for a service connection with cost estimates for your review. As you will see, the cost estimate for the line extension is \$49,273.62 and includes 2 air release stations and 3 blow-offs needed to insure water quality. The estimated cost for a new service installation is \$1,916.57.

Past practice has been to include minor line extensions (up to about 300 feet) as part of the capital improvement fee. District has used a cost of \$4.00 per inch diameter per foot of pipe (\$16.00 for 4" pipe) to estimate extension cost which at current costs is not adequate to cover expenses when needed appurtenances are included in construction. District cost estimate for this line extension equates to \$21.42 per foot of 4" line or \$5.36 per inch diameter, per foot of pipe.

District Rule 1.17. allows for assessing property owner actual cost of construction for line extensions necessary to serve a property. There is no existing provision in rule 1.17. allowing for "free footage". In addition, rule 1.18. provides for the collection of fees for existing facilities based on footage of property fronting water main at the rate of \$4.00 per inch/foot for new service connections, a fee that District has never assessed.

Also note, District has not adjusted the Capital Improvement fee for new connections in several years. Considering our experience with the current cost for construction of wells and reservoirs, the current Capital Improvement fee does not come close to covering the cost of facilities and needs to be increased approximately 250% (\$16,250.00). The Capital Improvement fee will need to be reviewed with the currently planned rate study.

If we allowed 300 feet per connection (1500 feet total), it would result in a reduction of \$32,130.00 which is only \$370.00 less than we would collect in total for Capital Improvement fees. We would also collect \$10,000.00 in Connection Fees while spending \$9,582.85 installing services.

In total, we would collect \$59,643.62 and we would have an estimated cost of \$58,856.47 leaving a total of \$787.15 to contribute to the cost of Capital Improvements needed to compensate for the additional demands placed upon the water system such as additional water storage and source capacity.

Rule 1.17.7. allows the District to collect a fee from any other parcel adjoining the new water main proportional to the number of parcels fronting the main. In addition to the 5 parcels to be served, there are 3 additional parcels for a total of \$7,455.45 per parcel, which sum would be reimbursable to the property owner paying for the line extension for the next 5 years. However, if the District allowed 300 feet per connection at no charge for the original 5 connections, the owner is actually only contributing \$17,143.62 for the line extension while the District is providing the remainder from the Capital Improvement fee. After the 5-year reimbursement period ends, Rule 1.18 would apply which would assess the three fronting parcels a fee, at the time each parcel requests water service, currently \$4.00 per inch diameter per foot of frontage. The total frontage for the 3 parcels is 1395 feet for a total potential fee of \$22,320.00 in addition to the Capital Improvement fee and Connection fee for these parcels. If all 3 parcels requested service and paid the fee, it would result in the District collecting \$4,464.00 for each of the 5 original parcels to apply to Capital Improvements.

My recommendation is to offer the property owner a credit for construction of 300 feet of water main per connection (a total of 1500 feet for 5 connections) based on the final cost of construction of the main extension divided by the total length of the extension. In addition to paying in full, prior to construction, the total estimated construction cost, less the credit for 1500 feet, the property owner waves the reimbursement available under Rule 1.17.7. and pays in full the Capital Improvement fee of \$6,500.00 per connection and Connection fee of \$2,000.00 per connection prior to construction.

While this agreement does not provide immediate funding to the District Capital Improvement fund, it does cover cost to install facilities needed for the new connections and, once additional connections are made, will provide potential reimbursement to Capital Improvement fund. It also provides an extension of service to an area not currently served and there is an additional residence about 1,000 feet further north on Country Canyon that may wish a future connection as well as other parcels that may develop.

