



# Helendale Community Services District

26540 Vista Road, Suite C, Helendale, CA 92342

## **REGULAR BOARD MEETING** **Thursday, October 21, 2021 at 6:30 PM**

### **SPECIAL NOTICE OF TELECONFERENCE ACCESSIBILITY**

The Helendale CSD Board of Directors will meet in person at the District Office located at 26540 Vista Rd. Suite C. This meeting is open to the public in person or via virtual interface and can be accessed by clicking on the link below:

[www.zoom.com](https://www.zoom.com) Meeting ID 463 173 8547 Passcode: HCSD  
(Dial-in instructions will be provided after registering at the link above)

### **Call to Order - Pledge of Allegiance**

#### **1. Approval of Agenda**

#### **2. Public Participation**

*Anyone wishing to address any matter pertaining to District business listed on the agenda or not, may do so at this time. However, the Board of Directors may not take action on items that are not on the agenda. The public comment period may be limited to three (3) minutes per person. Any member wishing to make comments may do so by filling out the speaker's card in person. If viewing remotely a speaker's card can be filled out at the following link:*

<https://www.surveymonkey.com/r/HKGNLL8>. We request that all speaker's cards are filled out by 6:25 pm.

#### **3. Consent Items**

- a. Approval of Minutes: October 7, 2021, Regular Board Meeting and August 27, 2021 Special Meeting
- b. Bills Paid Report
- c. Directors Compensation and Expenses
- d. August Financials

#### **4. Reports**

- a. Directors' Reports
- b. General Manager's Report

#### **Regular Business:**

5. Discussion Only Regarding COVID-19 Update
6. Discussion Only Regarding Update on AMI Meter Program
7. Discussion and Possible Action Regarding Agreement to Lease Water Rights and Review of Water Production

#### **Other Business**

8. Requested items for next or future agendas (Directors and Staff only)
9. Adjournment

*Pursuant to Government Code Section 54954.2(a), any request for a disability-related modification or accommodation, including auxiliary aids or services, that is sought in order to participate in the above agenda public meeting should be directed to the District's General Manager's office at (760) 951-0006 at least 24 hours prior to said meeting. The regular session of the Board meeting will be recorded. Recordings of the Board meetings are kept for the Clerk of the Board's convenience. These recordings are not the official minutes of the Board meetings.*



# Helendale Community Services District

---

Date: October 21, 2021  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
SUBJECT: Agenda item #3  
Consent Items

---

## **CONSENT ITEMS**

- a. Approval of Minutes: Regular Board Meeting of September 16, 2021
- b. Bills Paid Report
- c. Directors Compensation and Expenses
- d. August Financials



## Helendale Community Services District

---

Date: October 21, 2021  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
BY: Cheryl Vermette  
SUBJECT: Agenda item #3a  
Approval of Minutes: October 7, 2021, Regular Board Meeting and August 27,  
2021 Special Board Meeting

---



*Minutes of the Helendale Community Services District  
REGULAR BOARD OF DIRECTORS MEETING  
October 7, 2021 at 6:30 PM  
26540 Vista Road, Suite C, Helendale, CA 92342*

Pursuant to the provisions of Executive Order N-29-20 issued by Governor Gavin Newsom in response to the COVID-19 pandemic public participation in Helendale CSD's Board Meeting was held both in person and via teleconference.

**Board Members Roll Call:**

**Present:** President Tim Smith; Vice President Henry Spiller; Secretary, Sandy Haas; Director Craig Schneider; Director Ron Clark

**Staff Members Present:**

Kimberly Cox, General Manager  
Cheryl Vermette, Program Coordinator  
Craig Carlson, Water Operations Manager  
Alex Aviles, Wastewater Operations Manager  
Shavon Aviles, Senior Customer Service Rep

**Consultants:**

Steve Kennedy, Legal Counsel (telephone)  
Asheu Jain, Engie  
Amelia Cottrell, Engie  
Bill Chaves, Yeghoian Paving and Grading

**Members of the Public:**

There were two members of the public present.

**Call to Order and Pledge of Allegiance**

The meeting was called to order at 6:30 pm by President Tim Smith, after which the Pledge of Allegiance was recited.

**1. Approval of Agenda**

**Action:** A motion was made by Director Schneider to approve the agenda as presented. The motion was seconded by Director Haas.

**Vote:** The motion carried with a 5 - Yes/ 0 – No Vote

**2. Public Participation**

Christopher Porter, Field Representative for First District Supervisor Cook, reported on the Sheriff's Department Marijuana Enforcement Team.

**3. Consent Items**

- A. Approval of Minutes: September 16, 2021 Regular Board Meeting
- B. Bills Paid Report
- C. Directors Compensation and Expenses
- D. July Financials
- E. COVID-19 Update

**Action:** A motion was made by Vice President Spiller to approve the Consent Calendar as presented. Director Schneider seconded the motion.

**Vote:** The motion carried by the following 5 -Yes/ 0 -No vote: President Smith-Yes; Vice President Spiller-Yes; Director Clark -Yes; Director Schneider -Yes; Director Haas -Yes

**4. Reports**

#### A. Directors' Reports

Director Schneider reported that he visited the parking lot project several times and learned a lot about the process when speaking with the inspector.

Director Clark reported that he has heard favorable comments and that the community likes the new parking lot.

President Smith reported that he visited the parking lot project several times. He commented that the inspector made sure the project went to plan.

Vice President Spiller echoed the other Board members comments on the paving.

Director Has reported that she was very pleased with the paving project.

#### B. General Managers Report

**Discussion:** General Manager Cox reported that the wastewater rate increase notices will be delivered to the local PO Boxes next week. Staff is scheduling two workshops to provide additional information for the public. The walk-through on the water building was completed today. The paving project is substantially complete, with only the hairpins needing to be painted. The fence will be installed the week of 10/18. Photos were shown of the paving.

Water Operations Manager Carlson gave the water report. The walk through for the water building was completed today. Staff asked the Board if they would like to have an open house or celebrate the opening in some way. The Board commented that they would like to hold a Board meeting there, invite the public, and give away hot dogs. They indicated a spring time frame. Carlson reported that the well drilling is substantially completed. They video logged the well today and Staff is waiting on Title 22 results. The pipeline should begin within two weeks; the well house building is in progress; fence posts will be installed next week; and the fencing is scheduled for the week of 10/18. Staff repaired two 4" irrigation line breaks at the park; completed the monthly coliform report; completed all monthly well and tank site inspections for September; completed tri-annual lead and copper sampling and reporting; installed conduit near the new paving area at the Community Center for future parking lights; dug up and lowered the main irrigation lines in the drive approaches at the Community Center; began rearranging and moving equipment and items in the corp yard to prepare for completion of the new operations building; and Staff is continuing the meter replacement program.

Program Coordinator Vermette gave the program report. Soccer season has begun, we have 160 players, 3 divisions, and 14 teams. Adult Softball is coming to a close, with two more games in the championship tournament. Our Fall Festival at the Farmers Market will start next Wednesday. There will be a pumpkin patch, train rides, pony rides, and vendors. We will have trick or treating on the 27<sup>th</sup> with assistance from Grace Bible Church and the Sunsetters Car Club.

#### **Regular Business:**

##### 5. Discussion Only Regarding Options to Offset Energy Usage

**Discussion:** Asheu Jain, from Engie presented options for the District to use Solar technology to offset Edison costs throughout the District. He detailed the energy program goals, details of the scope of work, the preliminary financial analysis, program benefits, and next steps. The Board discussed setting up a special workshop for them to review the details of the proposal.

**Action:** There was no action on this item.

##### 6. Discussion and Possible Action Regarding Adoption of Resolution 2021-19: A Resolution of the Helendale Community Services District Ratifying the Proclamation of a State of Emergency by Governor Newsom,

Declaring the Existence of Local Emergency Conditions, and Authorizing Remote Teleconference Meetings of the Board of Directors and Its Standing Committee for the Period October 7, 2021, to a date to be determined, Pursuant to Brown Act Provisions

**Discussion:** The adoption of this resolution allows for suspension of certain provisions of the Brown Act. Counsel drafted a resolution for the Boards consideration and provided a review of the item. Counsel explained how this resolution will allow for the continuation of remote meetings and explained that a new resolution will need to be adopted for the first recertification, however the proclamation was not clear if a new resolution would need to be made for each recertification.

**Action:** Vice President Spiller made a motion to approve Resolution 2021-19. Director Haas seconded the motion.

**Vote:** The motion carried by the following 5 -Yes/ 0 - No vote: President Smith-Yes; Vice President Spiller-Yes; Director Clark -Yes; Director Schneider -Yes; Director Haas -Yes

7. Discussion and Possible Action Regarding Award of Bid for Maintenance Building Paving Projects

**Discussion:** In May the Board requested that Staff get a quote from the building contractor to install a concrete apron in front of the buildings. The quote was for \$72,485 per building for a 20' x 140' apron. Staff felt the concrete price was too high and the proposed area was too small. At the 9/16 meeting the Board approved the circulation of an RFP for paving 140' x 40' aprons in front of the buildings and a 40' x 48' exit for the wastewater building. The current paving contractor did not bid. Two bids were received. High Desert Underground's bid came in at \$123,456 and Yeghoian Paving and Grading came in at \$72,423. The water building (asphalt only) is \$25,383 and the wastewater building (asphalt and concrete) is \$47,040. General Manager Cox showed a design of the asphalt and concrete areas at both buildings. The inspection for this project will be done by ALR Engineering. There is enough left on the professional services agreement to complete this project. Staff has been very pleased with their experience and expertise. ALR developed the specs that were bid and they will attend the preconstruction meeting. General Manger Cox presented photos of the water and wastewater buildings and reviewed costs for each.

**Action:** Director Clark made the motion to approve the award of a paving contract to Yeghoian Paving in an amount of \$72,423 plus a 10% contingency (7,242). Director Schneider seconded the motion.

**Vote:** The motion carried by the following 5 -Yes/ 0 -No vote: President Smith-Yes; Vice President Spiller-Yes; Director Clark -Yes; Director Schneider -Yes; Director Haas -Yes

8. Discussion and Possible Action Regarding Addition of Grass Area at the Community Center

**Discussion:** The District has always had a great partnership with the local Boy Scout Troop, they have completed numerous projects at the park and within the community. The District is currently working on two projects with the Troop – a nature playground and repairing park benches. The District has a list of potential projects for prospective Eagle Scouts including repair/repaint picnic tables at the park and re-paint fire hydrants throughout the community. Now that the parking lot expansion is complete other improvement projects can begin. One of the projects on the Prop 68 Statewide Parks application is to add a grass area with shade. This project would include installing an irrigation system, planting grass seed, and constructing shade shelters. A map of the projects included in the Statewide Parks grant was shown as well as a picture of the proposed area.

The Board discussed the potential project and asked for more information and pricing. There was some concern about adding the shelters at this time. The Board agreed to add the grass area to the list of potential Eagle Scout projects.

9. Discussion and Possible Action Regarding Reconsideration of New Baseball Field  
**Discussion:** At the 8/5 and 8/19 meetings the Board considered a new baseball field and the orientation of that field. Based upon the large crowd at the 9/11 concert, this item was requested to be revisited. Staff has three possible options: do nothing, move the new field further to the south, or enlarge one of the smaller fields. The Board discussed the options and decided that the new field should be postponed until next year (late summer). The Board was open to enlarging the west field.
10. Discussion and Possible Action Regarding Claim Against the District  
**Discussion:** A claim has been filed stating an unknown item from a District truck caused damage to the claimants' windshield. The driver flagged down the District employee who provided information. Staff had heavy items in the back of the truck that would not blow out. The District's typical claim process involves the claimant filling out a claim form and then Staff agendas that claim for Board determination. The Board can decide to pay the claim, deny the claim, or refer to the insurance company. Because there was no negligence the insurance company will not cover the claim and considers debris on the roadway a hazard of driving. Legal Counsel Kennedy reviewed the Boards options.  
**Action:** Director Schneider made the motion to deny the claim and direct Counsel and Staff to send a letter so stating. Director Clark seconded the motion.  
**Vote:** The motion carried by the following 5 -Yes/ 0 -No vote: President Smith-Yes; Vice President Spiller-Yes; Director Clark -Yes; Director Schneider -Yes; Director Haas -Yes

### **Other Business**

11. Requested items for next or future agendas (Directors and Staff only)  
Workshop on energy solutions with more information on the \$40,000 cost for engineering.

