QUARTZ HILL WATER DISTRICT

Board of Directors

AGENDA
NOTICE OF REGULAR MEETING

TIME: 5:30pm
DATE: July 20, 2023
Location: Quartz Hill Water District
5034 W Avenue L, Quartz Hill or Join Zoom Meeting
https://zoom.us/j/93779001384?pwd=bUVCUEh2aS9mV2l2Mk9ZYWlWUkdwdz09
Meeting ID: 937 7900 1384
Passcode: 689878
Call in: + +16694449171,,93779001384#,,,,*689878#

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. ADOPTION OF AGENDA
Members of the public shall have an opportunity to comment on each agenda item as the Board is considering it, prior to action being taken.

5. PUBLIC COMMENT

6. ACTION ITEMS
   A. CONSENT CALENDAR
   Matters listed under the consent calendar are considered routine and non-controversial and will be acted upon in one motion in the order listed below. There will be no separate discussion on these items unless requested by a Member of the Board or the public prior to the time the Board approves the items.

   1. Consideration and possible approval of the June 15, 2023, Minutes of the Regular Meeting of the Board of Directors.

   and

   2. Consideration and approval of the check register.

   B. ACTION CALENDAR
   1. Consideration and possible action to approve Resolution 23-0720A, RESOLUTION TO APPOINT A DIRECTOR TO FILL VACANT SEAT ON THE BOARD OF DIRECTORS.

   If Resolutions passes, Oath of Office administered at this time.

2. Consideration and possible action to approve Will Serve Renewal for Tract 60431, located at 70th St West and Avenue M-8.

3. Consideration and possible action to approve Consulting Service Contract Agreement with Eide Bailly, LLP, through June 30, 2024.

4. Consideration and possible action to elect a Vice President of the Board.

7. DISCUSSION ITEM
Strategic Plan Schedule

8. INFORMATION ITEMS (Written reports included)

A. STAFF REPORTS
1. Report by Administrative Supervisor
Debi Louie
2. Report by Assistant General Manager
Brach Smith
3. Report by General Manager
Brent Byrne

B. REPORT BY DIRECTORS

C. REPORT BY ATTORNEY

9. DIRECTOR REQUESTS FOR FUTURE AGENDA ITEMS

10. CLOSED SESSION

A. Conference with Legal Counsel
1. Existing Litigation (Paragraph (1) of subdivision (d) of Section 54956.9)
a. Diamond Farming/Bolthouse Farms Case/LA County

B. Public Employee Performance/Discipline/Dismissal/Release

C. Personnel Matters
PUBLIC EMPLOYEE EMPLOYMENT

11. PUBLIC REPORT ON ACTION TAKEN IN CLOSED SESSION

12. ADJOURNMENT

In accordance with the Americans with Disabilities Act of 1990, if requested, this agenda will be made available in an appropriate alternative format to persons with a disability. If you need disability-related modification or accommodation to attend or participate in this meeting, including auxiliary aids or services, please call Debi Louie at (661) 943-3170, or inquire at Quartz Hill Water District's office, at least 48 hours prior to the meeting.

QUARTZ HILL
WATER DISTRICT

QUARTZ HILL WATER DISTRICT

Board of Directors

MINUTES of the REGULAR MEETING

TIME: 5:30pm **DATE:** Thursday, June 15, 2023
Location: Quartz Hill Water District
5034 W Avenue L, Quartz Hill or Join Zoom Meeting
https://zoom.us/j/96759186141?pwd=ZjN0TE1aMXRQRm1WdHpWSXFGRFE4QT09
Meeting ID: 967 5918 6141 Passcode: water
Call in: +16699006833,,96759186141#,,,,*738907#

1. CALL TO ORDER THE REGULAR MEETING OF THE BOARD OF DIRECTORS
   President Carter calls the meeting to order at 5:30 p.m.

2. ROLL CALL
   President Sheldon Carter, Director Allen G. Flick, Sr., Director Rod Holtz, Director Lance Pierson, Board Secretary Debi Louie, Assistant General Manager Brach Smith, General Manager Brent Byrne, and Brad Weeks of Charlton Weeks LLP.
   Announcement of Director Mercy's resignation.

   Absent: None
   Staff in Attendance: Denise Burks
   Members of the Public in Attendance or online: Drew Mercy, AVEK Director/Lancaster City Commissioner Representing the City of Lancaster, Anna Zarley Representing Assemblyman Lackey's office, Vanessa Byrne, Marshall Byrne, Parker Byrne, Jim Krieger, Charles Bostwick Representing Supervisor Kathryn Barger's office, Jack Danielson Representing Senator Wilk's office

3. PLEDGE OF ALLEGIANCE
   Led by Director Flick

4. ADOPTION OF AGENDA
   With no request for amendment, the agenda is adopted by assent.

5. PUBLIC COMMENT (MEETING OPEN TO THE PUBLIC)
   Presentation from the City of Lancaster "Certificate of Appreciation", Presentation from Los Angeles County Board of Supervisors, Fifth District, Kathryn Barger "County of Los Angeles Commendation for 25 years of Distinguished Public Service", Presentation from California State Assemblyman Tom Lackey "Certificate of Appreciation" for 25 years of service, Presentation from California State Senator Scott Wilk "Certificate of Recognition", Presentation of Certificate of Special Congressional Recognition, Congressman Mike Garcia.

6. DISCUSSION ITEM
   None requested.

DRAFT

7. ACTION ITEMS

A. CONSENT CALENDAR

1. Consideration and possible approval of the May 18, 2023, Minutes of the Regular Meeting of the Board of Directors.

and 2. Consideration and approval of the check register.

Adopted by assent.

B. ACTION CALENDAR

1. Consideration and possible action to adopt Resolution 23-0615A Commending Brent Byrne for his 25 years of service.

   On motion by Director Holtz, and seconded by Director Pierson, Resolution 23-0615A was unanimously approved with great appreciation and accolades from the Board of Directors.

2. Consideration and possible action to approve Resolution 23-0615B amending Appendix F of our Policies, Procedures, Rules, and Regulations "Main Extension Reimbursement Agreement" to accurately reflect the amount the developer will be reimbursed based on the actual cost.

   On motion by Director Holtz, and seconded by Director Pierson, Resolution 23-0615B was unanimously approved.

3. Consideration and possible action to approve bid for replacement and repair to our solar array.

   On motion by Director Holtz, and seconded by Director Pierson, the Board unanimously approved.

4. Consideration and possible action to approve General Managers recommended Budget for Fiscal Year 2024.

   On motion by Director Pierson, and seconded by Director Flick, recommended Budget for FY24 was unanimously approved.

5. Consideration and possible action to approve Annual Water Assessment.

   On motion by Director Holtz, and seconded by Director Pierson, Annual Water Supply and Demand Assessment was unanimously approved.

