

A G E N D A

REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE LAKESIDE WATER DISTRICT

April 7, 2026

Meeting Place: Lakeside Water District; 10375 Vine Street
Lakeside CA 92040; **5:30 p.m.**

Assistance for those with disabilities: If you have a disability and need accommodation to participate in the meeting, please call Brett Sanders, General Manager, at (619) 443-3805 for assistance so the necessary arrangements can be made.

1. Call to Order
2. Prayer/Invocation
3. Pledge of Allegiance
4. Approval of the Agenda
5. Opportunity for Public Comment Pertaining to Items Not on the Agenda (Items must meet the requirements of Government Code Section 54954.2)
6. Approve Minutes of a Regular Meeting held on March 10, 2026.
7. Review the February 2026 Treasurers Report for the Annual Audit. Request to Note and File in Preparation.
8. Operations Report. Johnze
9. Consider Approval of Resolution 26-02 accepting a bid by A.B. Hashmi, Inc for the Yerba Valley Annexation Pipeline Project - Private Customer Lines, in the amount of \$979,350. Sanders
10. Consider Audit Proposals for the District's Annual Financial Audit for a period of 5 years. Sanders
11. Review State Water Resources Control Board Water "Conservation is a Way of Life" Compliance Summary for Lakeside Water District. Sanders
12. ACWA JPIA Workers Compensation, Liability, and Property Risk Assessment. Sanders
13. Approve Demands of the Treasurer for March 2026.

14. CWA Report
15. Director's Reports and/or Ad Hoc Sub-Committees Reports if needed.
16. General Managers' Report.
17. Adjourn; Next Regular Meeting to be held on May 5, 2026.

PUBLIC COMMENT PROCEDURES

Members of the public will be allowed to address the Board on any agenda item prior to the Board's decision on the item. They will also be allowed to comment on matters not on the posted agenda, which are under the subject matter jurisdiction of the district. No action may be taken by the board except to set the matter presented for the next regular board meeting if proposed by the board. State your name, topic and provide the secretary with a request to speak form, so you can be properly included in the comment period. Comments are limited to 3 minutes and the board is not required to comment on the topic.

CERTIFICATE OF POSTING

I certify that on April 3, 2026, I posted a copy of the meeting agenda and any public records relating to items on the agenda and that they are available for public inspection at the time the record is distributed to all, or a majority of all members of the board. Such records shall be available at the district office located at 10375 Vine Street, Lakeside, California, or on the district's website at LakesideWater.org.

Agendas are posted at least 72 hours in advance of a regular meeting, or 24 hours in advance of a special meeting of the Board of Directors, near their regular meeting place, and as per Government Code Section 54954.2(a)(1) and 54956(a).

Brett Sanders, General Manager / Board Secretary

**MINUTES OF A SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
LAKESIDE WATER DISTRICT
HELD ON March 10, 2026**

At the time and place provided by law for the holding of a Regular Meeting of the Board of Directors of the Lakeside Water District; to-wit at the meeting place of said Board at 10375 Vine Street, Lakeside, California, at 5:30 p.m. the Board duly convened, the following members present.

Directors:	Frank Hilliker Pete Jenkins Steve Johnson Eileen Neumeister Steve Robak
Secretary:	Brett Sanders

- 1) Call to Order by Board President Neumeister
- 2) Prayer/Invocation – Pastor Dave Hoffman provided the prayer for the night’s meeting.
- 3) Pledge of Allegiance was led by guest Pastor Dave Hoffman.
- 4) Approval of Agenda. Motion by Director Hilliker to accept the agenda as submitted.

Motion:	Hilliker	Second:	Johnson
Vote:	Ayes	5	Hilliker, Jenkins, Johnson, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	0	

- 5) Opportunity for Public Comment Pertaining to Items Not on the Agenda (Items must meet the requirements of Government Code Section 54954.2). None
- 6) Approve Minutes of a Regular Meeting held on February 3, 2026. Motion by Director Johnson to approve the minutes as presented.

Motion:	Johnson	Second:	Robak
Vote:	Ayes	5	Hilliker, Jenkins, Johnson, Neumeister, Robak
	Noes	0	
	Abstain	0	
	Absent	0	

- 7) Review the January 2026 Treasurers Report for the Annual Audit. Request to Note and File in Preparation. Approved to Note and File.
- 8) Operations Report. Superintendent Johnze reported the following.
 - EOS Building Updates; Concrete is complete, drywall work is being completed and prepping for paint. Electrical is also complete.

- 13) CWA Report – CWA Representative Hilliker reported that the Board voted to approve the ability of the WA to transfer water to MWD member agencies if agreements can be worked out. Potential drought indications showing up in the snow pack and reservoir levels.
- 14) Director’s Report and Ad Hoc Sub-Committees Reports. No comments
- 15) Manager’s Quarterly Report. The General Manager reported.
 - 1) Yerba Valley Annexation Pipeline and USDA Funding – Bid opening next Tuesday the 17th at 2:00 pm. Currently working the USDA to finalize the Preliminary Engineering Report.
 - 2) Form 700 – Due by April 1, 2-26
 - 3) Helix Ribbon Cutting for Electrification Project – Friday March 27, 2026 at 10:00am.
 - 4) Summarized current capital outlays for fiscal year 25/26, currently at 41% of the Capital budget of \$789,000.
- 16) Adjourn; There being no further business the meeting adjourned to the next Regular Meeting scheduled for April 7, 2026.

Attest:

Brett Sanders, Board Secretary
Lakeside Water District

Eileen Neumeister
Board President

Lakeside Water District
Statement of Revenues and Expenses
July 2025 through February 2026

	Feb 26	Jul '25 - Feb 26	Budget	% of Budget
Operating Revenue				
Water Sales				
4000 · Water Sales on Account	\$ 632,910	\$ 6,351,887	\$ 9,602,575	66%
4010 · System meter charge	\$ 139,433	\$ 954,889	\$ 1,458,965	65%
4020 · CWA/IAC	\$ 39,145	\$ 307,740	\$ 457,906	67%
4040 · Penalties / other	\$ 10,250	\$ 105,126	\$ 130,000	81%
Total Water Sales	\$ 821,738	\$ 7,719,642	\$ 11,649,446	66%
4100 · Capacity Fees LWD	\$ 7,278	\$ 49,045	\$ 57,030	86%
4101 · SDCWA Capacity & Treatment	\$ 10,693	\$ 52,562	\$ 85,186	62%
4200 · Meter Services	\$ 441	\$ 11,253	\$ 35,000	32%
4210 · Engineering & Inspection Fees	\$ -	\$ 36,436	\$ 7,500	486%
4220 · Fire Hydrants	\$ -	\$ 15,375	\$ 30,000	51%
4230 · Tapping	\$ -	\$ 15,000	\$ 15,000	100%
4300 · Miscellaneous Income	\$ 205	\$ 56,062	\$ 20,000	280%
4310 · Water Letters	\$ 275	\$ 1,750	\$ 250	700%
4400 · Rent - Land Lease	\$ 11,777	\$ 207,208	\$ 291,770	71%
4600 · Interest Income	\$ 50,494	\$ 278,423	\$ 315,000	88%
4700 · Taxes Revenue	\$ 23,266	\$ 499,343	\$ 800,000	62%
Total Operating Revenue	\$ 926,167	\$ 8,942,099	\$ 13,306,182	67%
Expense				
Administrative and General				
7000 · General Manager/Secretary	\$ 18,833	\$ 153,924	\$ 234,000	66%
7001 · Incentive Compensation	\$ -	\$ 14,000	\$ 14,000	100%
7020 · Director's Fees	\$ 625	\$ 4,875	\$ 10,750	45%
7100 · General Insurance	\$ -	\$ 85,267	\$ 66,575	128%
7200 · Annual Audit	\$ -	\$ 33,555	\$ 31,000	108%
7210 · Attorney Fees	\$ -	\$ 10,282	\$ 30,000	34%
7230 · Consultants	\$ 600	\$ 23,492	\$ 8,000	294%
7300 · Elections/Registrar	\$ -	\$ -	\$ 2,000	0%
7320 · Lafco Operating Costs	\$ -	\$ 3,994	\$ 5,634	71%
7401 · Administrative Expense	\$ 2,213	\$ 3,799	\$ 7,000	54%
7450 · Public Info/Public Relat	\$ -	\$ 13,497	\$ 11,350	119%
7500 · State Health Dept./ SWRCB	\$ -	\$ 46,434	\$ 49,064	95%
7800 · Bad Debt Expense	\$ -	\$ -	\$ 2,000	0%
7900 · Water Dev./Conservation Program	\$ -	\$ -	\$ 9,500	0%
Total Administrative and General	\$ 22,271	\$ 393,119	\$ 480,873	82%