President Smith called for a recess of the open session of the Board meeting at 7:55 pm after which closed session commenced.

### **Closed Session**

The closed session was called to order at 8:07 pm

12. Closed Session  
Conference with Real Property Negotiators  
Government Code Section 54956.8  
District Negotiator: Kimberly Cox  
Property: Water Rights  
Negotiating Parties: Victorville Water District  
Under Negotiation: Price and Terms of Payment

President Smith adjourned the closed session at 8:17 pm and called to order the open session of the Board meeting.

13. Report of Closed Session Items

Legal Counsel Kennedy reported that there was no reportable action resulting from closed session items.

14. Adjournment

Action: President Smith adjourned the meeting at 8:17 pm

Submitted by:

Approved by:

---

Tim Smith, President

---

Sandy Haas, Secretary

*The Board actions represent decisions of the Helendale Community Services District Board of Directors. A digital voice recording and copy of the PowerPoint presentation are available upon request at the Helendale CSD office.*





*Minutes of the Helendale Community Services District  
SPECIAL BOARD OF DIRECTORS MEETING  
August 27, 2021 at 1:00 PM  
26540 Vista Road, Suite C. Helendale, CA 92342*

Pursuant to the provisions of Executive Order N-29-20 issued by Governor Gavin Newsom in response to the COVID-19 pandemic public participation in Helendale CSD's Board Meeting was held both in person and via teleconference.

**Board Members Roll Call:**

**Present:** President Tim Smith (via teleconference); Vice President Henry Spiller; Secretary, Sandy Haas; Director Craig Schneider; Director Ron Clark

**Staff Members Present:**

Kimberly Cox, General Manager  
Cheryl Vermette, Program Coordinator  
Alex Aviles, Wastewater Operations Manager

**Consultants:**

Steve Kennedy, Legal Counsel (telephone)

**Members of the Public:**

There was one member of the public present.

**Call to Order and Pledge of Allegiance**

The meeting was called to order at 1:11 pm by Vice President Henry Spiller, after which the Pledge of Allegiance was recited.

**1. Approval of Agenda**

**Action:** A motion was made by Director Schneider to approve the agenda as presented. The motion was seconded by Director Clark.

**Vote:** The motion carried with a 5 - Yes/ 0 - No vote

**2. Public Participation**

None

**Regular Business:**

**3. Discussion and Possible Action Regarding 9/11 Concert Events**

**Discussion:** Program Coordinator Vermette reviewed the participating agencies which include San Bernardino County Fire Department, San Bernardino County Sheriff's Department, Marine Corps Barstow, National Guard, and Edwards Air Force Base. Some of the activities at the event will include a moment of silence, fireworks, petting zoo, kids area, lawn games and a 5K put on by Team Red, White and Blue - a Veterans non-profit. Staff presented was an idea for light towers and flags to be displayed at the event representing those who lost their life on 9/11. The Board discussed offering free hot dogs at the event as well as certificates of appreciation for the participating military branches, law enforcement and the fire department signed by all members of the Board. The Board President will also make a speech at the event.

**4. Discussion and Possible Action Regarding Increase in Open Purchase Order for Aqua Metrics**

**Discussion:** The Board previously approved an open purchase order with Aqua Metrics for \$91,156. The District purchases all of the iPerl meters and AMI radios through Aqua Metrics as

well as annual software fees to run the AMI analytics. Due to supply chain shortages, meters and radios are backordered. Staff believes this could impact our ability to get the meters and radios necessary to complete the grant agreement with Bureau of Reclamation. Staff is recommending purchasing the remaining meters and radios now to avoid any shipping delays. To complete the grant agreement, the District will need to purchase 428 meters at a cost of \$118.00 each and 202 radios at a cost of \$135.00 each. The total cost is approximately \$83,801.49 [including tax and shipping]. The open purchase order that was approved at the August 5th Board meeting has \$66,999.61 remaining due to software setup, training, and annual fees. Staff is requesting to increase the open purchase order by \$26,801. The District has applied for another Bureau of Reclamation Small Scale Grant for \$75,000 and awards have not been announced. If awarded the District will need to match \$75,000 in expenses over the next two years. After completion of the current Bureau of Reclamation Phase II grant, Staff will bring back a new purchase order request for Aqua Metrics. The District has a remaining reimbursement balance of \$26,905.40 and has already been reimbursed \$47,094.60 from the Bureau of Reclamation.

**Action:** Director Schneider made the motion to approve an increase in the Open PO for Aqua Metrics in the amount of \$28,000. Director Clark seconded the motion.

**Vote:** The motion carried by the following 5 -Yes/ 0 -No vote: President Smith-Yes; Vice President Spiller-Yes; Director Clark -Yes; Director Schneider -Yes; Director Haas -Yes

#### 5. Discussion Only Regarding Wastewater Rate Increase

**Discussion:** Review of the Capital Improvement Plan is a critical part of the budget process. The plan lays out significant planned expenditures, provides a forward look at revenue demands, and represents Staff's best guess as to operational needs. The proposed CIP represents \$6,675,000 in projects – some to be completed in-house and some to be completed by contractors. The CIP provided in the budget was incomplete, Staff discovered that cells were hidden on the spreadsheet. The version of the CIP that was included in the budget was not complete; it did not impact the current budget but also did not provide proper look-ahead. Staff has put steps in place to ensure complete 5-year CIP is included in budget document. General Manager Cox and Operations Manager Aviles provided a detailed look at all 35 items included in the CIP. The Board did not request any changes to the CIP.

#### 6. Discussion Only Regarding Wastewater Rate Increase

**Discussion:** The wastewater rate increase was discussed on 5/20 and 8/5. During those meetings the Board requested to look at additional scenarios. Implementing a rate increase is a process that includes several meetings to discuss options, a review of the wastewater CIP, a mailed public notice, a public hearing and finally the implementation of rates. The wastewater fund is projected to close the year at -\$217,359. The need for the rate increase is evident. Numerous options were presented with varying increases and the reserve fund ranging from \$2.2 million to \$3 million. Loans were presented in three scenarios. General Manager Cox showed a graph of the proposed rate increases compared to other agencies. Projection 1 called for a \$3.50 increase in Jan 2022 and July 2022 with 3.5% CPI increases in July 2023, 2024, and 2025, the reserve fund would be maintained at \$3 million. This projection included two loans – one in FY 2023 for \$1.94 million and one in FY2028 for \$1.3 million. Projection 2 called for a \$7.00 increase in January 2022 with 3.5% increases in July 2022, 2023, 2024, and 2025; the reserve fund would maintain a \$3 million balance. This projection would include two loans – one in FY 23 for \$1.94 million and one in FY 27 for \$1.51 million. Projection 3 called for a \$4.50 increase in January 2022 and July 2022 and 3.5% increases in July 2023, 2024, and 2025, the reserve fund would maintain

\$3 million balance. This projection would include two loans – one in FY 23 for \$1.275 million and one in FY 26 for \$1.275 million. Projection 4 called for \$7.75 increases in January 2022 and July 2022 with 3.5% increases in July 2023, 2024, and 2025; the reserve fund would maintain a \$3 million balance and included no loans. Projection 5 called for \$7.75 increases in January 2022 and July 2022 with 3.5% increases in July 2023, 2024, and 2025; the reserve fund would maintain a \$2.5 million balance and included no loans. Projection 6 called for \$5.00 increases in January 2022, July 2022, and January 2023 with 3.5% increases in July 2024 and 2025; the reserve fund would maintain a \$2.5 million balance and included no loans. Projection 7 called for \$5.00 increases in July 2022, July 2023 with 3% increases in July 2024, 2025, and 2026; the reserve fund would maintain a \$2.2 million balance and included no loans. The Board agreed they only wanted to consider options that did not include a loan. After discussing various options, the consensus of the Board was to bring back additional options based off of Projection 6 with three \$5 increments followed by a percent increase maintaining at least \$2.6 to \$2.7 million in the reserve fund.

**Action:** There was no action on this item.

### Other Business

7. Requested items for next or future agendas (Directors and Staff only)  
None

8. Adjournment

Action: President Smith adjourned the meeting at 2:27 pm

Submitted by:

Approved by:

\_\_\_\_\_  
Tim Smith, President

\_\_\_\_\_  
Sandy Haas, Secretary

*The Board actions represent decisions of the Helendale Community Services District Board of Directors. A digital voice recording and copy of the PowerPoint presentation are available upon request at the Helendale CSD office.*



# Helendale Community Services District

---

Date: October 21, 2021  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
BY: Sharon Kreinop  
SUBJECT: Agenda item #3b  
Bills Paid Report

---



# Helendale Community Services District

---

Date: October 21, 2021  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
BY: Sharon Kreinop, Senior Account Specialist  
SUBJECT: Agenda item #3 b  
Consent Items: Updated Bills Paid and Presented for Approval

---

**STAFF RECOMMENDATION:**

Updated Report Only. Receive and File

**STAFF REPORT:**

Staff issued 56 checks and 13 EFT's totaling \$470,101.12

Total Cash Available:	<u>10/18/21</u>	<u>10/4/21</u>
Cash	\$5,546,24.23	\$5,819,158.28
Checks/EFT's Issues	\$ 470,101.12	\$ 412,513.87

**Investment Report**

The Investment Report shows the status of the invested District funds. The current interest rate is 0.02% for LAIF and 0.10% for the CBB Sweep Account for September 2021. Interest earned September 2021 on CBB Sweep Account is \$210.89.