DRAFT

8. INFORMATION ITEMS (Written reports included)
   A. STAFF REPORTS
   1. Report by Administrative Supervisor
      Debi Louie
   2. Report by Assistant General Manager
      Brach Smith
   3. Report by General Manager
      Brent Byrne
   B. REPORT BY DIRECTORS
   C. REPORT BY ATTORNEY
      None

9. DIRECTOR REQUESTS FUTURE AGENDA ITEMS
   Tract 44439
   Potentially a Director Appointment
   Election of Vice President

10. CLOSED SESSION
   A. Conference with Legal Counsel0
      1. Existing Litigation (Paragraph (1) of subdivision (d) of Section 54956.9)
         a. Diamond Farming/Bolthouse Farms Case/LA County
      2. Anticipated Litigation
         Significant exposure to litigation pursuant to paragraph (2) or (3) of subdivision (d) of Section 54956.9
         a. Roberto Noriega
   B. Public Employee Performance/Discipline/Dismissal/Release
   C. Personnel Matters
      PUBLIC EMPLOYEE EMPLOYMENT

11. PUBLIC REPORT ON ACTION TAKEN IN CLOSED SESSION
    No reportable action.

12. ADJOURNMENT
President Carter called for any other business. When none presented, the meeting adjourned at 7:25pm

_____ Attested: _____
Sheldon Carter, President Debi Louie, Board Secretary

DRAFT

Quartz Hill Water District
Check/Voucher Register - CHECK REGISTER
From 6/1/2023 Through 6/30/2023

Document Date	Check Number	Payee	Check Amount	Spoiled
6/1/2023	13921	AFSCME LOCAL 1902	565.75	No
6/14/2023	13922	ABL MACHINING INC	700.00	No
6/14/2023	13923	ACWA JOINT POWERS INSURANCE AUTHORITY	25,191.49	No
6/14/2023	13924	ALESHIRE & WYNDER LLP (A&W)	1,939.14	No
6/14/2023	13925	Antelope Valley East Kern Water Agency	69,955.92	No
6/14/2023	13926	Antelope Valley East Kern Water Agency	70,787.73	No
6/14/2023	13927	DataProse, Inc.	4,675.88	No
6/14/2023	13928	EMPOWER ANNUITY INS CO OF AMERICA	325.00	No
6/14/2023	13928	EMPOWER ANNUITY INS CO OF AMERICA	(325.00)	No
6/14/2023	13929	JEFF JENKINS SERVICE TECHNICIAN	908.00	No
6/14/2023	13930	Michael K. Nunley & Associates, INC.	156.75	No
6/14/2023	13931	PUBLIC WATER AGENCIES GROUP	963.75	No
6/14/2023	13932	RBC Inc	6,099.25	No
6/14/2023	13933	Western Electrical Contracting	10,251.45	No
6/22/2023	13934	Luis Campos	427.50	No
6/22/2023	13935	COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR CONTROLLER	2,308.36	No
6/22/2023	13936	ANDREW JONES	111.00	No
6/22/2023	13937	Urban Futures, Inc.	1,608.00	No
Report Total			196,649.97	

Quartz Hill Water District
Check/Voucher Register
From 6/1/2023 Through 6/30/2023

Document Date	Document Number	Payee	Document Amount
6/13/2023	3344	ARTUR BARSEGHIAN	67.52
6/13/2023	3345	YEIDY BECERRIL	29.68
6/13/2023	3346	FRED BOUMA	40.59
6/13/2023	3347	JONTREL EVANS-BROWN	43.32
6/13/2023	3348	Valentin Cortes	102.64
6/13/2023	3349	WAYNE DELEEUW	37.74
6/13/2023	3350	DR HORTON VEN, INC	218.61
6/13/2023	3351	LEROY FELDE	849.87
6/13/2023	3352	RAMI HADDAD	28.16
6/13/2023	3353	KIM JONES	5.58
6/13/2023	3354	ELISE MAURAN	17.28
6/13/2023	3355	LESTER MERRYMAN	39.22
6/13/2023	3356	JIOHANA MONTESDEOCA	23.82
6/13/2023	3357	IRENE L ORTEGA	104.69
6/13/2023	3358	DON SESSIONS	1.68
6/13/2023	3359	ALAN WALLACE	25.65
Report Total			1,636.05

Quartz Hill Water District
Cash Journal - Check Register
From 6/1/2023 Through 6/30/2023

1030 - Cash In Bank (California Bank & Trust)

Document Number	Effective Date	Transaction Description	Journal Vouchers	Type
01	6/2/2023	AUTHORIZE.NET-1015 MAY 2023 TRANS-BATCHES	13.60	JV
02	6/2/2023	BANKCARD USA-1015 MAY 2023 SERVICES	112.73	JV
03	6/2/2023	AUTHORIZE.NET-GENERAL MAY 2023 TRANS-BATCHES	366.00	JV
04	6/2/2023	LINCOLN 06.01.23 PAYROLL	1,948.88	JV
05	6/2/2023	CALPERS-PEPRA 06.01.23 PAYROLL	2,402.06	JV
06	6/2/2023	BANKCARD USA-GENERAL MAY 2023 SERVICES	4,054.88	JV
07	6/2/2023	CALPERS-CLASSIC 06.01.23 PAYROLL	5,339.47	JV
08	6/6/2023	EDD 06.01.23 SIT PAYROLL TAXES	1,877.92	JV
08	6/6/2023	EDD 06.01.23 SDI PAYROLL TAXES	421.71	JV
09	6/7/2023	SCE Power Well 7 (04.27 to 05.25.23)	1,550.24	JV
10	6/7/2023	SCE Power Well 16 (04.27 to 05.25.23)	1,687.49	JV
11	6/7/2023	IRS 06.01.23 SOCIAL SECURITY-TAXES PAYROLL	5,810.22	JV
11	6/7/2023	IRS 06.01.23 FIT PAYABLE-TAXES PAYROLL	4,055.75	JV
11	6/7/2023	IRS 06.01.23 MEDICARE-TAXES PAYROLL	1,358.88	JV
12	6/12/2023	SCE Power Multi (well 5A) 04.03 to 05.01.23 SCE	3,791.68	JV
12	6/12/2023	SCE Power Multi (Well 06) 04.27 to 05.25.23	3,448.71	JV
12	6/12/2023	SCE Power Multi (Well 12) 04.27 to 05.25.23	3,037.08	JV
12	6/12/2023	SCE Power Multi (well 5A) 04.03 to 05.01.23	3,026.10	JV
12	6/12/2023	SCE Power Multi (Well 08) 04.27 to 05.25.23	2,718.93	JV
12	6/12/2023	SCE Power Multi (Well 15) 04.28 to 05.29.23	1,203.91	JV
12	6/12/2023	SCE Power Multi (Well 17) 04.13 to 05.11.23 SCE	1,084.10	JV
12	6/12/2023	SCE Power Multi (Well 17) 04.13 to 05.11.23	767.42	JV
12	6/12/2023	SCE Power Multi (Ave M Pump) 03.31 to 04.30.23 SCE	585.74	JV
12	6/12/2023	SCE Power Multi (Cal Prop) 04.03 to 05.01.23 SCE	568.33	JV
12	6/12/2023	SCE Power Multi (Cal Prop) 04.03 to 05.01.23	429.04	JV
12	6/12/2023	SCE Power Multi (Forecast Pump) 04.24 to 05.22.23 SCE	243.54	JV
12	6/12/2023	SCE Power Multi (Tanks on Hill) 04.03 to 05.01.23	140.45	JV
12	6/12/2023	SCE Power Multi (Forecast Pump) 04.24 to 05.22.23	87.19	JV
12	6/12/2023	SCE Power Multi (Ave M Pump) 03.31 to 04.30.23	40.61	JV
12	6/12/2023	SCE Power Multi (turn out 70th) 04.03 to 05.01.23	31.88	JV
12	6/12/2023	SCE Power Multi (Ave N turnout) 04.03 to 05.01.23 SCE	23.01	JV
12	6/12/2023	SCE Power Multi (M4 and 50th) 04.03 to 05.01.23 SCE	16.83	JV
12	6/12/2023	SCE Power Multi (Ave N turnout) 04.03 to 05.01.23	8.51	JV
12	6/12/2023	SCE Power Multi (M4 and 50th) 04.03 to 05.01.23	5.67	JV
13	6/13/2023	SCE Power Well 9 (04.27 to 05.23.23) SCE	1,865.37	JV
13	6/13/2023	SCE Power Well 9 (04.27 to 05.23.23)	1,420.00	JV
14	6/16/2023	Neo Post (Postage Machine Lease)	588.87	JV
15	6/16/2023	CALPERS-PEPRA 06.15.23 PAYROLL	2,386.59	JV
16	6/16/2023	CALPERS-CLASSIC 06.15.23 PAYROLL	5,354.32	JV
17	6/16/2023	So Cal Gas (Ave M pump) 04.27 to 05.26.23	64.90	JV
18	6/20/2023	CINTAS (UNIFORM SERVICE) 4-INVOICES	286.65	JV
19	6/20/2023	LINCOLN 06.16.23 PAYROLL	1,948.88	JV
20	6/20/2023	EDD 06.15.23 SIT PAYROLL TAXES	1,905.18	JV
20	6/20/2023	EDD 06.15.23 SDI PAYROLL TAXES	417.24	JV
21	6/20/2023	EideBailly (May 2023 services)	7,210.00	JV
22	6/20/2023	Neo Post-Quadient (Postage)	1,000.00	JV