	Feb 26	Jul '25 - Feb 26	Budget	% of Budget
Operations and Maintenance				
5000 · Water Purchases	\$ 597,780	\$ 5,429,077	\$ 7,994,040	68%
5075 · Padre Dam Deliver Charge	\$ -	\$ -	\$ 2,600	0%
5080 · Water Treatment & Testing	\$ 2,701	\$ 15,266	\$ 24,000	64%
5090 · Infrastructure Access Charge	\$ 37,465	\$ 299,450	\$ 443,760	67%
5091 · SDCWA Capacity & Treatment Fees	\$ 10,693	\$ 52,562	\$ 111,353	47%
5100 · Electric Power	\$ 18,497	\$ 178,987	\$ 327,000	55%
5200 · Water Treatment -Maint/Supplie	\$ 41,164	\$ 118,565	\$ 80,000	148%
5627 · County - Road Improvements	\$ -	\$ -	\$ 15,000	0%
5628 · Telemetry Repair	\$ 1,546	\$ 36,582	\$ 15,000	244%
6000 · Wages, Field	\$ 63,389	\$ 530,037	\$ 866,513	61%
6100 · Distribution - Maint/Supplies	\$ 7,165	\$ 138,082	\$ 130,000	106%
6102 · Dist. Pump & Maint	\$ -	\$ 2,648	\$ 60,000	4%
6110 · Emergency Repairs & Service	\$ -	\$ -	\$ 45,000	0%
6200 · Trucks-Fuel,Maintenance,Repair	\$ 4,605	\$ 44,557	\$ 70,000	64%
6400 · Outside Labor	\$ 6,400	\$ 13,055	\$ 42,000	31%
6410 · Engineering	\$ -	\$ 3,052	\$ 20,000	15%
7010 · Wages, Office	\$ 23,389	\$ 221,487	\$ 340,000	65%
7030 · Payroll Taxes	\$ 8,127	\$ 66,790	\$ 102,508	65%
7040 · Group Insurance	\$ 38,977	\$ 260,955	\$ 326,740	80%
7050 · CalPers Retirement	\$ 13,553	\$ 171,547	\$ 253,503	68%
7070 · Unemployment Insurance	\$ -	\$ -	\$ 5,000	0%
7400 · Office Expense	\$ 7,750	\$ 115,269	\$ 157,714	73%
7440 · Dues & Subscriptions	\$ 327	\$ 24,187	\$ 32,000	76%
7920 · Miscellaneous Expense	\$ 207	\$ 4,619	\$ 6,000	77%
Total Operations and Maintenance	\$ 883,735	\$ 7,726,774	\$ 11,469,731	67%
Total Expense	\$ 906,006	\$ 8,119,893	\$ 11,950,604	68%
Net Ordinary Income	\$ 20,161	\$ 822,206	\$ 1,355,578	61%
Capital Requirements				
1510 · Buildings & Land Improvements	\$ -	\$-	\$ 4,000	0%
1520 · O & M Equipment	\$ -	\$-	\$ 10,000	0%
1530 · Office Furniture & Equipment	\$ -	\$-	\$ 15,000	0%
1547 · CIP Design/Engineering	\$ -	\$ 15,200	\$ 5,000	304%
1550 · Pumping Plant & Distribution	\$ 19	\$ 52,176	\$ 30,000	174%
1551 · New Service/Meters	\$ 300	\$ 7,445	\$ 10,000	74%
1580 · SCADA Telemetry Upgrade	\$ -	\$-	\$ 30,000	0%
1581 · Yerba Valley Annexation Pipeline	\$ 2,783	\$ 19,388	\$ 450,000	4%
1582 · Operations, Eng. & Security Bldg.	\$ 20,781	\$ 231,899	\$ 195,000	119%
1583 · Julian Ave. Multiple Pipe Rep.	\$ -	\$ 14,655	\$ 20,000	73%
1584 · Rocoso Rd. Pipe Replacement Eng.	\$ -	\$ 6,060	\$ 20,000	30%
Total Capital Expense	\$ 23,883	\$ 346,823	\$ 789,000	44%

Lakeside Water District
Investment Report
As of February 28, 2026

Feb 28, 26

Current Assets

Checking/Savings

1020 · UBS Cash Fund	3,217.71
1030 · King Cash Fund	53,795.05
1050 · Multi-Bank Securities, Inc.	476,627.46
1070 · Investment - LAIF	1,032.05

Total Checking/Savings

534,672.27

Other Current Assets

Investments

1321.70 · Mrgn Stanley BK 4.45% 6/6/29	115,000.00
1321.71 · First Gty Bk Hamm 4.35% 11/6/28	199,900.00
1321.73 · FHLB 4.09% 11/25/30	245,005.25
1321.74 · FHLMC Med 4.170% 01/27/31	245,005.25
1351.33 · FHLB 0.875% 3/10/26	245,000.00
1351.34 · Greenstate 0.7% 3/12/26 60269	249,000.00
1351.38 · Toyota 0.95% 7/22/26 57542	140,000.00
1351.39 · Synchrony 0.9% 8/20/26 27314	119,000.00
1351.40 · FHLN 0.9% 8/26/26	640,000.00
1351.41 · ConnectOneBk 0.8% 9/24/26 57919	136,000.00
1351.42 · PentagonFed 0.9% 9/29/26 227	249,000.00
1351.43 · FHLN 1.1% 10/13/26	350,000.00
1351.44 · FHLN 1.375% 11/16/26	270,000.00
1351.45 · FHLB 1.65% 12/30/26	270,000.00
1351.46 · FHLN 2.5% 3/29/27	270,000.00
1351.48 · StBk India 3.3% 6/1/27 33682	100,000.00
1351.49 · TSRY 2.375% 5/15/27	346,489.66
1351.51 · Morgan S Privt Bk 3.7% 9/26/29	245,000.00
1351.52 · Morgan S Bk 3.7% 9/26/29	105,000.00
1351.54 · Cross Riv Bk Teaneck 4% 1/3/28	245,000.00
1351.55 · AMEX NATL BK 4.15% 3/26/30	244,000.00
1351.56 · EAGLEBK BETH 4.05% 4/17/28	249,000.00
1351.57 · MILESTONE BANK 3.95% 4/28/28	245,000.00
1351.58 · FNBA 3.85% 4/30/29	249,000.00
1351.59 · Medallion BK 4.050% 5/19/28	249,000.00
1351.60 · UBS BK USA 4.10% 5/22/28	249,000.00
1351.61 · USF FCU 4.00% 7/30/30	249,000.00
1351.62 · Valley Nat'l Bk 3.95% 07/31/28	245,000.00
1351.63 · Connexus 3.75% 9/18/28	249,306.99
1351.64 · Royal BK CDA 4.10% 9/30/30	500,000.00
1351.65 · Gold Sachs BK USA 3.70% 10/7/30	245,000.00
1351.66 · Gulf Coast B&T 3.65% 11/25/30	245,000.00
1351.67 · Texas EXC Bank 3.75% 11/26/29	249,000.00