Helendale CSD

# Bills Paid and Presented for Approval

## Transaction Detail

Issued Date Range: 10/05/2021 - 10/18/2021

Cleared Date Range: -

Issued Date	Number	Description	Amount	Type	Module
<b>Bank Account: 251229590 - CBB Checking</b>					
10/06/2021	<a href="#">24598</a>	ASBCSD	-60.00	Check	Accounts Payable
10/06/2021	<a href="#">24599</a>	AVCOM Services Inc.	-489.00	Check	Accounts Payable
10/06/2021	<a href="#">24600</a>	Babcock Laboratories, Inc	-2,350.00	Check	Accounts Payable
10/06/2021	<a href="#">24601</a>	Burrtec Waste Group, Inc	-13,140.41	Check	Accounts Payable
10/06/2021	<a href="#">24602</a>	Burrtec Waste Industries Inc	-483.72	Check	Accounts Payable
10/06/2021	<a href="#">24603</a>	Burrtec Waste Industries Inc	-126.50	Check	Accounts Payable
10/06/2021	<a href="#">24604</a>	County of San Bernardino	-860.00	Check	Accounts Payable
10/06/2021	<a href="#">24605</a>	Daily Press	-73.18	Check	Accounts Payable
10/06/2021	<a href="#">24606</a>	G.A. Osborne Pipe & Supply Inc.	-73.06	Check	Accounts Payable
10/06/2021	<a href="#">24607</a>	Geo-Monitor, Inc.	-538.00	Check	Accounts Payable
10/06/2021	<a href="#">24608</a>	Global Industrial Equipment	-192.75	Check	Accounts Payable
10/06/2021	<a href="#">24609</a>	Mobile Occupational Services, Inc.	-45.00	Check	Accounts Payable
10/06/2021	<a href="#">24610</a>	Online Information Services, Inc	-19.95	Check	Accounts Payable
10/06/2021	<a href="#">24611</a>	O'Reilly Auto Parts	-2,650.79	Check	Accounts Payable
10/06/2021	<a href="#">24612</a>	Stericycle, Inc	-84.57	Check	Accounts Payable
10/06/2021	<a href="#">24613</a>	USA of So. California	-59.50	Check	Accounts Payable
10/06/2021	<a href="#">24614</a>	USPS	-718.67	Check	Accounts Payable
10/06/2021	<a href="#">24615</a>	Sonic Systems, Inc	-1,544.70	Check	Accounts Payable
10/06/2021	<a href="#">24616</a>	True Liberty Protection Services Inc.	-6,000.00	Check	Accounts Payable
10/07/2021	<a href="#">24619</a>	Alma Esquivel	-1,012.50	Check	Accounts Payable
10/07/2021	<a href="#">24620</a>	Rebecca Gonzalez	-330.00	Check	Accounts Payable
10/07/2021	<a href="#">24621</a>	The Woodall Group, Inc	-20.00	Check	Accounts Payable
10/07/2021	<a href="#">24622</a>	South West Pump & Drilling, Inc	-77,715.00	Check	Accounts Payable
10/12/2021	<a href="#">24623</a>	KAT Equipment Leasing, Inc	-648.00	Check	Accounts Payable
10/12/2021	<a href="#">24624</a>	WaterMaster	-2,635.59	Check	Accounts Payable
10/14/2021	<a href="#">24625</a>	California State Disbursement Unit	-230.76	Check	Accounts Payable
10/14/2021	<a href="#">24626</a>	State of California - Franchise Tax Board	-50.00	Check	Accounts Payable
10/14/2021	<a href="#">24627</a>	TAMIKA EZELL	-104.44	Check	Utility Billing
10/14/2021	<a href="#">24628</a>	United Paving	-236,071.02	Check	Accounts Payable
10/14/2021	<a href="#">24629</a>	United Paving	-5,533.94	Check	Accounts Payable
10/14/2021	<a href="#">24630</a>	Burrtec Waste Group, Inc	-47,309.10	Check	Accounts Payable
10/14/2021	<a href="#">24631</a>	Charles La Pat	-300.00	Check	Accounts Payable
10/15/2021	<a href="#">24632</a>	DOUGLAS SCHUBERT	-171.10	Check	Utility Billing
10/15/2021	<a href="#">24633</a>	Amazon Capitol Services	-361.74	Check	Accounts Payable
10/15/2021	<a href="#">24634</a>	Beck Oil Inc	-5,121.77	Check	Accounts Payable
10/15/2021	<a href="#">24635</a>	Choice Builder	-1,293.85	Check	Accounts Payable
10/15/2021	<a href="#">24636</a>	Frontier Communications	-132.61	Check	Accounts Payable
10/15/2021	<a href="#">24637</a>	Frontier Communications	-49.65	Check	Accounts Payable
10/15/2021	<a href="#">24638</a>	Infosend, Inc	-1,907.12	Check	Accounts Payable
10/15/2021	<a href="#">24639</a>	State of California Department of Justice	-49.00	Check	Accounts Payable
10/15/2021	<a href="#">24640</a>	Tyler Technologies, Inc.	-3,171.85	Check	Accounts Payable
10/07/2021	<a href="#">EFT0003867</a>	To record CalPERS Health Premium - Oct 2021	-16,666.88	EFT	General Ledger
10/11/2021	<a href="#">EFT0003868</a>	SW Gas ACH 4-Plex Acct # 910000817466	-53.94	EFT	General Ledger
10/11/2021	<a href="#">EFT0003869</a>	SW Gas ACH WWTP 910000010195	-25.00	EFT	General Ledger
10/11/2021	<a href="#">EFT0003871</a>	SW Gas Water Shop Acct # 910001037540	-11.00	EFT	General Ledger
10/11/2021	<a href="#">EFT0003872</a>	SW Gas Community Center 910000010177	-11.00	EFT	General Ledger

**Bank Transaction Report**

<b>Issued Date</b>	<b>Number</b>	<b>Description</b>	<b>Amount</b>	<b>Type</b>	<b>Module</b>
10/12/2021	<a href="#">EFT0003877</a>	SCE ACH 4-Plex Acct 700392338368	-470.04	EFT	General Ledger
10/12/2021	<a href="#">EFT0003878</a>	ACH Water Shop SCE Acct 700453074415	-155.86	EFT	General Ledger
10/06/2021	<a href="#">EFT0003879</a>	SCE ACH WWTP & Wells 3,4 & 1 Acct 700547354472	-24,616.57	EFT	General Ledger
10/06/2021	<a href="#">EFT0003879</a>	SCE ACH WWTP & Wells 3,4 & 1 Acct 700547354472	24,616.57	EFT Reversal	General Ledger
10/10/2021	<a href="#">EFT0003880</a>	CalPERS Classic Pmt PPE 9/12/21	-7,207.32	EFT	General Ledger
10/10/2021	<a href="#">EFT0003881</a>	CalPERS PEPRA Pmt PPE 9/12/21	-1,548.55	EFT	General Ledger
10/07/2021	<a href="#">EFT0003888</a>	To record Sales Tax Pmt #3- 3rd Quarter	-2,016.68	EFT	General Ledger
10/06/2021	<a href="#">EFT0003893</a>	SCE ACH WWTP & Wells 3,4 & 1 Acct 700547354472	-24,615.36	EFT	General Ledger
10/05/2021	<a href="#">EFT0003894</a>	SCE ACH Community Center 700218740906	-3,057.32	EFT	General Ledger
10/05/2021	<a href="#">EFT0003895</a>	To record Tasc Flex Claim Pmt - PPE 9/26/21	-533.33	EFT	General Ledger
<b>Bank Account 251229590 Total: (56)</b>					<b>-470,101.12</b>
<b>Report Total: (56)</b>					<b>-470,101.12</b>

**Summary**

**Bank Account**  
[251229590 CBB Checking](#)

<b>Count</b>	<b>Amount</b>
56	-470,101.12
<b>Report Total:</b>	<b>-470,101.12</b>

**Cash Account**  
[99 99-111000 Cash in CBB - Checking](#)

<b>Count</b>	<b>Amount</b>
56	-470,101.12
<b>Report Total:</b>	<b>-470,101.12</b>

Transaction Type	Count	Amount
Check	41	-413,728.84
EFT	14	-80,988.85
EFT Reversal	1	24,616.57
<b>Report Total:</b>	<b>56</b>	<b>-470,101.12</b>





# Helendale Community Services District

---

Date: October 21, 2021  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
BY: Cheryl Vermette, Program Coordinator  
SUBJECT: Agenda item #3c  
Directors' Compensation and Expenses

---

HELENDALE COMMUNITY SERVICES DISTRICT  
BOARD MEMBER EXPENSE VOUCHER

NAME: *Michelle N. N...* Date: *10-31*

Date	Event	Expense Description/Explanation	Mileage	Meals	Lodging	Other	Exp. Category
10-4	Public Benefit	<i>Phone w/GM</i>					<i>B</i>
10-5	Event	<i>Meeting w/GM</i>					<i>C</i>
10-6	Public Benefit	<i>Expense w/Chris C</i>					
10-7	Event	<i>Expense on website of building a business association</i>					<i>A</i>
10-8	Event	<i>Meeting w/Alex</i>					
	Public Benefit	<i>expense on building and travel options</i>					
	Event						
	Public Benefit						
	Event						
	Public Benefit						
	Event						
	Public Benefit						
	Event						
	Public Benefit						
	Event						
	Public Benefit						
	Event						
	Public Benefit						
	Event						
	Public Benefit						
Notes/Comments:							
Ok to process for payroll							
Signature: <i>Michelle N. N...</i>							
Date: _____							
Totals:							
Mileage _____							
Meals _____							
Lodging _____							
Grand Total <i>637.50</i>							<i>✓</i>

Board Member Signature: *Michelle N. N...*

- Expense Categories:
- G: Meeting w/GM re: District Operations
  - H: Meeting w/auditors, attorney or consultant retained by District
  - I: Meeting of Local, State or Federal body w/jurisdiction affecting HCSD
  - J: Meeting w/organization with interests in matter involving functions or operations of the District
  - K: Meeting pre-approved by the Board of Directors

Mileage calculated at \$0.56/mile effective 1/1/21

*✓*

HELENDALE COMMUNITY SERVICES DISTRICT BOARD MEMBER EXPENSE VOUCHER

Name: **Tim Smith**

Date	Expense Description/Explanation	Miles	Meals	Lodging	Other	Exp Category
09/27/2021	Met with engineer about paving project					H: Meeting w/auditors, attorney or consultant
	Public Benefit					
09/29/2021	Phone interview with auditor					H: Meeting w/auditors, attorney or consultant
	Public Benefit					
10/05/2021	mtg with Kimberly					G: Meeting w/GM re District Operations
	Public Benefit					
10/07/2021	regular board mtg					A: Public Meeting governed by Brown Act
	Public Benefit					
	Event					C: Representation at Public Meeting/Event*
	Public Benefit					
	Event					B: Public Event*
	Public Benefit					
	Event					A: Public Meeting governed by Brown Act
	Public Benefit					
	Event					
	Public Benefit					
	Event					
	Public Benefit					

Notes/Comments:

Totals

Mileage	-
Meals	-
Lodging	-
Other	-
<b>Grand Total</b>	<b>550.00</b>

Submitted By: **Tim Smith**

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

Appropriate Approval

- Expense Categories**
- G: Meeting w/GM re District Operations
  - H: Meeting w/auditors, attorney or consultant retained by District
  - I: Meeting of Local, State or Federal body w/jurisdiction affecting HCSD
  - J: Meeting w/organization with interests in matters involving functions or operations of the District
  - K: Meeting pre-approved by the Board of Directors
- A: Public Meeting governed by Brown Act  
 B: Public Event\*  
 C: Representation at Public Meeting/Event\*  
 D: Representation on a 501C3 Board\*  
 E: Conference/seminar/Training Program related to District\*  
 F: Ad Hoc committee of the Board

\* Written or verbal report required to be presented at the next Board meeting



# Helendale Community Services District

---

Date: October 21, 2021  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
SUBJECT: Agenda item #3d  
August Financials

---



**Helendale CSD**  
**Statement of Revenues and Expenses - Water**  
**As of August 31, 2021**  
**(Unaudited)**

	August 2021	YTD Actual	Budget	% Budget	PYTD
<b>1 Operating Revenues</b>					
2 Meter Charges	\$ 134,011	\$ 268,901	\$ 1,593,041	17%	\$ 265,115
3 Water Sales	102,968	210,600	952,614	22%	207,308
4 Standby Charges	-	-	23,300	0%	-
5 Other Operating Revenue	21,299	28,443	104,300	27%	18,512
<b>6 Total Operating Revenues</b>	<b>258,278</b>	<b>507,944</b>	<b>2,673,255</b>	<b>19%</b>	<b>490,935</b>
<b>7 Non-Operating Revenues</b>					
8 Grant Revenue	-	-	305,000	0%	16,000
9 Miscellaneous Income (Expense)	2,500	5,361	-	0%	-
<b>10 Total Non-Operating Revenues</b>	<b>2,500</b>	<b>5,361</b>	<b>305,000</b>	<b>2%</b>	<b>16,000</b>
<b>11 Total Revenues</b>	<b>260,778</b>	<b>513,305</b>	<b>2,978,255</b>	<b>17%</b>	<b>506,935</b>
<b>12 Expenses</b>					
<b>13 Salaries &amp; Benefits</b>					
14 Salaries	40,787	70,436	326,871	22%	56,243
15 Benefits	13,187	33,087	123,472	27%	21,055
<b>16 Total Salaries &amp; Benefits</b>	<b>53,974</b>	<b>103,523</b>	<b>450,343</b>	<b>23%</b>	<b>77,298</b>
<b>17 Transmission &amp; Distribution</b>					
18 Contractual Services	10,114	41,700	62,492	67%	23,766
19 Power	13,881	14,645	207,247	7%	32,450
20 Operations & Maintenance	10,148	23,552	136,950	17%	9,635
21 Rent/Lease Expense	800	2,230	10,860	21%	2,230
22 Permits & Fees	-	280	30,700	1%	2,032
<b>23 Total T&amp;D</b>	<b>34,942</b>	<b>82,408</b>	<b>448,249</b>	<b>18%</b>	<b>70,113</b>
<b>24 General &amp; Administrative</b>					
25 Utilities	374	435	6,500	7%	2,297
26 Office & Other Expenses	44	214	5,783	4%	814
27 Admin Allocation	48,066	96,133	576,797	17%	93,035
<b>28 Total G&amp;A</b>	<b>48,485</b>	<b>96,782</b>	<b>589,080</b>	<b>16%</b>	<b>96,145</b>
29 Debt Service	-	149,447	531,309	28%	169,787
<b>30 Total Expenses</b>	<b>137,401</b>	<b>432,160</b>	<b>2,018,982</b>	<b>21%</b>	<b>413,344</b>
<b>31 Net Income (Loss) Before Capital</b>	<b>123,377</b>	<b>81,145</b>	<b>959,274</b>		<b>93,591</b>
32 Sale or Lease of Water Rights	20,584	20,584		0%	-
32 Capital Expenses	(237,867)	(522,367)	(783,000)	67%	-
<b>33 Net Income (Loss) After Capital</b>	<b>\$ (93,906)</b>	<b>\$ (420,638)</b>	<b>\$ 176,274</b>		<b>\$ 93,591</b>

**Helendale CSD**  
*Financial Statement Analysis*  
For the Month Ended August 31, 2021 – 17% of Fiscal Year

**Fund 01-Water Revenues and Expenses**

**Line 2 Meter Charges:** Includes fixed monthly charge for water service. Year to date (YTD) meter charges are in line with budget.