Quartz Hill Water District
Cash Journal - Check Register
From 6/1/2023 Through 6/30/2023

Document Number	Effective Date	Transaction Description	Journal Vouchers	Type
22	6/20/2023	Neo Post-Quadient ink cartridges-Postage Machine	328.73	JV
23	6/21/2023	Cal Bank and Trust Analysis (Bank Fees) May 2023 services	2,105.30	JV
24	6/21/2023	SO CAL GAS (OPERATIONS CENTER) 04.27 to 05.26.23	16.62	JV
25	6/22/2023	IRS 06.15.23 SOCIAL SECURITY-TAXES PAYROLL	5,748.96	JV
25	6/22/2023	IRS 06.15.23 FIT PAYABLE-TAXES PAYROLL	4,024.94	JV
25	6/22/2023	IRS 06.15.23 MEDICARE-TAXES PAYROLL	1,344.52	JV
26	6/26/2023	CINTAS (UNIFORM SERVICE) 1-INVOICE	71.30	JV
27	6/28/2023	SCE Power Well 14 (05.12 to 06.12.23) SCE	488.43	JV
27976	6/26/2023	CALIFORNIA BANK & TRUST	203.04	JV
27976	6/23/2023	CALIFORNIA BANK & TRUST	203.04	JV
28	6/28/2023	SCE Power (Opp Center) 05.12 to 06.12.23 SCE	1,213.32	JV
28	6/28/2023	SCE Power (Opp Center) 05.12 to 06.12.23	1,128.11	JV
		Report Total	93,176.79	

If you have any questions or require additional information, please call the District Office at 661-943-3170.

NAME: Dan Massari

RESIDENCE ADDRESS: 4850 Tilton Dr.

BUSINESS OR MAILING ADDRESS: same

PHONE (DAYTIME): (661) 435-3531 PHONE (EVENING): (661) 435-3531

E-MAIL: ausportsdoctor@hotmail.com

ARE YOU A REGISTERED VOTER WITHIN THE DISTRICT? Yes ✓ No ____

Please answer the following questions

1. Provide a description of your educational work and/ or public service background.

Volunteer medical coverage for local youth, high school and college athletic teams/competitions for 36 years. Volunteer for youth, high school and college level baseball and softball programs. Served on multiple educational panels, including exploratory school unification panel/committee, and AVUHSD hiring committee for high school principals.

2. What do you hope to accomplish as a member of the Board of Directors?

Provide a community based consumer insight/assessment of the difficulties and issues by the users (residential & commercial) and provider of water needs locally.

3. What skills, abilities, and experience would you bring to the Board to assist in carrying out its responsibilities?

Individual business owner in the Antelope Valley since 1986. As an independent business operator, I believe I have gained an understanding of the difficulties/responsibilities that the water district confronts as an accountable business entity. Additionally, as a 31 year consumer in the water district, I have a vested interest.

4. List your involvement in activities that demonstrate your understanding and support for recreation in our community, such as membership on committees/ organizations, offices held, volunteer work, and community services.

Previously noted in #1

5. List in order of importance, the major issues that you believe are confronting the Quartz Hill Water District.

1) Water Resource/Drought related concerns

2) Residential/Commercial rates of construction and their impact on water management

3) Consumer education regarding appropriate landscaping standards and xeriscaping principles in an historically drought sensitive region

6. Explain what you believe to be the mission of the Quartz Hill Water District.

To manage and provide the acquisition and consumption of water resources that impact users within the QH Water District

7. Please share any additional information that you would like to include for consideration.

As a lifetime resident of the Antelope Valley, I feel a strong commitment to contribute to the improvement of our communities and the service entities required to improve our overall community quality of life.

CERTIFICATION:

I certify that the information contained in this questionnaire is true and correct. I authorize the verification of the information in this questionnaire.

Please note: This questionnaire and all responses are considered a public document and is therefore subject to the Public Records Act.

Signature

07/11/23

Date

RESOLUTION NO. 23-0720A

RESOLUTION TO APPOINT DIRECTOR TO FILL VACANT SEAT ON THE BOARD OF DIRECTORS.

WHEREAS, one of our Board Directors resigned effective June 13, 2023, and

WHEREAS, **Gov. Code § 1780 (c)** dictates the procedures we have followed in posting notice of Board Vacancy, and

WHEREAS, we have received ___Questionnaire/Application(s) for Appointment to the Quartz Hill Water District Board of Directors for consideration, and

WHEREAS, each candidate was given equal opportunity and consideration, and

NOW THEREFORE, the Board of Directors of Quartz Hill Water District resolves to appoint_____, to fill the Vacant Seat . The person appointed to fill the vacancy shall fill the seat until the next general election in November 2024.

This resolution is effective upon adoption.