	Feb 28, 26
1351.68 · 3rd Fed SVG & LN 3.75% 12/19/30	245,000.00
1351.69 · Farmers & Merch. 3.70% 12/31/30	249,000.00
1351.70 · Customers Bank 3.80% 2/26/31	245,000.00
1351.71 · Celtic Bank 3.75% 2/27/31	249,000.00
1351.72 · Sunwest BK/UT 3.65% 2/27/31	249,000.00
1383.27 · FHLB 2.5% 2/25/27	670,000.00
1383.28 · BealBk 2.05% 3/3/27 57833	247,000.00
1383.29 · FHLB 2.5% 3/30/27	200,000.00
1383.30 · FHLB 3.25% 4/21/27	255,000.00
1383.31 · FHLB 3% 4/29/27 no call 24mo	250,000.00
1383.32 · FHLB 3.375% 5/28/27 no call24mo	255,000.00
1383.33 · AllyBk 3% 6/9/26 57803	139,000.00
1383.34 · SALLMA 4.3% 07/27/29	244,000.00
1383.35 · UBS 4.2% 07/24/29	248,000.00
1383.36 · FNMA 4.375% 8/6/29	179,184.50
1383.37 · Valley Natl 4.15% 1/27/28	244,000.00
1383.39 · BMW Bank of NA 3.95% 4/25/28	245,000.00
1383.40 · FHLB 4.125% 10/5/29	204,692.50
1383.41 · FHLB 4.375% 6/24/2030	185,878.75
1383.42 · Farmer MAC 4.26% 7/16/30	496,980.00
1383.44 · FNMA 4.00% 8/20/30	899,550.00
1383.45 · FNMA 3.75% 1/7/31	320,000.00
Total Investments	14,771,992.90
Total Current Assets	15,306,665.17

Investment Changes in February 2026

Purchased 1351.70	Customers Bank 3.80% 2/26/31	245,000.00
Purchased 1351.71	Celtic Bank 3.75% 2/27/31	249,000.00
Purchased 1351.72	Sunwest Bank/UT 3.65% 2/27/31	249,000.00
Called 1351.47	FHLB 3.75% 2./26/26	1,000,000.00

Investments by Maturity

February 2026

<u>Description</u>	<u>Cusip</u>	<u>Maturity</u>	<u>Rate</u>	<u>Amount</u>	<u>Est. Yr Interest</u>	<u>Avg Rate</u>
King Fidelity Treasury MM	FZFX		4.11%	\$ 567	\$ 23.29	
Maturity in 2025		\$ 567	0%			4.11%
FHLB	3130ALLS1	3/10/2026	0.88%	\$ 245,000	\$ 2,143.75	
Greenstate	39573LAY4	3/12/2026	0.70%	\$ 249,000	\$ 1,743.00	
Ally Bank	02007GSU8	6/9/2026	3.00%	\$ 139,000	\$ 4,170.00	
Toyota Fin	89235MLD1	7/22/2026	0.95%	\$ 140,000	\$ 1,330.00	
Synchrony	87165GD74	8/20/2026	0.90%	\$ 119,000	\$ 1,071.00	
FHLB	3130ANJT8	8/26/2026	0.90%	\$ 640,000	\$ 5,760.00	
ConnectOneBk	20786ADL6	9/24/2026	0.80%	\$ 136,000	\$ 1,088.00	
PentagonFed	70962LAS1	9/29/2026	0.90%	\$ 249,000	\$ 2,241.00	
FHLN	3130APB87	10/13/2026	1.10%	\$ 350,000	\$ 3,850.00	
FHLN	3130APLP8	11/16/2026	1.38%	\$ 270,000	\$ 3,712.50	
FHLB	3130AQBE2	12/30/2026	1.65%	\$ 270,000	\$ 4,455.00	
Maturity in 2026		\$ 2,807,000	19%			1.12%
FHLB	3130AQYG2	2/25/2027	2.50%	\$ 670,000	\$ 16,750.00	
Beal Bk	07371CK81	3/3/2027	2.05%	\$ 247,000	\$ 5,063.50	
FHLB	3130ARDY4	3/29/2027	2.50%	\$ 270,000	\$ 6,750.00	
FHLB	3130ARCL3	3/30/2027	2.50%	\$ 200,000	\$ 5,000.00	
FHLB	3130ARKD2	4/21/2027	3.25%	\$ 255,000	\$ 8,287.50	
FHLB	3130ARMS7	4/29/2027	3.00%	\$ 250,000	\$ 7,500.00	
US Treasury	912828X88	5/15/2027	3.54%	\$ 346,490	\$ 12,265.75	
FHLB	3130ARYQ8	5/28/2027	3.37%	\$ 255,000	\$ 8,593.50	
State Bank India N	856285N64	6/1/2027	3.30%	\$ 100,000	\$ 3,300.00	
Maturity in 2027		\$ 2,593,490	18%			2.83%
Cross Riv BK Teaneck	227563LU5	1/3/2028	4.00%	\$ 245,000	\$ 9,800.00	
Valley National Bk	919853PX4	1/28/2028	4.15%	\$ 244,000	\$ 10,126.00	
EAGLEBANK Bethesda	27002Y-HN-9	4/17/2028	4.05%	\$ 249,000	\$ 10,084.50	
BMW Bank NA	05612LEQ1	4/25/2028	3.95%	\$ 245,000	\$ 9,677.50	
Milestone BK SALT	59934M-DC-9	4/28/2028	3.95%	\$ 245,000	\$ 9,677.50	
Medallion BK Salt	58404D-XT-3	5/19/2028	4.05%	\$ 249,000	\$ 10,084.50	
UBS BK USA	90355G-WG-7	5/22/2028	4.10%	\$ 249,000	\$ 10,209.00	
Valley Nat'l Bk	919853QZ7	7/31/2028	3.95%	\$ 245,000	\$ 9,677.50	
Connexus	20825WES5	9/18/2028	3.75%	\$ 249,307	\$ 9,349.01	
1st Gty Bk Hammond	320437AT3	11/6/2028	4.35%	\$ 199,900	\$ 8,695.65	
Maturity in 2028		\$ 2,420,207	16%			4.02%
FNBA	32110Y-T7-0	4/30/2029	3.85%	\$ 249,000	\$ 9,586.50	
Mrgn Stanley BK	61776CPV3	6/6/2029	4.45%	\$ 115,000	\$ 5,117.50	
UBS	90355GPU4	7/24/2029	4.20%	\$ 248,000	\$ 10,416.00	
SALLMA	795451DM2	7/24/2029	4.30%	\$ 244,000	\$ 10,492.00	