**Line 3 Water Sales:** Includes water consumption charges. YTD is over budget at 22% due to summer months having higher consumption.

**Line 4 Standby Charges:** Includes special assessment standby charges for the current & prior years, and delinquent standby penalties. YTD can trend over/under budget due to timing of assessment receipts, the majority of which are received in November and April.

**Line 5 Other Operating Revenue:** Includes permit & inspection charges, connection fees, meter installation fees, other fees/charges and mechanic service reimbursements. Connection and meter installation fees are budgeted conservatively due to the unexpected nature of these fees. YTD is over budget at 27% due to timing of water supply fees received. August receipts include two \$5K connection charges for development.

**Line 8 Grant Revenue:** Budget for this account consists \$305,000 for grant reimbursement from the Bureau of Reclamation and the DWR Grant.

**Line 9 Miscellaneous Income (Expense):** Includes gain or loss on sale of assets, the Enel X Demand Response Program and other miscellaneous income. YTD activity includes \$2.5K from Graham Equipment and \$2.8K from the Enel X Demand Response Program.

**Line 14 Salaries:** Includes salaries for water employees and portion of mechanic's salary. YTD is over budget at 22% due to more overtime and mechanic labor than anticipated.

**Line 15 Benefits:** Includes health insurance, CalPERS retirement, worker's compensation insurance, payroll taxes, and employee education and trainings. YTD is over budget at 27% due to the timing of the annual workers compensation payment.

**Line 18 Contractual Services:** Includes lab testing, engineering, GIS support & other contract services. YTD is over budget at 67% due to the \$28.5k annual software support fee paid in July and \$9k payment in August for drilling and sampling for new municipal well construction.

**Line 19 Power:** Includes electricity used for transmission & distribution. YTD is below budget due to the timing of utility bills for wells being received and paid.

**Line 20 Operations & Maintenance:** Includes operations & maintenance expense, vehicle maintenance and vehicle fuel. YTD is in line with budget.

**Line 21 Rent/Lease Expense:** Includes rental costs for the water shop and Bureau of Land Management tank sites. YTD is over budget at 21% due to tank site rents being prepaid 6 months in advance.

**Line 22 Permits & Fees:** Includes all water permits, miscellaneous fees, and Watermaster fees. YTD can trend over/under budget due to timing of permits and fee payments. YTD is under budget at 1%.

**Line 25 Utilities (G&A):** Includes gas and telephone expenses. YTD is under budget due to timing of utility bills.

**Line 26 Office & Other Expenses:** Includes mileage/travel reimbursements, office supplies, water conservation program, and dues & subscriptions. These expenses are an as needed basis and can trend over/under budget. YTD is under budget at 4%.

**Line 27 Admin Allocation:** This is the monthly distribution of the budgeted Administration fund (Fund 10) expenses to the enterprise funds.

**Line 29 Debt Service:** Includes interest & principal payments on outstanding debt. YTD can trend over/ under budget due to timing of payments. Payments occur on a quarterly basis in July, October, January, and April.

**Line 32 Capital Expenses:** YTD balance in capital expenses includes the following:

- \$212,465 - Corporate Yard Enclosure
- \$304,633 - New Well
- \$5,269 - Electrical Well 13



**Helendale CSD**  
**Statement of Revenues and Expenses - Sewer**  
**As of August 31, 2021**  
**(Unaudited)**

	August 2021	YTD Actual	Budget	% Budget	PYTD
<b>1 Operating Revenues</b>					
2 Sewer Charges	\$ 106,908	\$ 213,655	\$ 1,280,348	17%	\$ 213,506
3 Standby Charges	-	-	18,000	0%	-
4 Other Fees & Charges	8,453	10,199	29,320	35%	5,938
5 Other Income/(Expense)	-	-	1,000	0%	-
<b>6 Total Revenues</b>	<b>115,361</b>	<b>223,854</b>	<b>1,328,668</b>	<b>17%</b>	<b>219,444</b>
<b>7 Expenses</b>					
<b>8 Salaries &amp; Benefits</b>					
9 Salaries	29,223	49,163	267,911	18%	45,184
10 Benefits	11,523	23,746	94,821	25%	18,487
<b>11 Total Salaries &amp; Benefits</b>	<b>40,747</b>	<b>72,909</b>	<b>362,732</b>	<b>20%</b>	<b>63,671</b>
<b>12 Sewer Operations</b>					
13 Contractual Services	745	8,505	76,500	11%	9,173
14 Power	8,159	9,519	89,613	11%	14,431
15 Operations & Maintenance	10,618	26,744	58,930	45%	5,975
16 Permits & Fees	3,114	4,159	35,000	12%	3,976
<b>17 Total Sewer Operations</b>	<b>22,636</b>	<b>48,926</b>	<b>260,043</b>	<b>19%</b>	<b>33,554</b>
<b>18 General &amp; Administrative</b>					
19 Utilities	374	616	5,916	10%	864
20 Office & Other Expenses	714	1,543	14,760	10%	2,868
21 Admin Allocation	47,105	94,210	565,261	17%	91,174
<b>22 Total G&amp;A</b>	<b>48,194</b>	<b>96,369</b>	<b>585,937</b>	<b>16%</b>	<b>94,906</b>
23 Debt Service	-	-	72,377	0%	-
<b>24 Total Expenses</b>	<b>111,576</b>	<b>218,205</b>	<b>1,281,089</b>	<b>17%</b>	<b>192,132</b>
<b>25 Net Income (Loss) Before Capital</b>	<b>3,784</b>	<b>5,649</b>	<b>47,579</b>	<b>12%</b>	<b>27,313</b>
26 Capital Expenses	(236,234)	(260,382)	(940,000)	28%	-
<b>27 Net Income (Loss) After Capital</b>	<b>\$ (232,449)</b>	<b>\$ (254,733)</b>	<b>\$ (892,421)</b>	<b>29%</b>	<b>\$ 27,313</b>



## **Fund 02 - Sewer Revenues and Expenses**

**Line 2 Sewer Charges:** Includes the monthly charge for sewer services. YTD is in line with budget.

**Line 3 Standby Charges:** Includes special assessment standby charges for the current & prior years, and delinquent standby penalties. YTD can trend over/under budget due to timing of sewer standby collections, with a majority being received in November and April. YTD has no activity.

**Line 4 Other Fees & Charges:** Includes permit & inspection charges, connection fees, other fees and charges and delinquent charges on fees. Connection and permit fees are budgeted conservatively due to the unexpected nature of these fees. YTD is over budget at 35% due to the timing of the collection of fees.

**Line 5 Other Income/(Expense):** Includes gain or loss on sale of assets and other miscellaneous income.

**Line 9 Salaries:** Includes salaries for all sewer employees. YTD is in line with budget.

**Line 10 Benefits:** Includes employee insurance, PERS retirement, workers compensation, payroll taxes, and education & training. YTD is over budget at 25% due to the timing of the annual workers compensation payment.

**Line 13 Contractual Services:** Includes lab testing, engineering, GIS support & other contractual services. YTD is under budget at 11% due to services being on an as needed basis.

**Line 14 Power:** Includes electricity used for Sewer. YTD is under budget at 11% due to timing of utility bills.

**Line 15 Operations & Maintenance:** Includes compost disposal, vehicle maintenance, vehicle fuel, uniforms, small tools, and salaries for mechanics. YTD is over budget at 45% due to a replacement fuel injection pump needed on a vehicle and installation of fence slats into existing chain link.

**Line 16 Permits and Fees:** Includes all annual permits and fees paid to the state. YTD can trend over/under budget due to timing of permits and fee payments. YTD is under budget.

**Line 19 Utilities (G&A):** Includes gas and telephone expenses. YTD is under budget at 10% due to timing of utility bills.

**Line 20 Office & Other Expenses:** Includes mileage/travel reimbursements, office supplies, water conservation program, and dues & subscriptions. These expenses are on an as needed basis and can trend over/under budget. YTD is under budget at 10%.

**Line 21 Admin Allocation:** This is the monthly distribution of the budgeted Administration fund (fund 10) expenses to the enterprise funds.

**Line 23 Debt Service:** Includes interest & principal payments on outstanding debt. YTD can trend over/ under budget due to timing of payments. Payments occur bi-annually in December and June.

**Line 26 Capital Expenses:** YTD balance in capital expenses includes the following:

- \$260,382 – Storage Building/Office/Lab



**Helendale CSD**  
**Statement of Revenues and Expenses - Recycling Center**  
**As of August 31, 2021**  
**(Unaudited)**

	August 2021	YTD Actual	Budget	% Budget	PYTD
<b>1 Operating Revenues</b>					
2 Retail Sales	\$ 24,089	\$ 47,127	\$ 300,000	16%	\$ 50,386
3 Donations	-	-	-	0%	-
4 Board Discretionary Revenue	-	-	(126,740)	0%	-
<b>5 Total Revenues</b>	<b>24,089</b>	<b>47,127</b>	<b>173,260</b>	<b>27%</b>	<b>50,386</b>
<b>6 Expenses</b>					
<b>7 Salaries &amp; Benefits</b>					
8 Salaries	13,118	21,104	126,472	17%	16,154
9 Benefits	1,844	2,658	18,266	15%	3,897
<b>10 Total Salaries &amp; Benefits</b>	<b>14,962</b>	<b>23,762</b>	<b>144,738</b>	<b>16%</b>	<b>20,051</b>
<b>11 Recycling Center Operations</b>					
12 Contractual Services	-	-	2,500	0%	-
13 Operations & Maintenance	861	1,851	12,900	14%	2,016
<b>14 Total Recycling Center Operations</b>	<b>861</b>	<b>1,851</b>	<b>15,400</b>	<b>12%</b>	<b>2,016</b>
<b>15 General &amp; Administrative</b>					
16 Utilities	134	1,400	8,622	16%	1,539
17 Office & Other Expenses	357	661	4,500	15%	404
<b>18 Total G&amp;A</b>	<b>490</b>	<b>2,062</b>	<b>13,122</b>	<b>16%</b>	<b>1,943</b>
<b>19 Total Expenses</b>	<b>16,313</b>	<b>27,674</b>	<b>173,260</b>	<b>16%</b>	<b>24,010</b>
<b>20 Net Income (Loss) Before Capital</b>	<b>7,776</b>	<b>19,452</b>	<b>-</b>		<b>26,376</b>
21 Capital Expenses	-	-	-	0%	-
<b>22 Net Income (Loss) After Capital</b>	<b>\$ 7,776</b>	<b>\$ 19,452</b>	<b>\$ -</b>		<b>\$ 26,376</b>

### ***03-Recycling Center Revenues and Expenses***

**Line 2 Retail Sales:** Includes sales revenues from the Thrift Store. YTD is in line with budget.

**Line 3 Donations:** Donations are not budgeted for due to the unexpected nature of these revenues.

**Line 4 Board Discretionary Revenue:** This line shows the transfer of net cash from the Recycling Center (fund 03) to the Parks & Recreation Fund (fund 05). This transfer is done at year end for the audit.

**Line 8 Salaries:** Salaries for all recycling center employees, which are all part-time. YTD is in line with budget.

**Line 9 Benefits:** Includes employee insurance, workers compensation, payroll taxes, and education & training. YTD is in line with budget at 15%.