ADOPTED by the Board of the Quartz Hill Water District at a regular meeting of said Board held on the 20th day of July 2023, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
President Sheldon Carter

ATTEST:

_____
Secretary Debi Louie

Victorville Enterprises, LLC and Lancaster Villas, LLC
11950 San Vicente Blvd., Suite 200
Los Angeles, CA 90049
310.442.6006
310.442.6002 fax

June 20, 2023

Re: Renewal of Will Serve Letter for Tract No. 60431

Board of Directors
Quartz Hill Water District
5034 W. Avenue L
Quartz Hill, CA 93536

Dear Members of the Board of Directors,

I would kindly like to request that the Board renew our Water Will Serve Letter for Tract No. 60431, located at 70th St. West and Avenue M-8. I will have a representative attend the next Board meeting who will be available to answer any questions regarding the request or the project.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

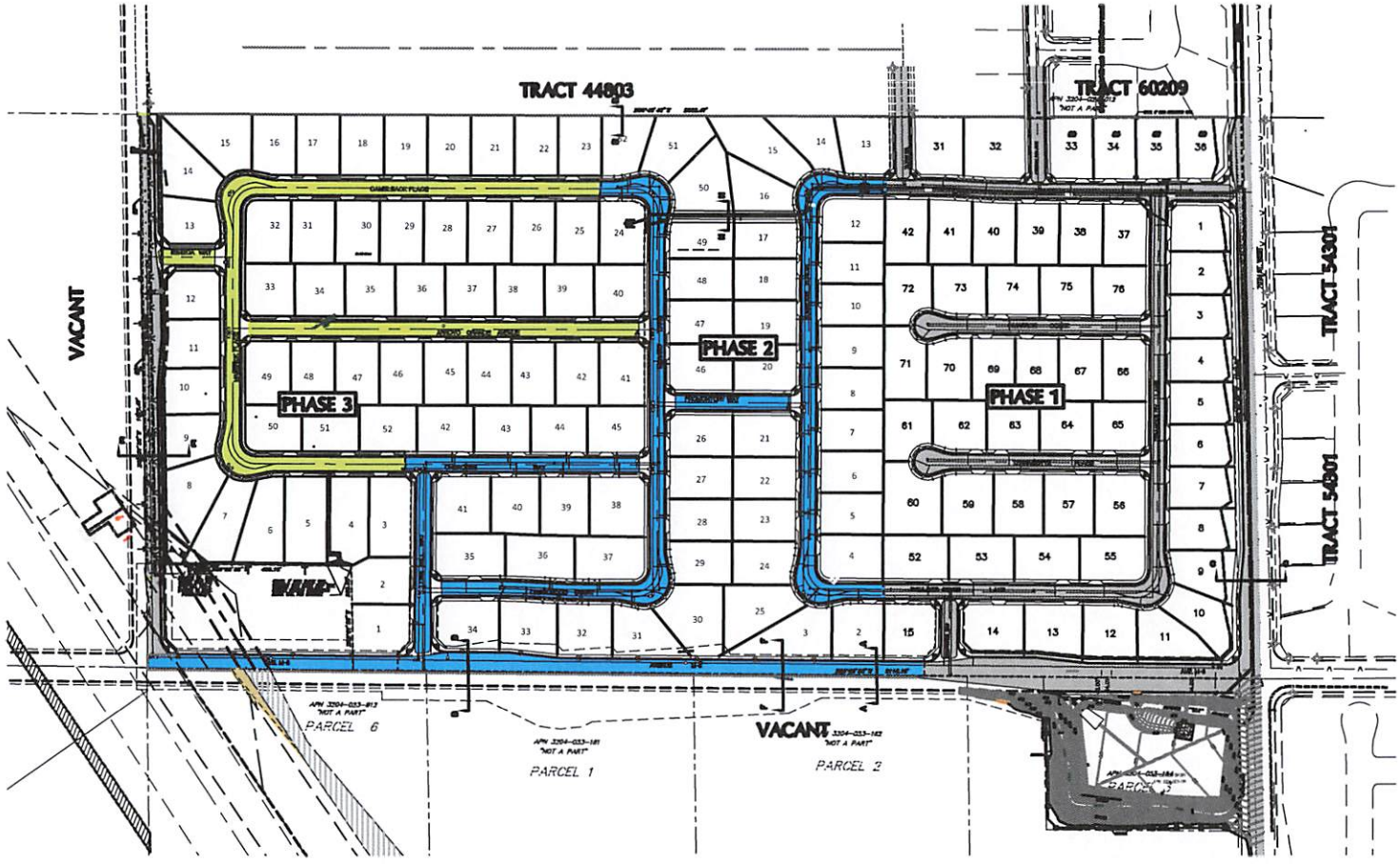
ON BEHALF OF,
Daniel Saparzadeh
Victorville Enterprises, LLC and Lancaster Villas, LLC

TENTATIVE TRACT MAP NO. 060431
PHASING MAP

PHASING HATCH EXHIBIT LEGEND

- DENOTES STREETS TO BE CONSTRUCTED PER PHASE 1
- DENOTES STREETS TO BE CONSTRUCTED PER PHASE 2
- DENOTES STREETS TO BE CONSTRUCTED PER PHASE 3
- DENOTES PHASING LIMITS OF EACH PHASE

PHASING TABLE		
PHASE	LOT NUMBERS	LOTS PER PHASE
1	LOTS 1–14, 31–42, 52–76.	51
2	LOTS 15–30, 43–51, 77–96, 149–155.	52
3	LOTS 97–148.	52



DATE	PLAN REVISION DESCRIPTIONS	BY	CHECKED	APPROVED

Design Drafting Inc.

APPROVED BY:

DRAWING SCALE: 1"=100'

DESIGNED:

JOB NUMBER:

CITY OF PALMDALE

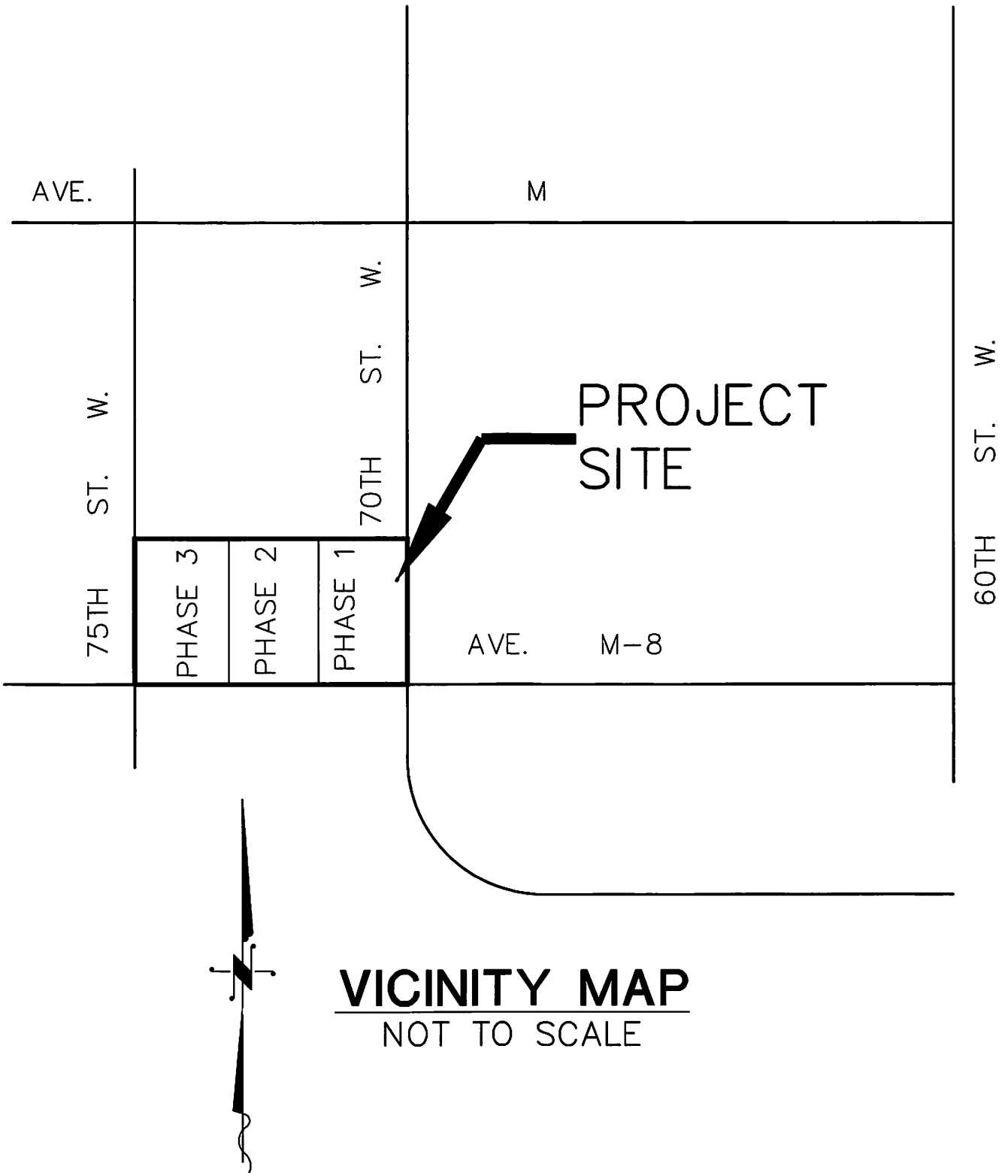
TENTATIVE TRACT MAP NO. 060431

NW. OF 70TH ST. W. AND AVE. M-8

DATE ISSUED: April 6, 2020

SHEET 2 OF 2 SHEET

TRACT MAP 60431
CITY OF PALMDALE



VICINITY MAP

NOT TO SCALE

EideBailly

CPAs & BUSINESS ADVISORS

July 7, 2023

Mr. Brent Byrne
Quartz Hill Water District
5034 West Avenue L
Quartz Hill, CA. 93536

Dear Mr. Byrne,

This letter outlines the understanding of the terms and objectives of the consulting engagement between Eide Bailly LLP (Eide Bailly) and Quartz Hill Water District (you) for the fiscal year ended June 30, 2024.

Scope of Engagement

We will work with you to provide consulting services in connection with:

- Assist the District in reconciling their monthly bank statements
- Assist the District with monthly and other routine general ledger maintenance
- Provide month end accounting and closing services
- Provide month end reports to management and the Board of Directors, as needed
- Assist the District in preparing journal entries and accounting adjustments related to yearend closing
- Assist the District in preparing supporting schedules that may be required by their auditors
- Assist the District in preparing and updating various note disclosures and other related documents for yearend financial statements
- Assist the District in analyzing account balances that support their financial statements
- Provide other accounting duties that assist the District in concluding their yearend audit
- Provide other nonroutine accounting services as needed

Our engagement will be performed under the *Statements on Standards for Consulting Services* issued by the American Institute of Certified Public Accountants (AICPA). We will not provide audit, review, compilation or financial statement preparation services to any historical or prospective financial information or provide attestation services under the AICPA *Statements on Standards for Attestation Engagements* and assume no responsibility for any such information.

You will provide us, as promptly as possible, all requested information and documentation reasonably deemed necessary or desirable by us in connection with the engagement. You represent and warrant that all information and documentation provided or to be provided to us is true, correct and complete, to the best of your knowledge and belief. We are authorized to rely upon such information and documentation without independent investigation or verification.

We may use third party service providers and/or affiliated entities (including Eide Bailly Shared Services Private Limited) (collectively, "service providers") in order to facilitate delivering our services to you. Our use of service providers may require access to client information by the service provider. We will take reasonable precautions to determine that they have the appropriate procedures in place to prevent the unauthorized release of confidential information to others. We will remain responsible for the confidentiality of client information accessed by such service provider and any work performed by such service provider.

We agree to retain our work papers for a period of at least eight years from the date of our report.

Eide Bailly LLP has owners that are not licensed as certified public accountants as permitted under Section 5079 of the California Business Code. It is not anticipated that any of the non-licensee owners will be performing services for Quartz Hill Water District.

Timeline

We will begin our procedures upon acceptance of this engagement agreement. We would expect to have our work completed within a reasonably agreed upon timeline of receipt of all required data. This timetable assumes the timely receipt of requested information and the cooperation of the parties involved. If delays are experienced in receiving information, the delivery of our work will be delayed accordingly.

Fees

Our fees are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices are payable upon presentation. We estimate that our fee for the engagement will be $88,980 and be billed in twelve (12) monthly, even amounts of $7,415. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate.

In addition, we will be compensated for any time and expenses, including time and expenses of legal counsel, we may incur in conducting or responding to discovery requests or participating as a witness or otherwise in any legal, regulatory, or other proceedings as a result of our Firm's performance of these services. You and your attorney will receive, if lawful, a copy of every subpoena we are asked to respond to on your behalf and will have the ability to control the extent of the discovery process to control the costs you may incur.

Should our relationship terminate before our agreed upon procedures are completed and a report issued, you will be billed for services to the date of termination. All bills are payable upon receipt. A service charge of 1% per month, which is an annual rate of 12%, will be added to all accounts unpaid 30 days after billing date. If collection action is necessary, expenses and reasonable attorney's fees will be added to the amount due.

Quartz Hill Water District accepts responsibility for the results of the services being provided and agrees to perform the following functions in connection with this engagement:

- Make all management decisions and perform all management functions.
- Designate a competent individual to oversee the services.
- Evaluate the adequacy and results of the services performed.
- Accept responsibility for the results of the services.
- Establish and maintain internal controls, including monitoring ongoing activities.

DISPUTE RESOLUTION

The following procedures shall be used to resolve any disagreement, controversy or claim that may arise out of any aspect of our services or relationship with you, including this engagement, for any reason ("Dispute"). Specifically, we agree to first mediate.