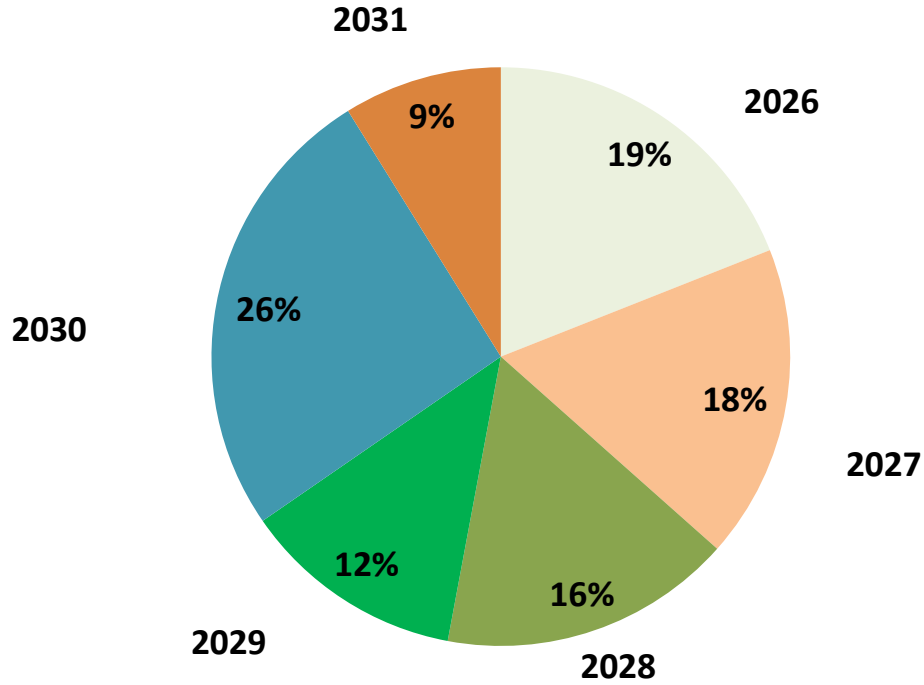
Investments by Maturity

February 2026

<u>Description</u>	<u>Cusip</u>	<u>Maturity</u>	<u>Rate</u>	<u>Amount</u>	<u>Est. Yr Interest</u>	<u>Avg Rate</u>
FNMA	3135GAU25	8/6/2029	4.38%	\$ 179,185	\$ 7,839.32	
Morgan S Privt Bk	61768UPS0	9/26/2029	3.70%	\$ 245,000	\$ 9,065.00	
Morgan S Bk	61776CBR7	9/26/2029	3.70%	\$ 105,000	\$ 3,885.00	
FHLB	3130B34U4	10/5/2029	4.13%	\$ 204,693	\$ 8,443.57	
Texas EXC Bank	88241TXB1	11/26/2029	3.75%	\$ 249,000	\$ 9,337.50	
Maturity in 2029 \$ 1,838,877 12%						4.03%
American Express Nat'l Bk	02589AGX4	3/26/2030	4.15%	\$ 244,000	\$ 10,126.00	
FHLB	3130B6T22	6/24/2030	4.38%	\$ 185,879	\$ 8,132.20	
Farmer MAC	31424WK43	7/16/2030	4.26%	\$ 496,980	\$ 21,171.35	
USF FCU	90353ECE1	7/30/2030	4.00%	\$ 249,000	\$ 9,960.00	
Fedl Natl MTG Assn	3136GANN5	8/20/2030	4.00%	\$ 899,550	\$ 35,982.00	
Royal BK CDA	RY6190844	9/30/2030	4.10%	\$ 500,000	\$ 20,500.00	
Gold SachsBK USA	38151PAH4	10/7/2030	3.70%	\$ 245,000	\$ 9,065.00	
Gulf Coast B&T	402194GS7	11/25/2030	3.65%	\$ 245,000	\$ 8,942.50	
FHLB	3130B8LT7	11/25/2030	4.09%	\$ 245,005	\$ 10,020.71	
3rd Fed SVG & LN	88413Q-JK-5	12/19/2030	3.75%	\$ 245,000	\$ 9,187.50	
Farmers & Merchants	308862-EH-O	12/31/2025	3.70%	\$ 249,000	\$ 9,213.00	
Maturity in 2030 \$ 3,804,414 26%						4.00%
FNMA	3136GCDK8	1/7/2031	3.75%	\$ 320,000	\$ 12,000.00	
FHLMC Med	3134HCPG8	1/27/2031	4.17%	\$ 245,005	\$ 10,216.72	
Customers Bank	23204H-RQ-3	2/26/2031	3.80%	\$ 245,000	\$ 9,310.00	
Celtic Bank Salt Lake	15118R-4D-6	2/27/2031	3.75%	\$ 249,000	\$ 9,337.50	
Sunwest Bank/UT	86804DDM7	2/27/2031	3.65%	\$ 249,000	\$ 9,088.50	
Maturity in 2031 \$ 1,308,005 9%						0.92%
				<u>Investments</u>	<u>Annual Interest</u>	<u>Avg</u>
Total				\$ 14,772,560	\$ 478,914	3.24%

Description Cusip Maturity Rate Amount Est. Yr Interest Avg Rate

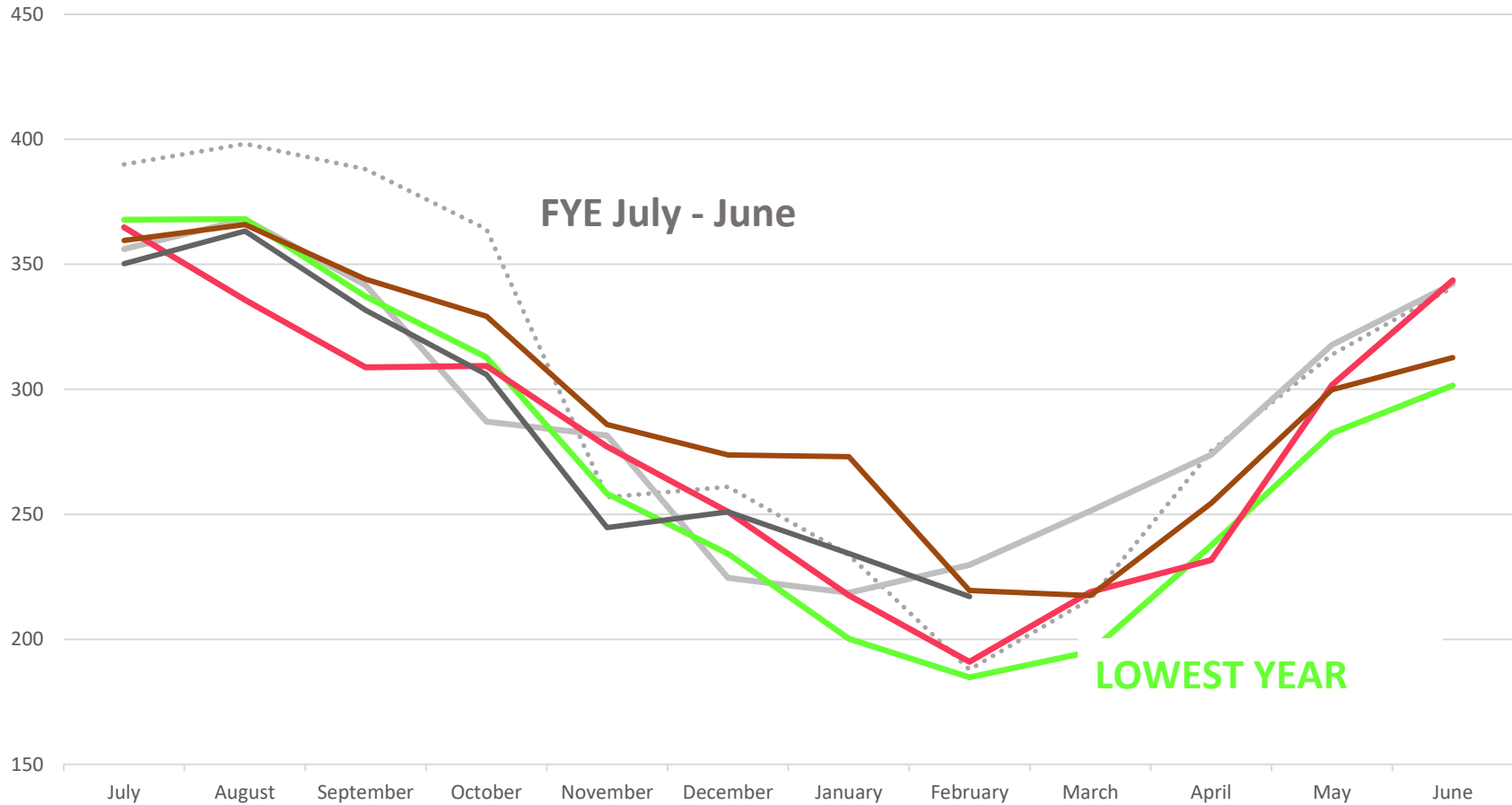
Investments by Maturity Year



Annual Projected Interest *On a monthly basis*



Water Demand



..... **FYE 21** — **FYE22** — **FYE23** — **FYE24** — **FYE25** — **FYE26**

OPERATIONS REPORT
April 2026
BOARD OF DIRECTORS MEETING

General Operation:

- *EOS Building updates*
- *Asphalt jobs all over town*
- *SCADA improvements*
- *Improved treatment testing methods and training*

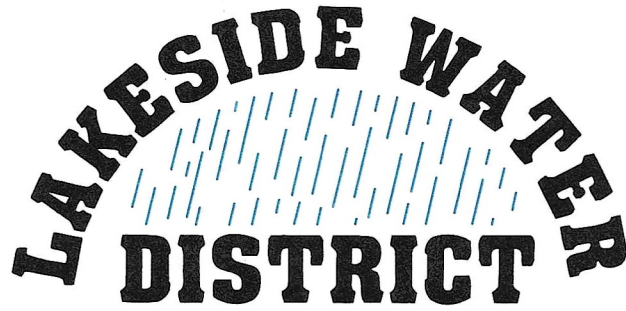
Contractor/ Developer/ County Projects:

- *River Run East update*
- *River Street-City of San Diego job*

District Emergencies Repairs:

- *Main breaks 0*
- *Service leaks 1 Air-Vac fail*
- *Fire hydrants 2 Single Oak Place and Los Coches*

BOARD OF DIRECTORS:
FRANK I. HILLIKER
PETE JENKINS
STEVE JOHNSON
EILEEN NEUMEISTER
STEVE ROBAK



BRETT SANDERS
GENERAL MANAGER

ADRIANA OCHOA
ATTORNEY

DEXTER WILSON
ENGINEER

**Summary of Bids for the
Yerba Valley Annexation Pipeline Project Private Customer Lines**

	Yerba Valley Road and Yerba Valley Way	Genesis	Buena Vida Rd.	Total
A.B. Hashmi	\$ 547,475	\$222,475	\$209,400	\$ 979,350
Palm Eng. Const.	\$1,118,090	\$541,850	\$482,250	\$2,142,190

LAKESIDE WATER DISTRICT

BOARD REPORT

TO: Board of Directors

FROM: Brett Sanders, General Manager

DATE: April 7, 2026

SUBJECT: Consideration of Resolution 26-02 to Approve the Low Bid for the Yerba Valley Annexation Pipeline Project-Private Customer Lines

Recommendation:

Reject all bids and do not approve Resolution 26-02, and re-advertise for construction bids as soon as possible.

Alternative:

The board to consider Resolution 26-02 approving the apparent low bid submitted by A.B. Hashmi, Inc. in the amount of \$979,350 and authorize the general manager to execute contract if approved.

Background:

The Yerba Valley Annexation Pipeline Project Private Customer Lines project is a new pipeline project, projected to be funded by the USDA. This project was separated from the watermain project because of the USDA's funding criteria that all funded projects shall be under public agency ownership. This could not happen in this situation with numerous property's having individual utility access rights and the District's position that we do not own customer lines from the meter to the house. The estimate for this project was \$287,000 and was based on the District's estimation of time, material and the scope of the job. The district received two bids ranging from \$979,350 to \$2,142,190.

Discussion:

The Yerba Valley Annexation Pipeline Project Private Customer Lines Project involves approximately 5,500 L.F. trenching and 19,500 L.F. of 2" PVC pipe installation within a common private property roadway easement with individual utility rights.

A Notice Inviting Bids was advertised on February 10th, 2026 with a pre-bid meeting held on February 24, 2026. There were two attendees at the pre-bid conference. The

advertised construction cost was \$267,000. The District received two bids with the low apparent bid from A.B. Hashmi in the amount of \$979,350, which is 3.5 times higher than the advertised construction cost. Our evaluation of the bid compared to our projected costs showed higher costs trenching, pipe installation, backfill and paving.

Fiscal Impact:

Significant, this project is to be paid for by the Community Facilities District Mello Roos formed by the property owners and the District. The apparent low bid total brings the total cost into an unaffordable range that will increase the assessment higher than projected totals. The District budgeted \$450,000 for the pipeline project, which includes legal and engineering.

RESOLUTION NO. 26-02

RESOLUTION OF THE BOARD OF DIRECTORS OF THE LAKESIDE WATER DISTRICT AWARDING CONTRACT FOR THE YERBA VALLEY ANNEXATION PIPELINE PROJECT – PRIVATE CUSTOMER LINES

WHEREAS, by Motion the Board of Directors approved plans and specifications for the Yerba Valley Annexation Pipeline Project – Private Customer Lines.

WHEREAS, pursuant to said Motion the District called for the submission of the bids for said project in accordance with said plans and specifications; and

WHEREAS, at the time fixed for the opening of said bids, all bids that had theretofore been received were opened and publicly read aloud. A.B. Hashmi, Inc. deemed to have submitted the apparent low bid.

WHEREAS, it is in the best interest of the District to accept the lowest responsible bid.

NOW, THEREFORE, IT IS HEREBY RESOLVED, DETERMINED, AND ORDERD by the Board of Directors of Lakeside Water District as follows:

1. That the bid by A.B. Hashmi, Inc. in the amount of \$979,350 for the labor and materials for the Yerba Valley Annexation Pipeline Project – Private Customer Lines, represented the lowest responsible bid and it hereby is accepted on the conditions hereinafter stated.
2. That the acceptance of this bid is further conditioned upon the execution of the contract, the delivery of the certificates referred to therein, and the furnishing of bonds of faithful performance and for payment of all persons performing labor or furnishing material in connection therewith, all as provided in the contract documents.

3. That upon fulfillment of the conditions prescribed in Part 2 thereof, the General Manager be and he hereby is authorized and directed to notify said contractor of the action of the Board.
4. That the President or Secretary be and they hereby are authorized and directed to execute said contract of behalf of the Lakeside Water District with A.B. Hashmi, Inc. at such time as the conditions contained in this resolution and in the billing and contract documents have been complied with by said contractor.
5. That upon final approval and execution of said contract, the General Manager is hereby authorized to send to said contractor a written notice to proceed, directing said contractor to commence work upon said project.

PASSED AND ADOPTED at a regular meeting of the Board of Directors of the Lakeside Water District held on April 7, 2026 by the following vote to wit:

AYES:

NOES:

ABSENT:

Attest:

Brett Sanders, Secretary
Lakeside Water District

Eileen Neumeister, President
Board of Directors

Memorandum

To: Board of Directors

From: Brett Sanders

Date: 4/2/2026

Re: Consider Proposals for the District's Annual Financial Audit

Board Members,

We have solicited proposals from four Certified Public Accounting firms to perform the required annual financial audit for the District and received proposals from three. We sent out our Request for Proposals on February 11, 2026, and requested the submittal by March 12th. Our request was for a three-year agreement with an option for two single-year extensions.