Country Canyon Extension 2019

Total	Cost	Total Qty	Supplier	Part #	Description
\$288.36	\$48.06	6	Core & Main	59VBG4	Christy G4 Valve Can
\$212.34	\$35.39	6	Core & Main	45LCG04C	Cast G04C Valve Lid
\$0.00	\$211.27	0	Core & Main		3" Gate Valve, Threaded, 2" Operating Nut
\$575.00	\$575.00	1	Core & Main		4" Gate Valve, MJ X MJ
\$1,150.00	\$575.00	2	Core & Main		4" Gate Valve, FL X MJ
\$575.00	\$575.00	1	Core & Main		4" Gate Valve, FL X FL
\$508.88	\$254.44	2	Core & Main	200W08	2" Gate Valve, FL X FL Matco
\$0.00	\$141.12	0	Core & Main	24104X040F	4" Cross, Flange X Flange
\$0.00	\$134.67	0	Core & Main	24104T040F	4" X 4" FL Tee
\$221.88	\$110.94	2	Core & Main		4" MJ X 2" FL Tee
\$0.00	\$50.00	0	Core & Main		4" MJ Cap
\$0.00	\$60.00	0	Core & Main		4" X 90° Bend, MJ X MJ
\$61.00	\$61.00	1	Core & Main		4" MJ Cap, Tapped 2"
\$40.00	\$20.00	2	Core & Main		2" Flange Bolt Kit
\$3.90	\$3.90	1	Core & Main	24AFBNKC04	4" Flange Bolt Kit
\$10.00	\$10.00	1	Core & Main	24AFBNKC0608	6" Flange Bolt Kit
\$0.00	\$5.61	0	Core & Main		4" Flange Gasket
\$6.00	\$6.00	1	Core & Main		6" Flange Gasket
\$36.58	\$36.58	1	Core & Main		4" Blind Flange
\$60.00	\$30.00	2	Core & Main		2" Blind Flange, Tapped 2" IPT
\$0.00	\$36.58	0	Core & Main	24104FB20	4" Blind Flange, Tapped 2" IPT
\$45.00	\$45.00	1	Core & Main		DI Adapter, 6" Flange X 4" MJ
\$297.70	\$29.77	10	Core & Main	211AMF704SLCEP4	4" MJ Restrained Gland
\$68.12	\$34.06	2	Core & Main	71J99604101P	4" X 1" Bronze Service Saddle 4.80
\$8.60	\$2.15	4	Core & Main	3910152	1" CTS Insert
\$15.20	\$0.76	20	Core & Main		1" CTS Poly Tubing
\$12.00	\$2.00	6	Core & Main		2" CTS Insert
\$135.00	\$1.50	90	Core & Main		2" CTS Poly Tubing
\$6,578.00	\$2.86	2300	Core & Main	020418W	4" C900 DR18
\$243.12	\$30.39	8	Core & Main	21AMF8041104C	Star 1104C 4" Pipe to Pipe Restraint C900
\$0.00	\$29.77	0	Core & Main	21AMF7044004PI	Stargrip 4004P 4" MJ Joint Restraint
\$0.00	\$611.00	0	Core & Main		Meter Pit
\$43.74	\$2.43	18	Core & Main		8" PVC Riser (for valve can)
\$1,950.00	\$650.00	3	Core & Main	TF200	Kupferle Blow-off Hydrant
\$450.00	\$150.00	3	Core & Main	C84-77-NL	Ford 2" CTS PJ
\$450.00	\$150.00	3	Core & Main	L84-77-NL	Ford 2" CTS PJ EII

\$120.00	\$60.00	2	Core & Main	L14-44-NL	Ford FNPT X CTS 90 Ell
\$160.00	\$80.00	2	Core & Main	FB500-4-NL	Ford Corp Stop
\$160.00	\$80.00	2	Core & Main		Ford B41-444-NL Ball Valve
\$333.66	\$166.83	2	Core & Main	91010ARID040	AIR 1" Barack D-040 Air Release Valve
\$19.92	\$9.96	2	McMaster	36635K42	1" Mushroom Vent Cap
\$21.72	\$10.86	2	McMaster	4687T35	1" X 36" Sch 80 PVC Nipple
\$16.72	\$4.18	4	McMaster	4596K14	1" X 90° Sch 80 PVC Ell
\$7.70	\$3.85	2	McMaster	4596K416	1" X 1/2" Sch 80 PVC Bushing
\$8.08	\$4.04	2	McMaster	4882K913	1/2" X 12" Sch 80 PVC Nipple
\$3.92	\$1.96	2	McMaster	4882K66	1/2" X 6" Sch 80 PVC Nipple
\$11.96	\$5.98	2	Home Depot	B8-20AF	1/2" X 24" Supply Hose
\$22.58	\$2.26	10	Home Depot	ZA12HS10EG	Superstrut Channel
\$4.96	\$1.24	4	Home Depot	6H2-TB-15	1" ID Superstrut Pipe Clamp
\$3.39	\$0.85	4	Home Depot	2A1001/4EG-10	1/4" Channel Nut
\$2.59	\$0.65	4	Home Depot	2AB2411/4EG-10	Square Washer
\$4.00	\$1.00	4	Home Depot		1/4" Bolt
\$100.00	\$50.00	2	Core & Main	B16	Christy Utility Box
\$100.00	\$50.00	2	Core & Main	B16 X 12"	Christy Extension Box
\$100.00	\$50.00	2	Core & Main	B30SL	Christy Slab
\$100.00	\$50.00	2	Core & Main	B16-61D	Christy Steel Cover or N16R Composite
\$11,900.00	\$35.00	340			Sand, Ton
\$27,246.62					TOTAL MATERIAL
\$15,600.00	\$50.00	312			TOTAL LABOR
\$0.00					EQUIPMENT RENTAL
\$6,426.99	\$42,846.62	0.15			CONTINGENCY
\$49,273.62					