Mediation

All Disputes between us shall first be submitted to non-binding mediation by written notice ("Mediation Notice") to the other party. In mediation, we will work with you to resolve any differences voluntarily with the aid of an impartial mediator. The mediator will be selected by mutual agreement, but if we cannot agree on a mediator, one shall be designated by the American Arbitration Association ("AAA").

The mediation will be conducted as specified by the mediator and agreed upon by the parties. The parties agree to discuss their differences in good faith and to attempt, with the assistance of the mediator, to reach an amicable resolution of the Dispute. Mediation will be conducted with the parties in person in Rancho Cucamonga, California.

Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.

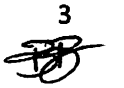
Either party may commence suit on a Dispute after the mediator declares an impasse.

Governing Law and Venue

We both agree to submit any unresolved Dispute to trial by a federal or state court venued in Rancho Cucamonga, California. This agreement shall be governed by and construed in accordance with the laws of the State of California (regardless of the laws that might be applicable under the principles of conflict of law) as to all matters including without limitation, matters of validity, construction, effect, and performance.

LIMITATION OF DAMAGES AND NO PUNITIVE DAMAGES

The exclusive remedy available to you in any adjudication proceeding shall be the right to pursue claims for actual damages that are directly caused by acts or omissions that are breaches by us of our duties under this agreement and/or under applicable professional standards, such damages will be limited to no more than two times fees paid under this agreement. In no event shall we be liable to you for any punitive or exemplary damages, or for attorneys' fees.



TIME LIMITATION

The nature of our services makes it difficult, with the passage of time, to gather and present evidence that fully and fairly establishes the facts underlying any Dispute. We both agree that, notwithstanding any statute of limitations that might otherwise apply to a Dispute, it is reasonable that you may not bring any legal proceeding against us unless it is commenced within twenty-four (24) months ("Limitation Period") after the date when we deliver our report, return or other deliverable under this agreement to you, regardless of whether we do other services for you or that may relate to the agreed-upon procedure report.

The Limitations Period applies and begins to run even if you have not suffered any damage or loss, or have not become aware of the existence or possible existence of a Dispute.

INDEMNITY

You agree that none of Eide Bailly LLP, its partners, affiliates, officers or employees (collectively "Eide Bailly") shall be responsible for or liable to you for any misstatements in your financial statements and/or tax return that we may fail to detect as a result of knowing representations made to us, or the concealment or intentional withholding of information from us, by any of your owners, directors, officers or employees, whether or not they acted in doing so in your interests or for your benefit, and to hold Eide Bailly harmless from any claims, losses, settlements, judgments, awards, damages and attorneys' fees from any such misstatement, provided that the services performed hereunder were performed in accordance with professional standards, in all material respects.

If a claim is brought against you by a third-party that arises out of or is in any way related to the services provided under this engagement, you agree to indemnify Eide Bailly LLP, its partners, affiliates, officers and employees against any losses, including settlement payments, judgments, damage awards, punitive or exemplary damages, and the costs of litigation (including attorneys' fees) associated with the services performed hereunder provided that the services were performed in accordance with professional standards, in all material respects.

ASSIGNMENTS PROHIBITED

You agree that you will not and may not assign, sell, barter or transfer any legal rights, causes of actions, claims or Disputes you may have against Eide Bailly LLP, its partners, affiliates, officers and employees, to any other person or party, or to any trustee, receiver or other third party.

Please sign and return the attached copy of this letter to indicate your acknowledgment of, and agreement with, the arrangements for our engagement including our respective responsibilities. If you have any questions, please let us know.

We appreciate the opportunity to be of service to you and look forward to working with you and your staff.

Respectfully,

Dr. Bradford Rockabrand, CPA
Partner

****

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Quartz Hill Water District by:

Name: _____

Title: _____

Date: _____

QUARTZ HILL WATER DISTRICT

Administrative Supervisor Report
July 20, 2023

1. **Customer Outreach**

This month we have been helping customers get a sneak peek at the My Water Advisor app. People with leak alarms and concerns about their individual use, were offered a 'special preview' of the app. We walked them through the process and they were so impressed and appreciative. I see two directors have enrolled and that made my day. The mailer will go out next week, with this eye-catching graphic on the envelope.

2. **Shut off for non-payment.**

	SHUT OFF for NON-PAYMENT				
	2022				
	How many accounts received Shut Off Notices/Door Tags	How many accounts were Shut Off for non-payment	Number of Accounts closed out next day.	Average Amount Past Due	Average Days Off
	2023				
January	123	11	0	79.45	1
February	130	24	2	65.45	1
March	106	17	0	96.86	1
April	124	16	1	61.30	1
May	126	32	4	65.55	1
June	117	24	4	60.18	1
Annual Total	726	124	11	71.47	1

As depicted in the table above, 24 of the 117 customers that received a Door Tag had their water turned off and four were closed out at the end of the next business day.

Debi Louie
Administrative Supervisor
Board Secretary

1. Mainline Valve Replacement

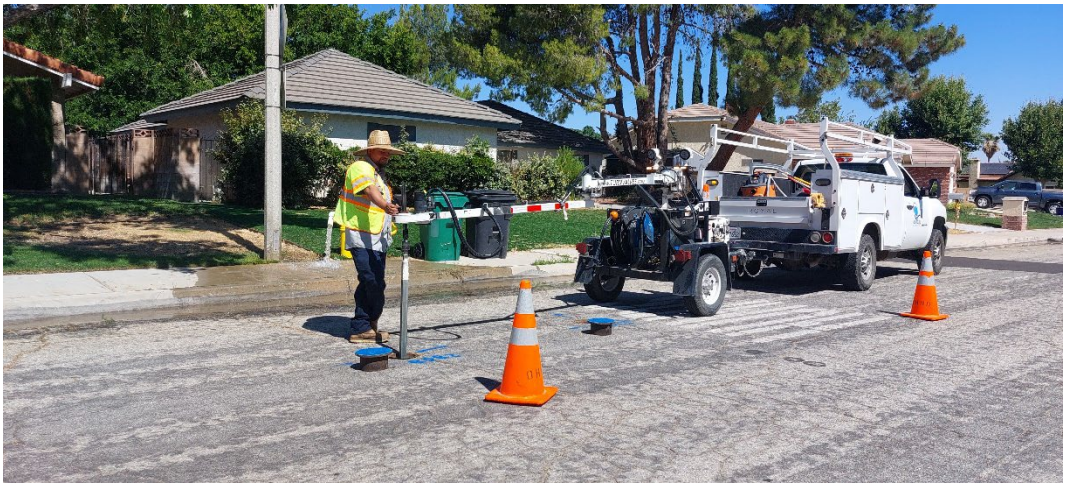
The annual valve replacement program is underway and field staff have been working hard to replace multiple valves each month. One of the most recent replacements was a 6-inch mainline valve on 50th Street West and Avenue L-10. The valve was identified as defective during a prior valve replacement. The location of the valve required additional traffic control and special planning to minimize the impact of the shutdown.