To meet the requirements of this Request for Proposal, the audits are to be performed in accordance with auditing standards generally accepted in the United States of America, and "Minimum Audit Requirements and Reporting Guidelines for California Special Districts" as required by State Controller's office (California Code of Regulations Title 2, Section 1131.2).

All of the firms who provided proposals have provided audits for California Water Agencies. Greg Sheets has reviewed the proposals and believes all firms are qualified and have the required experience to perform a quality audit.

Following is a summary of the total proposals for each year of the potential five-year agreement term.

Firm	FY 2026	FY 2027	FY 2028	FY 2029 (Opt)	FY 2030 (Opt)	Total
Nigro & Nigro	\$25,500	\$25,500	\$25,500	\$25,500	\$25,500	\$127,500
LSL, LLP	\$29,110	\$29,110	\$30,570	\$30,570	\$32,100	\$151,460
Davis Farr	\$32,400	\$33,600	\$34,945	\$36,340	\$37,700	\$174,985

Nigro & Nigro has the lowest overall cost, but they have the lowest projected hours at 130. LSL has projected 175 hours and Davis Farr has projected 236 hours.

Following is a more detailed analysis of each firm's proposal.

Nigro & Nigro

- Most work out of SD area.
- The firm has a lot of experience.
- Very detailed audit plan.
- Estimated 130 hours. Lowest.
- Rates are reasonable.
- Proposal was most detailed on what they would do and when.
- Price is good.

LSL, LLP

- References indicate they operate in the San Diego area.
- Audit plan looks reasonable - 175 hours. Slightly below mid-point.
- Rates are on the high side.

Davis Farr, CPA

- Local CPA firm.
- Estimated audit hours 236 – most of all firms. Probably comparable to previous audit firm.
- Rates are reasonable.
- Use CaseWare audit software.

A review of references indicates that each firm has a history satisfactory performance in performing audits for public agencies. Staff does believe that each firm will be able to perform the audit as required and the final decision rests with the Board so you are comfortable with choice of firms.

Thank you,
Brett Sanders



PROPOSAL FOR
PROFESSIONAL AUDITING
SERVICES

Prepared By:
Davis Farr LLP
1903 Wright Place | Suite 280
Carlsbad, CA 92008

Contact Person:
Shannon Ayala, CPA | Partner
Office: 760.536.5140 | Direct: 760.298.5872
Email: sayala@davisfarr.com



Lakeside Water District

10375 Vine Street
Lakeside, CA 92040

March 13, 2026

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APPENDIX

Resumes

Peer Review Documentation

February 10, 2026

Lakeside Water District
10375 Vine Street
Lakeside, CA 92040

We are pleased to provide our proposal to perform audit services to the Lakeside Water District (“the District”) for the fiscal year ending June 30, 2026 through June 30, 2028, with optional extensions through 2030.

Our approach to service emphasizes open and consistent communication, proactive problem-solving, and valuable support. We prioritize listening to your ideas and concerns, leveraging our financial and operational expertise to develop effective, creative solutions. We believe our firm is the optimal choice for the District because of the following reasons, which are detailed further in our proposal:

- Our team assumes a leadership role when it comes to accounting and auditing issues faced by local governments. Our Partners actively participate in organizations such as the Government Accounting and Audit Committee of the CalCPA Society, CSMFO Professional Standards Committee, GFOA Special Review Committee, and regularly speak at conferences and training events, including the recent CSMFO Annual Conference.
- We currently provide audit services to approximately 50 special districts in California and possess a deep understanding of the challenges unique to California governments and water districts. This allows us to offer high-quality audits tailored to your District’s needs.
- We harness data mining software to detect irregularities in your accounting data, prioritizing areas where errors and potential fraud are more likely to occur.

We appreciate the opportunity to demonstrate our qualifications and are eager to establish a professional working relationship. Our proposal remains a firm and irrevocable offer for 90 days. I encourage you to contact me directly at (760) 298-5872 if you have any questions.

Very truly yours,



Shannon Ayala, CPA
Partner

Section A – About Davis Farr LLP

Background Information – Davis Farr LLP is a regional accounting firm that provides comprehensive attest and advisory services to federal, state, and local governments through offices in California and Washington. Our Carlsbad office will be responsible for this engagement. Our personnel have collectively served governmental entities for over 30 years, with government audit personnel classified as noted in the table below.

License to Practice in California – Davis Farr LLP, as well as all key personnel are licensed as independent certified public accountants (CPAs) with the California State Board of Accountancy.

Independence – Davis Farr LLP is independent with respect to the District as defined by U.S. General Accounting Office’s *Government Auditing Standards* and Generally Accepted Auditing Standards. Davis Farr LLP has not had any prior engagements with the District in the past five years. Neither Davis Farr LLP nor the key personnel have any potential or real conflicts of interest.

Quality Control – Our firm is committed to maintaining the highest standards of quality control. We are members of the American Institute of Certified Public Accountants (AICPA) and participate voluntarily in the AICPA Peer Review Program, with our most recent Peer Review report demonstrating our “Pass” in maintaining the highest level of quality control for our services, including government engagements. We are also members of the AICPA’s Government Audit Quality Center. Our firm has had no disciplinary action taken or pending against us for the past three years by any state regulatory bodies or professional organizations.

Training – We prioritize the ongoing education and training of every professional member of our firm. Each team member is required to complete 80 hours of training over two years, with at least 24 hours annually dedicated to specific government accounting and audit topics. Our extensive range of courses span professional and technical subjects, including Fraud, Professional Ethics and Governmental Accounting and Auditing, ensuring all of our practitioners maintain their professional expertise.

Proposal Affirmations – We warrant the following in relation to the proposal:

1. The firm is willing and able to obtain an Errors and Omissions Insurance Policy providing prudent amount of overage for the willful or negligent acts or omissions of any officers, employees, or agents thereof.
2. The firm will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the Lakeside Water District.
3. All information provided by the firm in connection with this proposal is true and correct.
4. The firm will acknowledge and agree with all terms and conditions stated in this Request for Proposal.
5. The firm will sign the attached standard Agreement for Professional Services and to provide insurance certificates and all other required documentation within seven (7) days of notification of selection.



Classification	Number of Employees
Partners	7
Managers	8
Supervisors	7
Seniors	16
Staff	7
Administrative	5
Total personnel	52



Professional Affiliations

Government Audit Quality Center – Davis Farr LLP is a member of the Government Audit Quality Center (GAQC). The GAQC promotes the importance of quality governmental audits and the value of such audits to purchasers of governmental audit services. GAQC is a voluntary membership center for CPA firms and state audit organizations that perform governmental audits.

National Registry of CPE Sponsors – Davis Farr LLP is registered with the National Association of State Board of Accountancy (NASBA), offering clients continuing professional education (CPE) programs consistent with nationally recognized standards. Our annual GASB Update is a prime example of our dedication to providing CPE opportunities to our clients.

California Society of CPAs (CalCPA) – Many of the CPAs employed by our firm are also members of CalCPA, regularly participating in chapter meetings, education forums, and other events. Our firm’s high standards have been recognized by CalCPA, through their “*Women to Watch*” award in the Experienced Leader category, granted to one of our Partners.

American Institute of Certified Public Accountants (AICPA) – Our firm is also a member of the AICPA, which develops and promotes industry standards in audits, shares educational materials with its members, and enforces compliance with technical and ethical standards.

California Society of Municipal Finance Officers (CSMFO) – We are members of CSMFO, a statewide organization serving all California municipal finance professionals. The Partners of Davis Farr LLP regularly participate in CSMFO chapter meetings and conferences, presenting a variety of accounting and auditing technical topics.