**Line 12 Contractual Services:** Includes software support and other contract services. Services are on an as needed basis, no activity through August.

**Line 13 Operations & Maintenance:** Includes vehicle maintenance, vehicle fuel, operating supplies, and uniforms. YTD is slightly under budget at 14%.

**Line 16 Utilities (G&A):** Includes electric and telephone expenses. YTD is in line with budget.

**Line 17 Office & Other Expenses:** Includes advertising, bank charges and other miscellaneous expenses. YTD is in line with budget.

**Line 20 Net Income:** Net income in the Recycling Center is moved to Parks & Recreation fund (fund 5) at year end for the audit through Board Discretionary Revenue.



**Helendale CSD**  
**Statement of Revenues and Expenses - Property Rental**  
**As of August 31, 2021**  
**(Unaudited)**

	August 2021	YTD Actual	Budget	% Budget	PYTD
<b>1 Operating Revenues</b>					
2 Property Rental Revenues	\$ 11,703	\$ 22,393	\$ 128,280	17%	\$ 21,427
3 Other Income	-	-	-	0%	-
4 Board Discretionary Revenue	-	188	-	0%	-
<b>5 Total Revenues</b>	<b>11,703</b>	<b>22,581</b>	<b>128,280</b>	<b>18%</b>	<b>21,427</b>
<b>6 Expenses</b>					
7 Contractual Services	-	-	5,000	0%	-
8 Utilities	83	703	13,795	5%	151
9 Operations & Maintenance	2,143	2,510	16,367	15%	3,488
10 Debt Service	-	-	82,833	0%	-
<b>11 Total Expenses</b>	<b>2,227</b>	<b>3,213</b>	<b>117,995</b>	<b>3%</b>	<b>3,639</b>
<b>12 Net Income (Loss)</b>	<b>\$ 9,476</b>	<b>\$ 19,368</b>	<b>\$ 10,285</b>	<b>188%</b>	<b>\$ 17,788</b>

#### ***04-Property Rental Revenues and Expenses***

**Line 2 Property Rental Revenues:** Includes revenue for 15302 Smithson and 15425 Wild Road properties. YTD is in line with budget.

**Line 3 Other Income:** Includes penalties and other miscellaneous Income; due to the unexpected nature of these revenues these accounts are budgeted conservatively. There was no activity through August.

**Line 4 Board Discretionary Revenue:** This line shows the transfer of net cash from the Property Rental fund (fund 04) to Parks & Recreation fund (fund 05). This transfer is done at year end for the audit.

**Line 7 Contractual Services:** Includes contractor and handyman expenses for installation of appliances, drywall repair, roofing or plumbing repairs. No services have been needed through August.

**Line 8 Utilities:** Includes electric & gas expense for the rental properties. YTD is under budget due to the timing of utility bills.

**Line 9 Operations & Maintenance:** Includes maintenance and other costs relating to the rental properties. YTD is in line with budget.

**Line 10 Debt Service:** Includes interest and principal payments on outstanding debt. YTD can trend over/ under budget due to timing of payments. Payments occur bi-annually in December and June.

**Line 12 Net Income:** Net income in the Property Rental fund (fund 04) is moved to the Parks & Recreation fund (fund 05) through Board discretionary revenue at year-end for the audit.



**Helendale CSD**  
**Statement of Revenues and Expenses - Parks & Recreation**  
**As of August 31, 2021**  
**(Unaudited)**

	August 2021	YTD Actual	Budget	% Budget	PYTD
<b>1 Operating Revenues</b>					
2 Program Fees	\$ 6,396	\$ 11,352	\$ 22,600	50%	\$ 1,199
3 Property Taxes	1,854	3,703	18,000	21%	3,104
4 Donations & Sponsorships	-	5,000	5,500	91%	1,664
5 Rental Income	1,490	4,137	26,075	16%	3,600
6 Developer Impact Fees	3,440	3,440	6,880	50%	1,720
7 Grants	-	-	-	0%	-
8 Interfund Transfer Out/(In)	(3,508)	(7,017)	(42,100)	17%	(7,017)
9 Board Discretionary Revenue	17,857	35,637	461,446	8%	35,875
<b>10 Total Revenues</b>	<b>27,528</b>	<b>56,252</b>	<b>498,401</b>	<b>11%</b>	<b>40,146</b>
<b>11 Expenses</b>					
<b>12 Salaries &amp; Benefits</b>					
13 Salaries	7,613	13,375	78,878	17%	15,484
14 Benefits	2,605	5,393	42,974	13%	5,891
<b>15 Total Salaries &amp; Benefits</b>	<b>10,218</b>	<b>18,768</b>	<b>121,852</b>	<b>15%</b>	<b>21,375</b>
16 Program Expense	5,931	9,776	64,725	15%	4,553
17 Contractual Services	-	130	9,560	1%	185
18 Utilities	2,441	9,824	64,387	15%	2,673
19 Operations & Maintenance	6,497	9,970	22,926	43%	7,224
20 Permits & Fees	-	437	1,863	23%	-
21 Grant Expense	-	-	-	0%	-
22 Other Expenses	-	103	1,955	5%	303
23 Debt Service	-	-	-	0%	20,340
<b>24 Total Expenses</b>	<b>25,087</b>	<b>49,008</b>	<b>287,268</b>	<b>17%</b>	<b>56,652</b>
<b>25 Net Income (Loss) Before Capital</b>	<b>2,442</b>	<b>7,244</b>	<b>211,133</b>	<b>3%</b>	<b>(16,506)</b>
26 Capital Expenses	(450)	(450)	(272,500)	0%	-
<b>27 Net Income (Loss) After Capital</b>	<b>\$ 1,991</b>	<b>\$ 6,794</b>	<b>\$ (61,367)</b>		<b>\$ (16,506)</b>

## **05-Parks & Recreation Revenues and Expenses**

**Line 2 Program Fees:** Includes recreation program fees, basketball league fees, youth soccer league fees and farmers market revenue. YTD is over budget at 50% due to more programs being active in the beginning of the fiscal year.

**Line 3 Property Taxes:** Includes the transfer of property taxes for streetlight utility expenses. YTD is over budget at 21% due to timing of property tax receipts.

**Line 4 Donations & Sponsorships:** Includes concert in the park sponsorships, event sponsorships and other donations/sponsorships. YTD is over budget at 91% due to timing of annual field use fees being paid in July.

**Line 5 Rental Income:** Includes rental income from the water shop, storage for the recycling center, community center room rental, church rental, and gymnastics rental. YTD can trend over/under budget depending on needs of rentals. YTD is in line with budget.

**Line 6 Developer Impact Fees:** Includes developer Impact Fees. YTD is at 50% due to this account being budgeted conservatively due to the unexpected nature of these revenues.

**Line 7 Grants:** This accounts for grants and is not budgeted for until a grant is awarded. YTD has no activity.

**Line 8 Interfund Transfer Out/(In):** This line shows the transfer of cash balance from the Recycling Center (fund 03) and Property Rental (fund 04) to the Parks & Recreation fund (fund 05).

**Line 9 Board Discretionary:** Board Discretionary Revenue in July includes the following:

- Radio Tower Site Rent – \$12,097
- Solid Waste Franchise Fees - \$7,613
- Transfer Property Tax Revenue for Street Light Utilities – \$(1,854)

**Line 13 Salaries:** Includes full and part-time Parks and Recreation employees. YTD is in line with budget

**Line 14 Benefits:** Includes health insurance, CalPERS retirement, worker's compensation insurance, payroll taxes, and employee education & trainings. YTD is under budget due to workers compensation coming in lower than anticipated.

**Line 16 Program Expense:** Includes supplies and expenses for the youth soccer league, park, community center, farmers market and other programs. YTD is in line with budget.

**Line 17 Contractual Services:** Includes software support and other contract services. YTD is under budget due to services being on an as needed basis.

**Line 18 Utilities:** Includes gas and electric for parks and the community center, along with telephone & electricity for street lighting. YTD is in line with budget.

**Line 19 Operations & Maintenance:** Includes vehicle maintenance, small tools, vehicle fuel and building repair for the park and community center. YTD is over budget at 43% due to \$1.9K annual insurance paid in July, \$916 annual insurance and \$2.3k down payment for repair work in unit D paid in August.

**Line 20 Permits & Fees:** Includes permit and inspection fees, along with San Bernardino county fees. YTD can trend over/under budget due to timing of permits and fee payments. YTD is over budget at 23%.

**Line 22 Other Expenses:** Includes uniforms, printing costs, dues & subscriptions, and bank charges. YTD is under budget due to timing of expenses.

**Line 23 Debt Service:** Includes interest & principal payments on outstanding debt. No debt is budgeted for FY 21/22.

**Line 26 Capital Expenses:** YTD balance in capital expenses includes the following:

- \$450 – Community Center Parking Lot Lights (New area)





**Helendale CSD**  
**Statement of Revenues and Expenses - Solid Waste Disposal**  
**As of August 31, 2021**  
**(Unaudited)**

	August 2021	YTD Actual	Budget	% Budget	PYTD
<b>1 Operating Revenues</b>					
2 Charges for Services	\$ 47,851	\$ 94,698	\$ 578,519	16%	\$ 88,424
3 Assessments & Fees	408	799	236,954	0%	713
4 Other Charges	1,481	2,245	16,360	14%	994
5 Board Discretionary Revenue	-	-	20,000	0%	-
<b>6 Total Revenues</b>	<b>49,740</b>	<b>97,741</b>	<b>852,833</b>	<b>11%</b>	<b>90,132</b>
<b>7 Expenses</b>					
<b>8 Salaries &amp; Benefits</b>					
9 Salaries	9,619	15,967	85,426	19%	16,018
10 Benefits	4,738	8,920	41,861	21%	6,479
<b>11 Total Salaries &amp; Benefits</b>	<b>14,357</b>	<b>24,887</b>	<b>127,287</b>	<b>20%</b>	<b>22,497</b>
12 Contractual Services	47,486	47,486	565,926	8%	90,750
13 Disposal Fees	16,291	16,778	158,052	11%	30,097
14 Operations & Maintenance	371	820	4,531	18%	527
15 Other Operating Expenses	22	22	3,997	1%	1,377
16 Admin Allocation	961	1,923	11,536	17%	1,861
<b>17 Total Expenses</b>	<b>79,487</b>	<b>91,916</b>	<b>871,330</b>	<b>11%</b>	<b>147,109</b>
<b>18 Net Income (Loss)</b>	<b>\$ (29,747)</b>	<b>\$ 5,826</b>	<b>\$ (18,497)</b>		<b>\$ (56,977)</b>

## ***06-Solid Waste Disposal Revenues and Expenses***

**Line 2 Charges for Services – Solid Waste:** Includes regular pick up of solid waste. YTD is in line with budget.

**Line 3 Assessment & Fees:** Includes special assessments for refuse land use fees for current & prior years. YTD can trend over/under budget due to timing of receipts.

**Line 4 Other Charges:** Includes delinquent fees and penalties on delinquent taxes. YTD is slightly under budget at 14%.

**Line 5 Board Discretionary Revenue:** This is the amount that would be transferred in from discretionary funds if this fund operates at a deficit for the fiscal year.

**Line 9 Salaries:** Includes salaries for solid waste employees. YTD is in line with budget.

**Line 10 Benefits:** Includes employee insurance, CalPERS retirement, workers compensation, payroll taxes, and education & training. YTD is in line with budget.

**Line 12 Contractual Services:** Includes Burrtec fees and other miscellaneous contract services. YTD can trend over/under budget due to need and timing of services and fees. YTD is under budget at 8%.

**Line 13 Disposal Fees:** Includes San Bernardino County disposal fees and green waste disposal fees. YTD can trend over/under budget due to need and timing of fees. YTD is under budget at 11%.

**Line 14 Operations & Maintenance:** Includes vehicle maintenance, vehicle fuel, operating supplies, and uniforms. YTD is in line with budget.

**Line 15 Other Operating Expenses:** Includes rent for park storage, telephone, postage, event expenses, public outreach, printing, small tools, and bad debt expenses. YTD is under budget at 1% due to timing of expenses.