2. Leaks

Field staff continue to replace leaking service lines promptly, minimizing water loss and the interruption of an essential service to customers. After business hours leaks have been frequent and responded to swiftly by field staff. These savings keep operating costs to a minimum which helps stabilize/reduce rates.

3. Valve Turning and Flushing

Staff continue to work on the annual valve turning and flushing program. Exercising the District's valves annually prevents corrosion build up and minimizes the chance of a valve lock up. This program also ensures that water quality standards are maintained. 1549 valves have been exercised so far this year.



4. Training

I recently attended the ESRI annual user conference in San Diego. This event was a great opportunity to receive further training in GIS and learn about the latest mapping technologies available to the water industry. Several hours were spent in one-on-one sessions with software engineers discussing the specific needs of our district and planning the migration of our GIS data to the newly installed office server.

5. Water Levels

Monthly monitoring of the district owned ground water levels continues. These levels are currently stable and on par with historical averages. Proactive ground water management is a priority of the district's commitment to preserving long term reliable sources.

6. Water Availability

Monitoring of State water supply, ground water supply, conservation cutbacks, and other available water resources continue to be a priority of management. Operational changes are made daily to utilize all available water resources and minimize production costs.

Thank you,

Brach Smith

Assistant General Manager

QUARTZ HILL WATER DISTRICT

General Manager Report
July 20, 2023

Dear Directors,

I am pleased to inform you that, during the month of June,2023, Quartz Hill Water District experienced a stable and consistent pattern of water consumption. The average water demand remained within expected levels, indicating balanced usage by our residential and commercial customers.

This steady consumption trend reflects the effectiveness of our ongoing conservation efforts, as well as the successful implementation of various water management strategies. The collective efforts of the district, along with the cooperation of our valued customers, have contributed to maintaining a sustainable and responsible approach to water consumption.

While consumption remained on average, it is essential for us to remain vigilant and prepared for any potential shifts in demand that may arise in the future. Our ability to proactively monitor and adapt to changing conditions will play a crucial role in ensuring the long-term stability and reliability of our water supply.

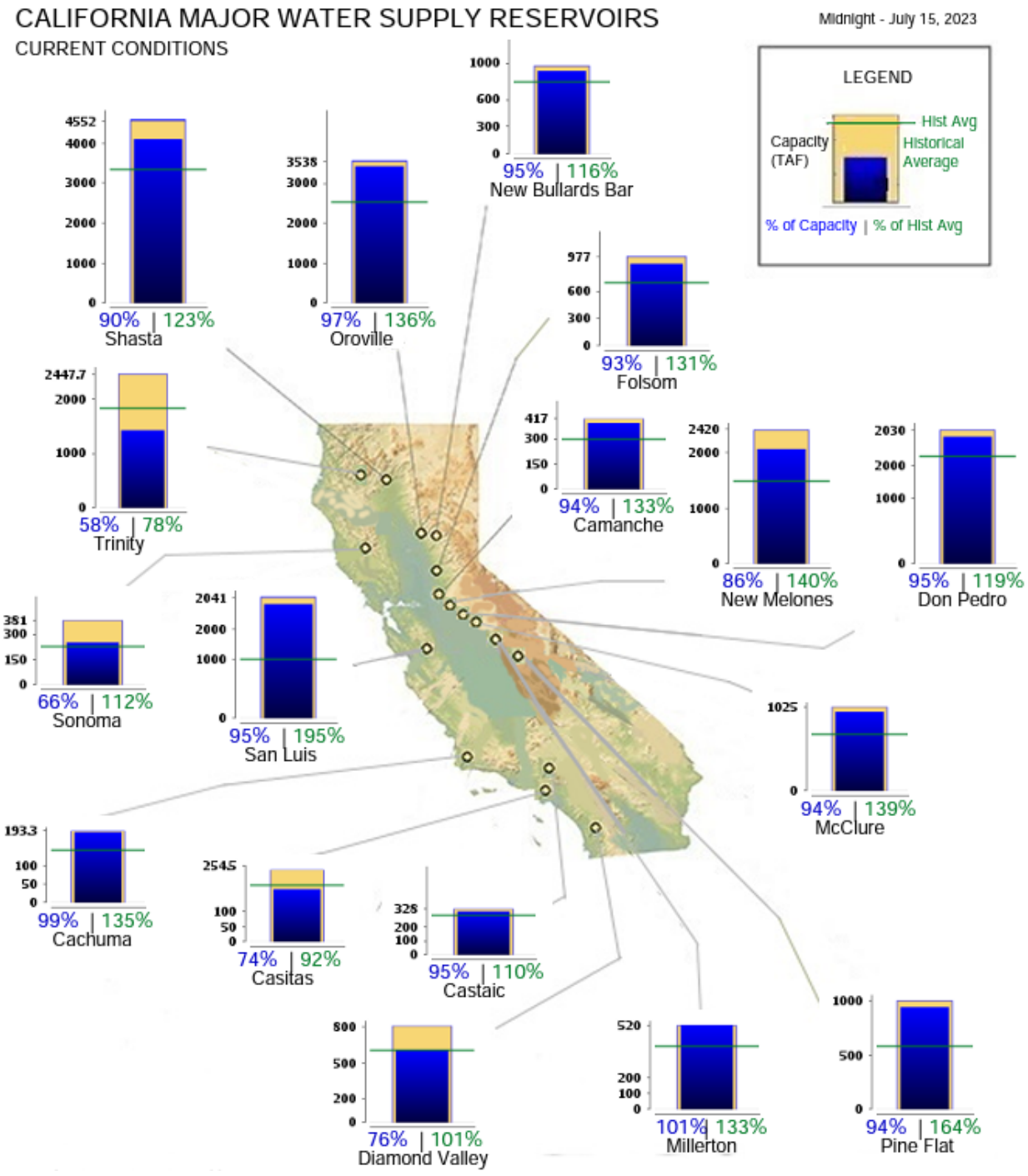
July is proving to be a hot month with triple digit temperatures predicted for the remainder of the month. We anticipate water demands to increase over the next few months based on historical trends, and the team of staff will be prepared to makes necessary changes to meet the demands of our customers.