Country Canyon Extension 2019

Total	Cost	Total Qty	Supplier	Part #	Description
\$34.06	\$34.06	1	Core & Main	71J9960410IP	4" X 1" BRONZE Service Saddle
\$0.00	\$64.42	0	Core & Main		3" X 1" Service Saddle
\$0.00	\$15.18	0	Core & Main		1" CTS X 1" MP Adapter
\$4.30	\$2.15	2	Core & Main	3910152	1" CTS Insert
\$15.20	\$0.76	20	Core & Main		1" CTS Poly Tubing
\$571.18	\$571.18	1	Core & Main		Meter Pit
\$27.96	\$27.96	1	Core & Main		Meter Pit Bottom
\$84.96	\$84.96	1	Core & Main		Meter Pit Lid
\$0.00	\$60.00	0	Core & Main	L14-44-NL	Ford FNPT X CTS 90 Ell
\$64.35	\$64.35	1	Core & Main	3610FB1100NL	Ford FB100-4NL 1" BALL Corp Stop
\$0.00	\$80.00	0	Core & Main		Ford B41-444-NL Ball Valve
\$64.57	\$64.57	1	Core & Main	430607MMFBL05LDR	5/8 X 3/4 Meter
\$0.00		0			
\$0.00					
\$866.58					TOTAL MATERIAL
\$800.00	\$50.00	16			TOTAL LABOR
\$0.00					EQUIPMENT RENTAL
\$249.99	\$1,666.58	0.15			CONTINGENCY
\$1,916.57					

SCALE 1" = 300'

SHEET 4 OF 6 SHEETS

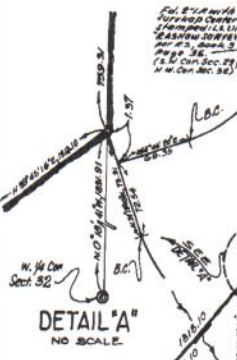
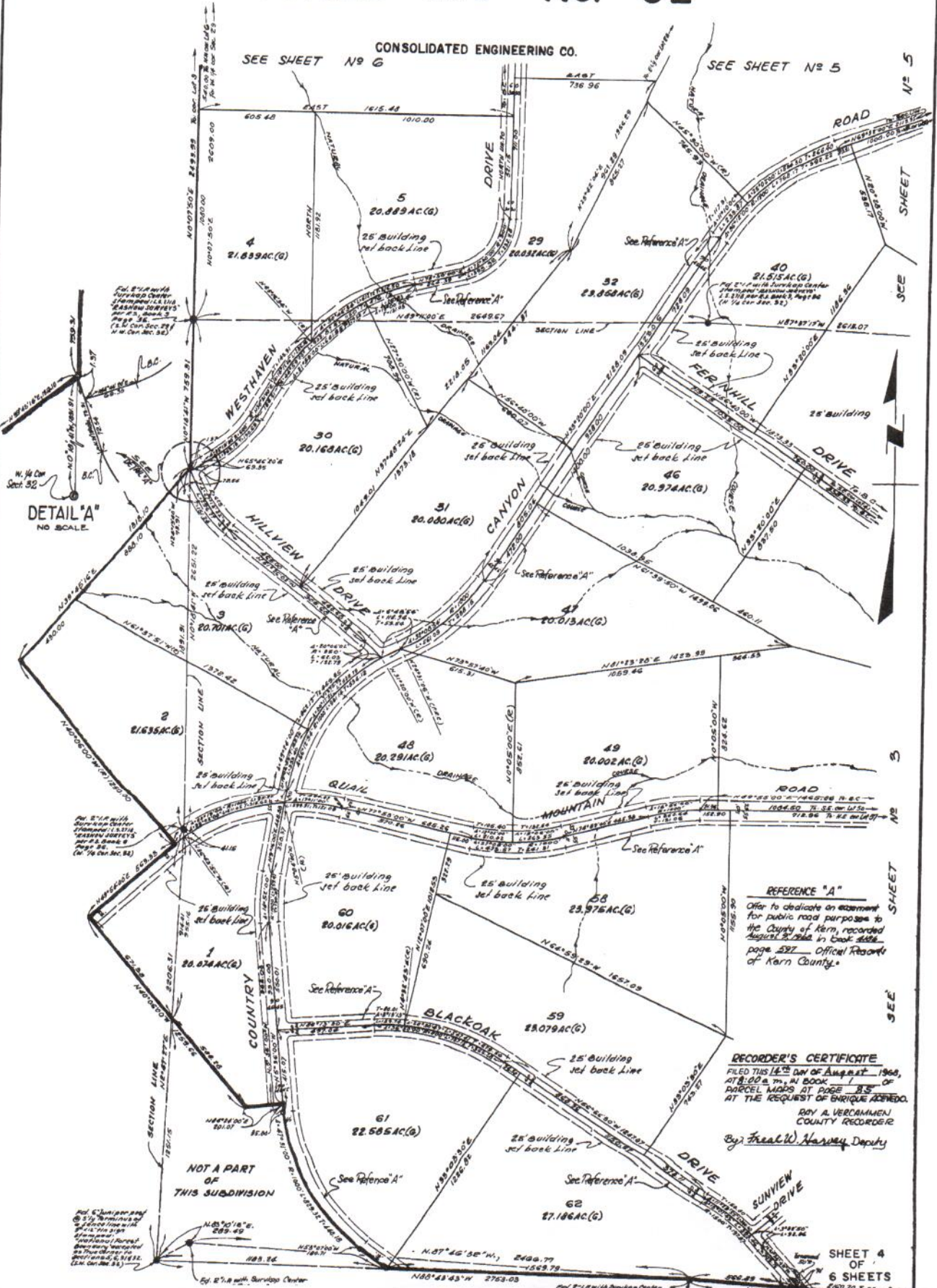
PARCEL MAP NO. 32