**Line 16 Admin Allocation:** This is the monthly distribution of the budgeted Administration fund (Fund 10) expenses to the enterprise funds.



**Helendale CSD**  
**Statement of Revenues and Expenses - Administration**  
**As of August 31, 2021**  
**(Unaudited)**

	August 2021	YTD Actual	Budget	% Budget	PYTD
<b>1 Operating Revenues</b>					
2 Tower Rent	\$ 12,098	\$ 24,005	\$ 158,511	15%	\$ 22,711
3 Property Taxes	-	-	107,345	0%	(1,557)
4 Solid Waste Billing & Fees	13,466	27,133	162,151	17%	27,456
5 Fees & Charges	2,156	4,479	17,000	26%	2,111
6 Investments	-	278	30,000	1%	2,001
7 Other Income	-	-	200	0%	1,424
8 Board Discretionary Revenue	(19,711)	(39,528)	(354,706)	11%	(38,979)
<b>9 Total Revenues</b>	<b>8,010</b>	<b>16,366</b>	<b>120,501</b>	<b>14%</b>	<b>15,166</b>
<b>10 Expenses</b>					
<b>11 Salaries &amp; Benefits</b>					
12 Salaries	59,005	98,586	534,599	18%	88,863
13 Benefits	63,586	84,426	238,381	35%	54,254
14 Directors' Fees	10,317	13,908	89,000	16%	9,289
<b>15 Total Salaries &amp; Benefits</b>	<b>132,909</b>	<b>196,919</b>	<b>861,980</b>	<b>23%</b>	<b>152,926</b>
16 Contractual Services	35,175	73,268	220,836	33%	44,609
17 Insurance	-	21,285	92,924	23%	64,791
18 Utilities	963	3,277	21,504	15%	4,503
19 Operations & Maintenance	90	202	3,516	6%	132
20 Permits & Fees	500	11,170	16,700	67%	10,757
21 Office & Other Expenses	4,198	16,570	56,635	29%	13,719
22 Election Expense	-	-	-	0%	-
23 Admin Allocation	(96,133)	(192,266)	(1,153,594)	17%	(186,069)
<b>24 Total Expenses</b>	<b>77,703</b>	<b>130,426</b>	<b>120,501</b>	<b>108%</b>	<b>105,369</b>
<b>25 Net Income (Loss)</b>	<b>\$ (69,693)</b>	<b>\$ (114,060)</b>	<b>\$ -</b>		<b>\$ (90,203)</b>

## **10-Administrative Revenues and Expenses**

**Line 2 Tower Rent:** Includes radio tower site rental fees. YTD is in line with budget.

**Line 3 Property Taxes:** Includes current & prior property tax and penalties. YTD can trend over/under budget due to timing of property tax collections, with a majority being received in November and April.

**Line 4 Solid Waste Billing & Fees:** Includes franchise fees and billing for solid waste. YTD is in line with budget.

**Line 5 Fees & Charges:** Includes credit card processing fees and other miscellaneous fees. YTD is over budget at 26% due to the large volume of credit card processing fees.

**Line 6 Investments:** Includes investment income and unrealized gain or loss on investments. YTD is under budget due to a decline in interest rates.

**Line 7 Other Income:** Other Income includes recycling revenues and other miscellaneous income. YTD no activity.

**Line 8 Board Discretionary Income:** Includes the transfer of the following for Parks and Recreation fund (fund 05):

- Radio Tower Site Rent – \$12,097
- Solid Waste Franchise Fees – \$7,613

**Line 12 Salaries:** Includes full time, part time & overtime for administrative employees. YTD is in line with budget.

**Line 13 Benefits:** Includes employee insurance, CalPERS retirement, workers compensation, payroll taxes, employee benefit & morale and education & training. YTD is over budget at 35% due to higher than anticipated workers compensation annual premium and annual payment of PERS Unfunded liability.

**Line 14 Directors' Fees:** Includes directors fees as well as directors training, seminars, and mileage expense. YTD is in line with budget.

**Line 16 Contractual Services:** Includes software support, legal services, and auditing & accounting services. YTD is over budget at 33% due to annual software maintenance and audit services being paid in the beginning of the fiscal year.

**Line 17 Insurance:** Includes both general liability and vehicle insurance expenses. YTD is over budget at 23% due to the quarterly premium payment being made in July.

**Line 18 Utilities:** Includes telephone and electricity expenses. YTD is In line with budget.

**Line 19 Operations & Maintenance:** Includes vehicle maintenance, vehicle fuel, mileage & travel reimbursement, uniforms, and equipment maintenance. YTD is under budget due to timing of maintenance.

**Line 20 Permits & Fees:** Includes the annual LAFCO fees, the GFOA application fee for the budget award, and San Bernardino County fees. YTD is over budget at 67% due to annual fees being paid in the beginning of the fiscal year.

**Line 21 Office & Other Expense:** Includes board meeting supplies, public relations, community promotion, bank charges, office supplies, postage, and dues & subscription. YTD is over budget at 29% due to higher volume of public notices than anticipated.

**Line 22 Election Expense:** Includes costs relating to board member election.

**Line 23 Admin Allocation:** This is the monthly distribution of the budgeted Administration fund (Fund 10) expenses to the enterprise funds.



# Helendale Community Services District

---

Date: October 7, 2021  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
SUBJECT: Agenda item #5  
COVID Pandemic Update

---

**STAFF RECOMMENDATION:**

Receive and file.

**STAFF REPORT:**

Staff continues to monitor the financial impacts of COVID as well as any guidance provided by the State or the CDC. On September 9, District staff submitted a questionnaire from the State Water Resources Control Board (SWRCB) regarding possible reimbursement from the state for unpaid water bills. Based upon the criteria, the District presented the amount of past due payments less late fee and lien fees in the amount of \$25,757.58. The District also presented the amount of \$58,361.18 as the total amount in arrears which includes all fees. SWRCB said it would consider wastewater arrearages at a later date.

With the adoption of the state budget, an allocation of \$100,000,000 was set aside for special district COVID relief. On October 1, the state released an application for all special districts to request funds based upon losses incurred by the District. The application was due by October 15. The District submitted a request for \$162,377 not including the utility arrearages.

SWRCB recently released the application to request funds for arrearages. If it is determined that the District can request funding from both groups of funding (State and SWRCB) then Staff will be preparing the submission for that request.

Current outstanding receivables as of 10/1 includes \$18,838 representing accounts that are one month behind; \$7,166 that are two months behind and \$5,675 that is three or more months behind for a total of \$32,429.22.

**FISCAL IMPACT:** TBD

**ATTACHMENTS:** None



# Helendale Community Services District

DATE: October 21, 2021  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
BY: Cheryl Vermette, Park & Rec / Program Supervisor  
SUBJECT: Agenda item #6  
Discussion Only Regarding AMI Meter Update

---

## **Staff Recommendation**

Receive and File.

**STAFF REPORT:** The District is currently in Phase II of our Bureau of Reclamation AMI Meter Replacement Grant. The District was awarded \$73,796 to install 800 iPerl smart meters and 400 radios. Currently, we have 372 of the 800 meters installed. After the Special Board Meeting on 8/27 when the Board approved an increase in the Purchase order for Aqua Metrics, Staff ordered the remaining 428 meters and 202 radios.

Due to supply chain shortages, our last meter order has not yet been filled. Staff has been in regular communication with Aqua Metrics for updates on shipments of new meters. As of our last communication, half of the meters should be delivered by the end of this month. Our Staff will work weekends if needed to install all the meters.

If the remaining meters do not come in by November, the District will need to contact Bureau of Reclamation to request an extension on this project. If the Bureau does not grant the extension, the District may lose the remaining balance of funds.

For Phase II the District has received \$47,094.60 of the \$74,000 award. The completion Date for this award is December 31, 2021. The District has received several grants to assist with the funding of this program. To date, a total of 1,077 AMI meters are installed. On 8/31 the District was notified that we received an additional grant award of \$75,000 that brings the total of grant funds for the meter rotation program to \$290,756.65

Staff will demonstrate the AMI software at the Board meeting.

**FISCAL IMPACT:** Various

**POSSIBLE MOTION:** NA

**ATTACHMENTS:** None



# Helendale Community Services District

DATE: October 21, 2021  
TO: Board of Directors  
FROM: Kimberly Cox, General Manager  
SUBJECT: Agenda item #7  
Discussion and Possible Action Regarding Agreement to Lease Water Rights and Review of Water Production

---

## **STAFF RECOMMENDATION:**

Staff recommends approval of a 5-year lease of water rights and requests direction on the purchase of additional water rights.

## **STAFF REPORT:**

Presented for the Board's consideration is a five-year water lease agreement beginning in FY 21/22 through FY 25/26. The lease contemplates approximately 622 acre-feet of excess water available each year for acquisition at a rate 10% under the Watermaster's established rate. Each year based upon the estimated lease rate the water department would garner over \$300,000 for a total over the contract term of over \$1.7 million. These funds help pay for the debt service of the 2014 water rights loan which has annual payments of \$171,215. The balance can be used to help offset capital improvements or other expenses.

The terms of the agreement allow for a holdback of 15% if the District had interest in increasing the carryover amount or lease to another party. This amount equates to 110 acre-feet.

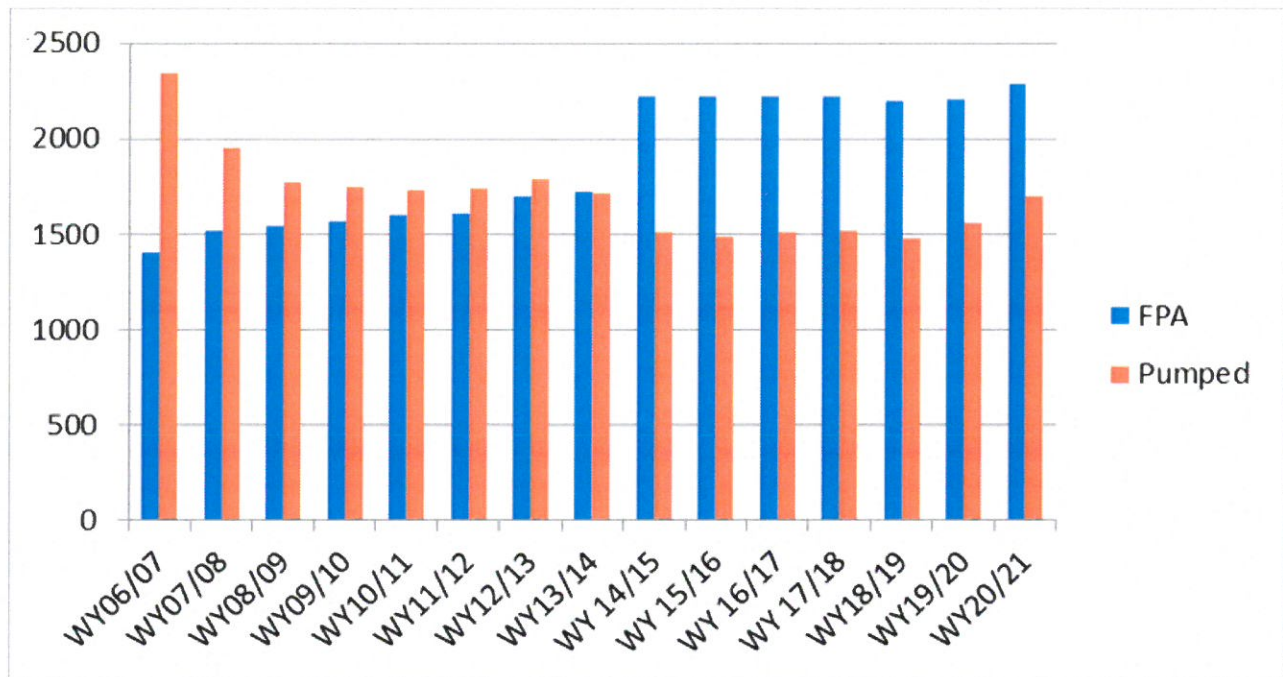
## **WATER RIGHTS REVIEW:**

The District has made significant investment in water resources during its history. It has been a positive yet substantial investment for the District to come from a position of not having enough water rights to serve the annual pumping demands in WY06/07, as shown in the chart below, to a current position of having excessive water available to lease. The forward-thinking investment will continue to benefit the District for the foreseeable future. The purchase of water rights from the Palisades property (Safari Ranch) in WY14/15 helped increased the District's water rights ownership above the production demand and the District has continued to purchase water when it comes available. In 2020, a total of 148 acre-feet of Alto water was purchased.