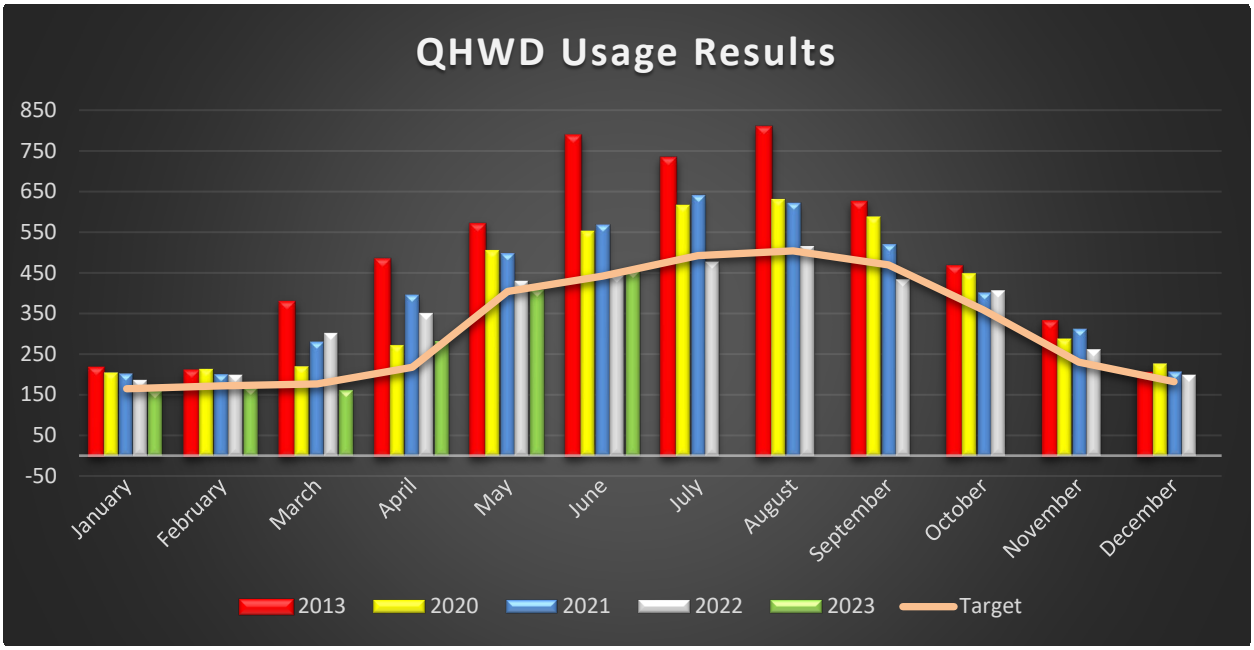
Water Supply Report

The State of California has more water than they know what to do with at this point. Between the lack a storage facilities and aging infrastructure, the State is in a predicament. The historical high rain/snow have produced a situation as to how do we maximize the storage and transportation of this year's massive water allocation. Issues of this magnitude are well beyond QHWD scope/influence. Thankfully, through strategic planning we have amassed a water portfolio to get us through dry years, as we have experienced over the past 3 years.

AVEK has received an increase in the valley's **allocation to 100%.** AVEK will be banking up to 55,000 acft. in their water banking facilities for future customer support.

- 2021 June 297 Residential Gallons Per Capita Daily (R-GPCD)
- 2022 June 231 R-GPCD
- **2023** June **236 R-GPCD**


CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS
CURRENT CONDITIONS
Midnight - July 15, 2023
LEGEND
Capacity (TAF)
Hist Avg
Historical Average
% of Capacity | % of Hist Avg
4552
4000
3000
2000
1000
0
90% | 123%
Shasta
3538
3000
2000
1000
0
97% | 136%
Oroville
1000
600
300
0
95% | 116%
New Bullards Bar
977
600
300
0
93% | 131%
Folsom
2447.7
2000
1000
0
58% | 78%
Trinity
417
300
150
0
94% | 133%
Camanche
2420
2000
1000
0
86% | 140%
New Melones
2030
2000
1000
0
95% | 119%
Don Pedro
381
300
150
0
66% | 112%
Sonoma
2041
2000
1000
0
95% | 195%
San Luis
1025
0
94% | 139%
McClure
193.3
100
50
0
99% | 135%
Cachuma
254.5
100
50
0
74% | 92%
Casitas
328
200
100
0
95% | 110%
Castaic
800
500
200
0
76% | 101%
Diamond Valley
520
200
100
0
101% | 133%
Millerton
1000
500
0
94% | 164%
Pine Flat



Income/Expense Report

May revenues and expenses were much like the prior year. Water conservation measures continue to affect revenues. As discussed at the May Board meeting, we are anticipating an estimated shortfall of $400k this year. This deficit has been planned for in “dry” years where water sales are below normal, and will be offset by the water stabilization fund. The Board of Directors established this fund for this very purpose. Strategic planning and sound financial management help fund this allocation of monies.

Quartz Hill Water District
Statement of Revenues and Expenditures
From 5/1/2023 Through 5/31/2023

	Current Month	Year to Date	YTD Budget - Original FY_23	YTD Budget Variance - Original FY_23
Revenues	612,941.06	5,822,614.15	6,904,188.00	(1,081,573.85)
Expenses	388,954.97	4,855,835.27	5,574,826.00	718,990.73
Net Income (Loss) Subtotal	223,986.09	966,778.88	1,329,362.00	(362,583.12)
Professional Services-Other	8,968.40	94,246.67	100,000.00	5,753.33
Non-Cash Operating Expenses	85,893.94	921,921.82	(928,332.00)	(1,850,253.82)
Net Income (Loss) Total	129,123.75	(49,389.61)	2,157,694.00	(2,207,083.61)

Other News

1. The Antelope Valley Water Master Board of Directors has called on the local water purveyors and any other parties to pay the 2024 fixed administrative cost ($5/acft, as years before) early this year to help fund the next month of administrative cost. The AVWM is projected to reach a deficit in funding by as early as August and will not be able to continue to conduct business if this shortfall happens. QHWD has budgeted this expense of roughly $3,000 to be paid in January, however the impact of making the payment today will not affect operations. I have authorized this payment to continue to show the support from QHWD and hopefully help to build solidarity between the parties involved.
2. Fiscal year 2023 audit preparation has begun. District staff and our consulting firm Eide Bailly LLP have gathered requested information from the contracted audit firm C.J. Brown & Company CPA's. We will be working remotely with these parties for the first portion of the audit process and expect onsite auditing to take place in August.
3. KUDOS to Luis and field staff for resolving the communication issue at 75th Tank site. On 7/10/23 we lost the tank level communication from the tank to the AVEK vault. After a series of diagnostics, we found an underground box in which the wires were cut and stolen.
4. KUDOS to Debi and her team for the persistence to get the new mobile app rolled out later this month. "My Water Advisor 2.0" is an app that will enable our customers to monitor their water usage via cell phone. They will also have the ability to set alerts for abnormal usage.
5. The Districts "Strategic Plan" document/process has begun. Directors have submitted their responses to Jill Riztman (BHI Consulting) who will be coordinating the next round of individual calls with each director to help formulate the basis for the written plan. In august, we maybe conducting a Board workshop (special meeting) to further along the process.

This concludes my report, and as always please contact me with any questions or concerns at brentb@qhwd.org .

Thank you,

Brent Byrne

General Manager

Key Data Points and Resources

Daily Hydrological & Climate Information summary:
http://cdec.water.ca.gov/reportapp/javareports?name=DLYHYDRO

Statewide water conditions: http://cdec.water.ca.gov/water_cond.html

Daily Reservoir Storage Summary: https://cdec.water.ca.gov/reservoir.html

Monthly water supplier reports on water production and conservation:
https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/conservation_repo rting.html

Latest groundwater conditions and information: https://sgma.water.ca.gov/CalGWLive/

Information on state drought actions and assistance: https://drought.ca.gov/

Conservation tips and resources for consumers: https://saveourwater.com/