CONSOLIDATED ENGINEERING CO.

SEE SHEET N^o 6

SEE SHEET N^o 5

11-90. PM 32 M



REFERENCE "A"
Offer to dedicate an easement for public road purposes to the County of Kern, recorded August 29, 1968 in Book 488, page 227 - Official Records of Kern County.

RECORDER'S CERTIFICATE
FILED THIS 14th DAY OF AUGUST 1968, AT 8:00 A.M. IN BOOK 488 OF PARCEL MAPS AT PAGE 32 AT THE REQUEST OF ENRIQUE ARREOLA.
ROY A. VERAMMEN
COUNTY RECORDER
By: Fred W. Hanson, Deputy

NOT A PART OF THIS SUBDIVISION

SHEET 4 OF 6 SHEETS

Report of General Manager

December/January 2019

- Replace heaters in well and pump buildings, prepare for freezing weather.
- Complete and submit Prop 84 claim 30 for November expenses.
- Review and scan archived documents responsive to PVWC CPRA request. Burn files to disc and mail to counsel for PVWC.
- Accompany WaterBoards on system tour and sanitary survey.
- Monitor and operate Montclair well and chlorination equipment.
- Monitor chlorine residuals in water system.
- Continue working with counsel to resolve agreement with PVWC.
- Continue work with REVE, Cora and Abundant on Prop 84 project.
- Perform flushing for water quality issues.
- Begin reviewing 2017-2018 transactions, make corrections in preparation for closing books.
- Read water meters.
- Perform monthly PRV station inspections.
- Contact Mark Fogelman to discuss representing QVWD with PVWC/PUC issues. Attend conference call with Mark and Dan Raytis to discuss representation.
- Collect monthly bacteriological samples in accordance with combined system bacteriological site sampling plan using newly installed sample stations.
- Fill fuel trailer with fuel for equipment.
- Inspect installation of 250' of well casing in new well.
- Attend pre-construction meeting with REVE, GSLC, WaterBoards, Cora. Discuss reservoir phase construction.
- Review and complete insurance renewal packet, discuss with broker.
- Engineer main extension north on Country Canyon from Quail Mountain to serve 5 possible new service connections.

Upcoming:

- Sampling system for Lead and Copper rule.
- Sampling Montclair well for Iron and Manganese.
- Sampling system for Disinfection Byproducts.
- Oversee well construction and re-hab.
- Oversee reservoir and treatment plant building construction.
- Oversee completion of Water Treatment Plant specs.
- Cleanup along Umtali (complete services, install valve boxes, backfill, etc.).
- Finish well house repairs-Dan.
- Finish Building remodel-Dan.
- Replace door on garage-Dan.
- Install vault for Transvaal air-vac.
- Install cross and valves at Umtali and Roper for service on Roper and Inyanga.