**Centro Water Rights:** The District also owns 219 Base Annual Production Rights in the Centro sub-area. This water is used to meet the annual make-up obligation. This water has been ramped down in the past two years by the Judge's order to a current 65%. Continued ramp-downs are estimated each year to a total of 40% by Water Year 29/30. The District is currently 3% of the total make up obligation. As the ramp-downs continue the usable amount of water rights will decrease

thereby requiring the District to purchase additional water rights to meet the make up obligation. Based upon an analysis of projected ramp-downs, the District will need to purchase up to 135 AF of additional Centro water rights. For the current Water Year the District has an estimated deficit of 50 acre feet. Of that amount 19 acre-feet was recently acquired. Each year the amount is determined by Wastermaster engineer and published in a draft report issued each December or January.

**Alto Water Rights:**

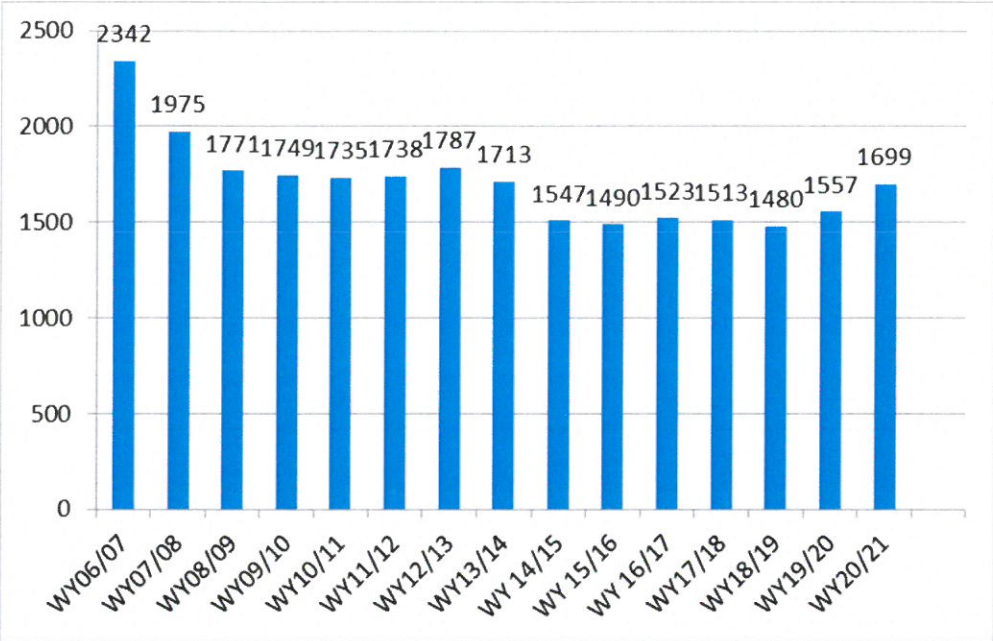


The excess water production rights that the District owns above what is required to meet the needs of the District have been leased to other entities and provides an extra source of income to help offset debt service or capital projects. This past year the District leased the water for \$677,980 including liquidating a groundwater storage account. Because lease arrangements are speculative in nature, they have not been programmed into the annual budget and if consummated, provides an increase in projected revenue over the programmed amount. However, if the Board elects to approve the long-term lease arrangement presented, an estimated amount would be programmed into the Water budget under account 01-4500000 Water Rights Lease

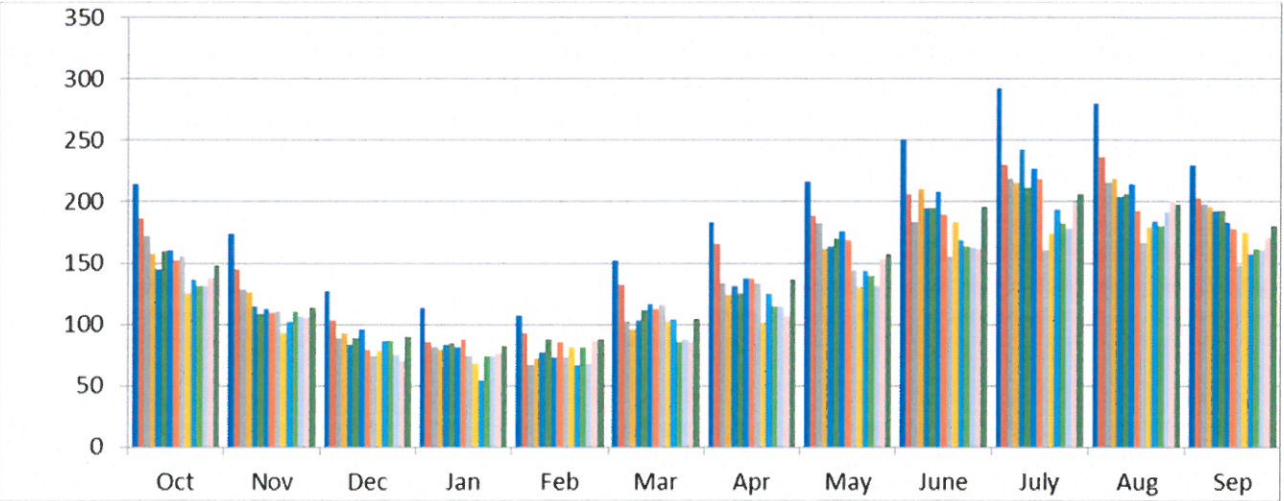
Over the past 14 years the District has done an excellent job reducing water related to “unaccounted for water” through proactive maintenance and the initial service line replacement program completed in 2010. As noted by the graph below, water production reduced from 1975 in WY07/08 to a current level just under 1700AF. The initial reduction in water loss was over 400 acre-feet each year due to water leaks prior to the District assuming control from the County. This was viewed as a significant issue. Further, the community has done its part in the water conservation efforts as shown by the annual average from WY10/11 through WY13/14 of 1743



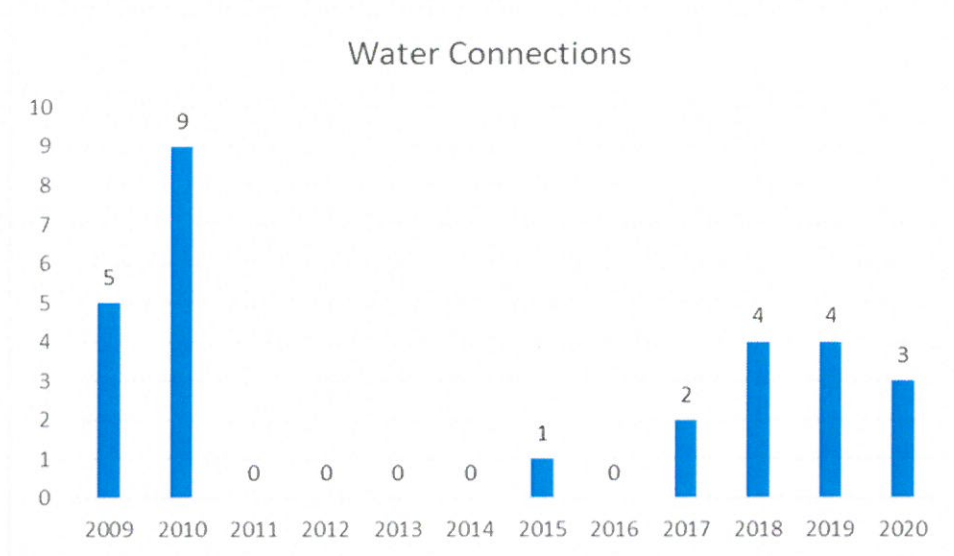
which drops to an average of 1503 acre-feet per year for WY14/15 through WY18/19. This reflects an average annual reduction of over 240 acre-feet.



The following graph depicts the monthly usage from WY 06/07 through the recently concluded WY 20/21 (October 1, 2020 through September 30, 2021).



**Water Supply Fee:** The District collects a water supply fee for new construction that was originally instituted in May 2009 and can be modified from time to time. The current water supply fee that is used specifically for the cost of the water rights is currently \$5000 per new single-family residential dwelling unit. Since 2009 the District has had 28 houses constructed or in the process of being construction who have paid the water supply fee for a total of \$140,000 through 2020.



**FISCAL IMPACT:** Revenue from the lease of excess water rights varies each year.

**POSSIBLE MOTION:** Motion to approve the 5-year lease agreement and provide any additional direction to Staff regarding the acquisition of water rights.

**ATTACHMENTS:** Lease Agreement

## Lease of Carryover Free Production Allowance

This Lease of Carryover Free Production Allowance (“Lease”), entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2021 (“Effective Date”), by and between Helendale Community Services District (“Transferor”, hereinafter “HCS D”), and Victorville Water District, Improvement District #1 (“Transferee”, hereinafter “VWD”). HCS D and VWD are sometimes referred to as a “Party” and collectively as the “Parties”), is made with respect to the following facts:

### RECITALS

A. Reference is hereby made to that certain Judgment entered January 10, 1996, as such judgment may have been further amended prior to the Effective Date (as so amended, the “Judgment”) in the case entitled City of Barstow, et al. vs. City of Adelanto, et al., Case No. 00208568 in the Superior Court of the State of California for the County of Riverside (the “Court”). All initially capitalized terms used but not defined herein shall have the meanings ascribed to them in the Judgment.

B. The Mojave Water Agency has been appointed by the Court as the watermaster to administer and enforce the provisions of the Judgment (in such capacity, the “Watermaster”). According to the records maintained by the Watermaster, HCS D is currently the owner of Base Annual Production Rights in the Alto subarea of the Mojave Basin Area (“Basin”), together with certain Free Production Allowance (“FPA”) and Free Production Allowance Carry Over (“Carryover”) rights.

C. The Parties possess an adjudication base annual production right (as defined in the Judgment), which entitles them to annually extract groundwater from the Basin. The Parties annual extraction allowance after the Rampdown adjustment is defined by the Judgment as Free Production Allowance (“FPA”). If any Party does not pump their annual FPA, the FPA is converted to and classified as Carryover FPA (“Carryover”) in the following Water Year. The Parties are allowed to lease or extract the Carryover the next Water Year, as those terms and rights are defined in the Judgment.

D. On the terms and conditions set forth herein, HCS D desires to lease to VWD, and VWD desires to lease from HCS D, on a temporary basis, eighty five percent (85%) of HCS D’s available Carryover Free Production Allowance in the Alto Subarea of the Mojave Basin Area (the “Leased Carryover”) on an annual Water Year basis.

E. VWD produces water from the Basin and exceeds their annual FPA and desires to lease Leased Carryover to offset its FPA deficit in the Basin during the term of this Lease. The Lease may be used to offset VWD current production or to satisfy the Watermaster Replacement obligation assessments incurred during the previous Water Year.

### AGREEMENT

NOW THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, HCS D and VWD agree as follows:

1. Definitions. Unless specifically defined herein, all capitalized terms used in this Lease shall have the same meaning as provided to those terms by the Judgment.
2. Agreement to Transfer Carryover FPA to VWD. HCS D hereby agrees to lease to VWD

the Leased Carryover. HCSD does not warrant that VWD shall be able to extract any quantity of groundwater as a result of this Lease. Furthermore, HCSD acknowledges that it is leasing the Leased Carryover “as-is” without any warranty by HCSD as to the extent of any rights, if any at all, afforded by the Judgment in relation to the Leased Carryover. VWD shall use the Leased Carryover pursuant to, and consistent with, the terms of this Lease and the Judgment.

**3. Term.** The Parties agree that this Lease shall pertain to the use of HCSD’s Leased Carryover for five water years, commencing the Effective Date and ending September 30, 2026 (“Lease Term”).