Government Finance Officers Association (GFOA) – The GFOA strives toward enhancing and promoting the professional management of governmental financial resources for the public benefit. Davis Farr LLP’s Partners are members of the Special Review Committee for the Certificate of Achievement Program, which reviews Annual Comprehensive Financial Reports submitted to GFOA for the Excellence in Financial Reporting Award Program. We continue to advance our knowledge and share our expertise in these institutions, enabling us to deliver the highest-quality services to our clients.



Section B – Qualifications and Related Experience

With a strong track record in servicing governmental entities, Davis Farr LLP has established itself as a leading provider of specialized auditing services throughout California, currently servicing approximately 100 municipal, state, and federal government entities. Our team brings a unique combination of expertise, technical skills and experience in local government accounting and auditing practices to our engagements, ensuring our clients receive the highest level of service possible. Services routinely provided to our clients include, but are not limited to:



Our government expertise includes Cities, Special Districts, and other Governmental entities. Among the special districts that the professionals of Davis Farr LLP have served recently are the following:

- Beach Cities Health District
- Big Bear Community Service District
- Borrego Springs Water District
- Coachella Valley Assoc. of Governments
- Coachella Valley Conservation Commission
- Cucamonga Valley Water District
- Desert Community Energy
- Fairfield-Suisun Sewer District
- Hass Avocado Board
- Imperial LAFCO
- Irvine Ranch Water District
- Julian Community Services District
- Laguna Beach County Water District
- Los Angeles County LAFCO
- Majestic Pines Community Service District
- March Joint Powers Authority
- Marin LAFCO
- Municipal Water District of Orange County
- North County Dispatch JPA
- Orange County Water District
- Orange County LAFCO
- Otay Water District
- Placer County Water Agency
- Public Cable Television Authority
- Ramona Municipal Water District
- Rancho California Water District
- Rincon Water District
- Riverside County LAFCO
- Salton Sea Authority
- San Bernardino County LAFCO
- San Diego Association of Governments
- San Diego County Water Authority
- San Diego LAFCO
- San Juan Water District
- Santa Barbara LAFCO
- Santa Fe Irrigation District
- Santa Margarita Water District
- Soquel Creek Water District
- Tahoe Regional Planning Agency
- Tahoe Transportation District
- Tahoe-Truckee Sanitation Agency
- Valley Center Municipal Water District
- Valley Sanitary District
- Ventura Regional Sanitation District
- Visit Greater Palm Springs
- Vista Irrigation District
- West Basin Municipal Water District
- Yucaipa Valley Water District

Section C – Client References

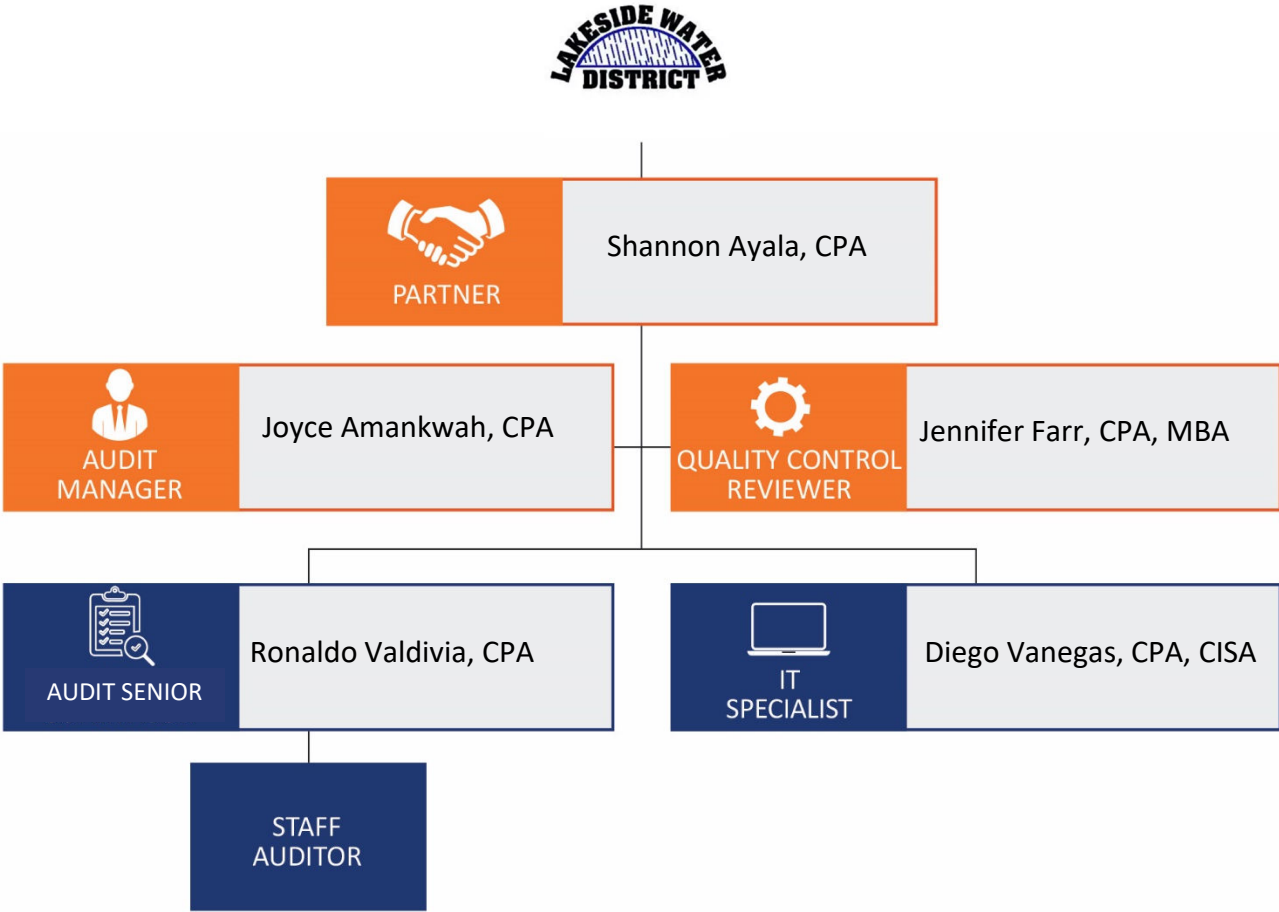
For your convenience, we have listed below references for audit work currently being performed by Davis Farr LLP personnel for several districts throughout Southern California. For each of the references, we currently serve as independent auditors and have served these clients for a number of years.

CLIENT 1	Valley Center Municipal Water District 29300 Valley Center Road Valley Center, CA Vanessa Velasquez, Accounting Manager 760.735.4543 vvelasquez@vcmwd.org	<i>Financial Statement Audit of the District</i>	250 Hours
CLIENT 2	Rancho California Water District 42135 Winchester Road Temecula, CA Karrie Swaine, Controller 951.296.6938 swainek@ranchowater.com	<i>Financial Statement Audit of the District, Santa Rosa Regional Resource Authority, OPEB Benefit Plan and 4 Community Facilities District</i>	500 Hours
CLIENT 3	Ramona Municipal Water District 125 2 nd Street Ramona, CA Joe Spence, Assistant General Manager 760.788.2223 jspence@rmwd.org	<i>Financial Statement Audit of the District</i>	200 Hours

Section D – Proposed Staffing

The success of any audit depends on the availability of personnel with the required managerial and technical skills. The engagement team at Davis Farr LLP has years of collective experience serving as a team of professionals on numerous financial audit examinations of local government entities. Our team will be composed of key personnel, including the Partner, Manager, and Senior Auditor, who will not be removed or replaced without the prior consent of the District.