**3.1 Effective Date.** The date upon which this Lease is executed by both Parties is the “Effective Date.”

**3.2 Termination.** This Lease may be terminated upon the mutual written consent of the Parties.

**4. Lease Payment.** For the Lease Term and every subsequent year of the Lease Term, the lease payment shall be indexed on a per-acre foot basis equal to ninety-percent (90%) of the Replacement Water Assessment (“Replacement Assessment”) annually set by the Watermaster for Producers within the Mojave Alto Subarea for the current Water Year in which the Lease Carryover is able to be transferred (“Lease Payment”). For the Lease Term, VWD shall pay the Lease Payment to HCSD within 30 days following Watermaster’s acceptance and approval of the Lease (“Lease Payment Due Date”). If the Watermaster adopts a new rate structure, the new Replacement Assessment shall be based on Watermaster’s new adopted rate classification for VWD and HCSD.

**4.1 Watermaster Transfer Form.** HCSD will execute, acknowledge and deliver to VWD a Request for Assignment of Carryover Right, also known as Watermaster transfer form Exhibit “I” or Exhibit “D”, depending on the type of transfer. (“Watermaster Application”). HCSD shall deliver the Watermaster Application no later than 15 business days after Watermaster adopts and approves the Draft Annual Report from the previous water year from which the Carryover originated. Upon receipt, VWD shall execute and acknowledge the Watermaster Application, and deliver a fully-executed original thereof to the staff of the Watermaster. At the time of such filing, VWD shall request that the Watermaster place the Watermaster Application on the meeting agenda of the earliest practicable public meeting of the Board of Directors of the Watermaster (the “Watermaster Board”).

**4.2 Payment Mechanism.** VWD shall make its Lease Payment to HCSD by electronic funds transfer as specified by HCSD by notice to an account, the number of which will be provided to VWD by notice. In the event that the Lease Payment is not paid in full by the Lease Payment Due Date, the Lease Payment shall accrue interest at the rate of twelve percent (12%) per annum.

**4.3 Taxes and Assessments.** VWD shall pay any transfer fee or transfer assessments, including, but not limited to, if any, pertaining to the Leased Carryover during the term of the Lease.

**5. Lease of Carryover Only.** VWD rights under this Lease solely pertain to VWD lease and

subsequent use of the Leased Carryover during the term of this Lease. This Lease does not include or pertain to the use of any groundwater production facilities or permanent base annual production rights. Further, nothing in this Lease, nor VWD use of the Leased Carryover as provided herein, shall vest (i) any right to the Leased Carryover in VWD other than as leased for the term of this Lease, or (ii) any other contractual rights not expressly stated herein.

6. Lease Quantity. VWD acknowledges that the annual Carryover quantity varies based on HCSD's extraction and verified production of FPA from the previous Water Year. The quantity of Leased Carryover shall be 85% of the total Carryover verified by Watermaster for HCSD, as stated in the Annual Watermaster report. At any time, if HCSD's verified production exceeds their annual FPA allocation in any Water Year, HCSD may retain all or a portion of their Carryover ("Retained Carryover"). HCSD must notify VWD within 15 business days after HCSD's Watermaster verified production objection period has expired the amount of Retained Carryover. The HCSD Retained Carryover may not be leased to any stipulated party during that Water Year.

7. Watermaster Review of the Lease Agreement. If for any reason Watermaster denies the temporary transfer of the Leased Carryover as set forth in the Lease, when such Watermaster determination becomes final and is no longer subject to judicial review, HCSD shall have the option to terminate the Lease. VWD shall be responsible for payment of all application fees associated with the submittal and Watermaster review of the temporary transfer of the Leased Carryover as set forth in the Lease, including the payment of any costs or fees to reimburse the Watermaster for costs related to VWD disputes with the Watermaster, should the Watermaster require such payment as a condition of approving the transfer.

8. Compliance with the Judgment. The Parties shall comply with all requirements set forth in the Judgment, including, but not limited to, the timely payment of all taxes and assessments, the submittal of production reports, and any other legal requirements or limitations, associated with the exercise of the Leased Carryover. Unless otherwise provided for herein, each Party shall bear all costs associated with such compliance.

9. Representations and Warranties of HCSD. HCSD makes the following representations, warranties and covenants to VWD:

9.1 Due Organization. HCSD is a \_\_\_\_\_ good standing under the laws of the State of California.

9.2 Title. HCSD owns Alto Base Annual Production rights. HCSD has not alienated, encumbered, transferred, optioned, leased, assigned, or otherwise conveyed its interest or any portion of its interest in the Leased Carryover or any portion thereof, nor has HCSD entered into any agreement (other than this Lease) to do so.

9.3 Corporate Power and Authority. HCSD has full right, power and authority to enter into this Lease and to perform its obligations hereunder, and the persons executing this Lease on behalf of HCSD have the right, power and authority to do so.

9.4 Enforceability. This Lease constitutes the legal, valid and binding obligation of HCSD, enforceable against HCSD in accordance with its terms. Neither this Lease nor the consummation of any of the transactions contemplated hereby violates or shall violate any provision of any agreement or document to which HCSD is a party or to which HCSD is bound.

**9.5** No Conflicts. To HCSD's current and actual knowledge, there is not now, nor will this Lease in any material respect constitute, any violation of any law, ordinance, rule or regulation, or any violation of any administrative or judicial order affecting the Carryover, including without limitation the Judgment.

**9.6** No Other Consents Needed. Except as otherwise provided herein, no consent from any third party or any government agency or authority is required before HCSD may lease the Carryover pursuant to this Lease.

All representations, warranties and covenants of HCSD in this Lease are made as of the date of this Lease, and as of the Effective Date. It shall be a material default if HCSD is unable to make such representations and warranties truthfully as of the Closing Date.

**10.** Representations and Warranties of VWD. VWD makes the following representations, warranties and covenants to HCSD:

**10.1** Due Organization. VWD is a \_\_\_\_\_ duly organized, validly existing and in good standing under the laws of the State of California.

**10.2** Power and Authority. VWD has the right, power and authority to enter into this Lease and to perform its obligations hereunder, and the person(s) executing this Lease on behalf of VWD have the right, power and authority to do so.

**10.3** Enforceability. This Lease constitutes the legal, valid and binding obligation of the VWD, enforceable against VWD in accordance with its terms. Neither this Lease nor the consummation of any of the transactions contemplated hereby violates or shall violate any provision of any agreement or document to which VWD is a party or to which VWD is bound.

**10.4** No Conflicts. To VWD's current and actual knowledge, there is not now, nor will this Lease in any material respect constitute, any violation of any law, ordinance, rule or regulation, or any violation of any administrative or judicial order which would prohibit VWD from leasing the Carryover. All representations and warranties of VWD in this Lease are made as of the date of this Lease, and as of the Effective Date. It shall be a material default if VWD is unable to make such representations and warranties truthfully as of the Effective Date.

**11.** Indemnification. VWD shall hold harmless, defend and indemnify HCSD, its officers, agents, volunteers and employees (hereinafter "HCSD Indemnified Parties") from and against all liabilities, obligations, claims, damages, losses, actions, judgments, suits, costs and expenses that HCSD Indemnified Parties shall incur or suffer resulting from or arising out of or in connection with any negligent act or omission or willful misconduct on the part of the VWD, its officers, agents, and employees, related to VWD's lease and use of the Carryover as provided by this Lease.

**12.** Dispute Resolution. In the event of any default in the terms hereof, or in the event that any dispute arises between the Parties relating to this Lease or the rights and obligations arising from the provisions hereof, the Parties in dispute shall attempt in good faith to resolve the controversy or the default. However, if the Parties in dispute cannot agree upon a resolution of the controversy or the default within thirty (30) days, the dispute shall be submitted to mediation prior to commencement of arbitration or litigation; provided that such requirement shall not prevent either Party from commencing arbitration or litigation within any applicable statute of limitation period.

**13. General Provisions.**

**13.1 Further Assurances.** At any time and from time to time after the date hereof, each Party agrees to take such actions and to execute and deliver such documents as the other Party may reasonably request to effectuate the purposes of this Lease.

**13.2 Assignment.** Neither this Agreement nor any of the rights, interests, or obligations hereunder may be assigned by any Party without the other Party's prior written consent, which may be withheld in a Party's sole and absolute discretion, and any assignment of this Agreement or any of the rights, interests, or obligations hereunder shall be of no force or effect until the proposed assignee agrees in writing to be bound by all of the terms and conditions of this Agreement and such signed writing is delivered to the non-assigning Party. Subject to the foregoing restrictions, the provisions of this Agreement shall be binding upon and inure to the benefit of the assigns and successors-in-interest of the Parties.

**13.3 Amendment.** Except as otherwise provided herein, neither this Lease nor any provision hereof may be waived, modified, amended, discharged, or terminated except by an instrument in writing signed by the Party against which the enforcement of such waiver, modification, amendment, discharge or termination is sought, and then only to the extent set forth in such writing.

**13.4 Entire Agreement.** This Lease and the agreements provided for herein constitute the entire understanding between the Parties with respect to the matters set forth herein, and they supersede all prior or contemporaneous understandings or agreements between the Parties with respect to the subject matter hereof, whether oral or written.

**13.5 Notices.** Any notice hereunder shall be deemed sufficient if given by one Party to the other in writing and either delivered in person, transmitted by electronic mail or facsimile and acknowledgment of receipt is made by the receiving party, or deposited in the United States mail in a sealed envelope, certified and with postage and postal charges prepaid, and addressed as follows:

If to HCSD, to:

If to VWD to:

**13.6 Governing Law.** This Lease shall be governed by, and construed and interpreted in accordance with, the laws of the State of California, without giving effect to any choice-of-law or conflicts-of-laws rule or principle that would result in the application of any other laws.

**13.7 Waiver.** No waiver of any provision of, nor any consent to any exception to the terms of this Agreement, shall be effective unless in writing and signed by the Party to be bound and then only for the specific purpose, extent and circumstance so provided. No failure on the part of any

Party to exercise or any delay in exercising any right hereunder shall be deemed a waiver thereof, nor shall any single or partial exercise preclude any further or other exercise of such or any other right.

**13.8** Liberal Construction. This Lease constitutes a fully-negotiated agreement among commercially sophisticated Parties, each assisted by legal counsel, and the terms of this Lease shall not be construed or interpreted for or against any Party hereto because that Party or its legal representative drafted or prepared such provision.

**13.9** Severability. If any provision of this Lease is invalid, illegal or unenforceable, such provision shall be deemed to be severed or deleted from this Lease and the balance of this Lease shall remain in full force and effect notwithstanding such invalidity, illegality or unenforceability.

**13.10** Good Faith and Fair Dealing. The Parties hereto acknowledge and agree that the performances required by the provisions of this Lease shall be undertaken in good faith, and with each of the Parties dealing fairly with each other.

**13.11** No Third-Party Beneficiaries. This Lease does not create, and shall not be construed to create, any rights enforceable by any person, partnership, corporation, joint venture, limited liability company or other form of organization or association of any kind that is not a Party to this Lease.

**13.12** Counterparts; Electronically Transferred Signature. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. Each Party agrees that each other Party may rely upon the facsimile or scanned and emailed signature of any Party on this Lease as constituting a duly executed and binding signature to this Lease.

**13.13** Fees and Costs. Except as otherwise provided in this Lease, each Party shall be responsible for its own legal, broker, administrative, and other costs or fees incurred in connection with completion of this Lease and Watermaster's review and approval of the temporary transfer of the Leased Carryover as set forth in this Lease. However, in any arbitration, litigation, action or proceeding relating to the interpretation or enforcement of this Agreement, the prevailing party shall be entitled to recover from the other party reasonable expenses, attorneys' fees and costs.

IN WITNESS WHEREOF, the Parties have executed this Lease as of the date first above written.

"HCSD"

"VWD"

By: \_\_\_\_\_

By: \_\_\_\_\_



<sup>1</sup> For example, if, in 2020-21 Water Year, Watermaster adopts a Replacement Water Assessment for Producers within Mojave Basin Area Alto Sub-area of \$600 per acre foot, then the Lease Payment shall be \$540 per acre foot of the Carryover (90% of the Watermaster Replacement Water Assessment).