At Davis Farr LLP, we recognize that efficient administrative management and supervision of the audits is a vital factor in attaining the desired results for our clients. To ensure that the auditing process runs smoothly and produces accurate results for the District, we have developed a solid organizational structure for providing independent auditing services, as follows:



Section E – Work Plan

At Davis Farr, we are committed to conducting our engagements in the most efficient manner possible, and our audit approach is designed to be sensitive to the priorities and requirements of our clients. Some unique features of our approach include:

- We prioritize minimizing disruption to District staff and completing the audit in a timely manner. As such, we schedule our audit segments and request documentation around the schedules of our clients.
- When possible, we strive to make use of existing accounting support materials already prepared by District staff. This avoids unnecessary duplication of effort and undue requests for supporting schedules. Typically, we request support for balance sheet items, the year-end trial balances and cash and long-term debt confirmations.
- Our expertise and focus is in governmental auditing, and our auditors possess the skills and know-how to address issues that are specific to local governments.
- We believe the key to effective internal control recommendations lies in understanding the unique circumstances and needs of each client we serve. For this reason, we take great care to acquire a comprehensive understanding of the specific circumstances at the District, so we can formulate practical and tailored recommendations that best meet your needs.
- We also understand that accounting issues can arise at any time of the year, and that addressing these concerns is critical to the success of your organization. That's why we make it our priority to be a constant resource for our clients throughout the year, providing accounting advice, researching technical questions, assisting with tax-related issues and helping with other challenges as they occur.

Audit Software - We utilize the highly versatile CaseWare audit software when generating electronic copies of audit workpapers. We understand the need for flexibility and are able to accept audit documentation in both hard copy and electronic format. CaseWare provides the ability to import trial balances from Excel or text documents, allowing us to begin analyzing figures almost immediately. CaseWare audit software offers numerous benefits, including:

- We create our own lead sheets and analytical review schedules through the software. This limits the amount of time finance staff spend creating audit schedules. The automated process also generates analytical review reports by account number. This makes it easier to examine significant fluctuations between fiscal years.
- We can link the financial statement schedules directly to the CaseWare trial balances. As a result, we can provide the District with financial statements soon after receiving the trial balance from the District. Journal entries are simple to post to the financial statement schedules, minimizing the risk of data entry errors.
- We can provide customized reports that outline the grouping of the financial statement schedules. These reports show each account grouped to a specific financial statement line item and journal entries posted during the audit.

Data Mining Software – At Davis Farr, we pride ourselves on leveraging technology to improve accuracy and efficiency of our audit procedures. Our dedicated team of trained personnel uses specialized data mining software, IDEA, to identify and investigate inconsistencies and irregularities within your accounting system. The software works by analyzing source data pinpoint potential anomalies, including, but not limited to, cross-referencing vendor and employee addresses, detecting duplicate or voided checks, reviewing journal entry posting for unauthorized individuals, and identifying accounting transactions recorded on the weekend. The IDEA software goes a step further by highlighting specific transactions for the auditors to review, thus enhancing the identification of potential fraud or errors.

Internal Control Evaluation – We have developed an effective methodology for evaluating internal controls that ensures we gain an understanding of your organization's procedures. Our approach includes observation and inquiry, which allows us to thoroughly explore the accounting cycles. When assessing internal controls, we invest significant time with the personnel overseeing the accounting process to better understand the procedures in place.

Following this preliminary assessment, we identify key controls in your processes and design customized tests to evaluate the effectiveness of your existing procedures. In the initial year of the audit, we will focus on the following accounting cycles:

- Billing and cash receipting
- Capital assets
- Purchases and cash disbursements
- Payroll
- Investment and cash controls
- Information systems

In future years, we will continue to review the accounting cycles mentioned earlier, while refining our approach to other related processes, such as credit card transactions, petty cash, inventory controls, offsite cash receipting, employee reimbursements, contract compliance, and so forth. Our goal is to continually refine our audit approach to achieve optimal efficiency, increase the scope of our assessments and hone our ability to identify and address potential issues.

Audit Stage	Procedures Performed
<p>Planning and Inquiry</p>	<p>During the planning phase of the audit, we plan to perform the following procedures:</p> <ul style="list-style-type: none"> ✓ Meet with finance personnel to gain an understanding of significant transactions during the year. ✓ Communicate with the Board of Directors to ensure compliance with relevant laws and regulations and address any concerns they may have regarding the finances of the District. ✓ Perform internal control evaluations as outlined above. ✓ Determine materiality levels to guide our selection of audit transactions. ✓ Perform a risk assessment to develop the audit plan for the year. ✓ Review minutes of the Board meetings to gain an understanding of financial actions taken by the District throughout the year. ✓ Examine new contracts, bond documents, and agreements. ✓ Evaluate compliance with investments in accordance with the District’s investment policy and CA Government Code. ✓ Test purchase orders and contract management. ✓ Test a sample of cash disbursements to determine adherence to policies and internal controls. ✓ Perform a review of the District’s information systems and controls. ✓ Conduct compliance testing of federal grants, where applicable. ✓ Review the prior audited financial statements and offer feedback to District staff regarding best practices in financial reporting. ✓ Provide a GASB standard update and templates for implementing new accounting standards where applicable.
<p>Year-End Testing</p>	<p>After the books are closed and ready for audit, we will perform our year-end procedures which include the following:</p> <ul style="list-style-type: none"> ✓ Confirming 100% of all cash and investment balances and test market values provided by your investment custodians. ✓ Confirming and testing material notes and loans receivable. ✓ Testing the additions and deletions to capital assets and reviewing depreciation expense for reasonableness. ✓ Testing interfund transactions including due to/due from other funds and transfers. ✓ Testing current liabilities and perform a search for unrecorded liabilities. ✓ Reviewing unearned revenue balances for proper cutoffs. ✓ Testing the balances of accrued payroll and employee related liabilities. ✓ Confirming long-term debt with independent parties, when applicable. ✓ Reviewing the journal entry to record the debt for accuracy in years of new debt issuances. ✓ Testing of actuarial valuations and calculations related to pension and OPEB obligations and disclosures under GASB 68 and 75. ✓ Evaluating claims and judgments payable. ✓ Testing of restrictions and classifications of net position.

Audit Stage	Procedures Performed
	<ul style="list-style-type: none"> ✓ Analyze grant revenues and expenses to ensure proper matching within the fiscal year. ✓ Test the reasonableness of interest income, realized, and unrealized gains/losses on investments. ✓ Analytically and substantively test revenues and expenses reported in the financial statements. ✓ We will incorporate an element of unpredictability every year that will focus on an audit area that is not typically considered a high or significant risk area such as petty cash, credit card purchases, new vendors, travel expenses, etc. <p>This list of tests, while not exhaustive, represents some of the critical procedures that we undertake during the audit process. During the final stage of the audit, we review our findings and necessary adjustments with your Finance staff. We will ensure you are fully informed of any adjustments or recommendations and that all your questions and concerns are addressed.</p>
Single Audit Approach	<p>As part of the Single Audit for the years in which the District expends greater than \$1,000,000, we will perform the following procedures in accordance with the Uniform Guidance:</p> <ul style="list-style-type: none"> ✓ Perform an evaluation of the major programs required to be tested. ✓ Review OMB guidance and the OMB Compliance Supplement for the major program selected. ✓ Evaluating internal controls for each of the applicable compliance areas for each program audited. ✓ Using AICPA sampling guidance, we select a sample for each of the applicable compliance areas for each program audited, testing the sample for compliance. ✓ Testing the indirect cost rate, if applicable. ✓ Reviewing monitoring reports for noncompliance and follow up on the resolution of past noncompliance, if applicable. ✓ Issue a single audit report of federal expenditures. ✓ File the data collection form within the specified deadline.
Completion of the Audit and Preparation of Financial Statements	<p>Our goal is to deliver comprehensive, audited financial statements that conform to generally accepted accounting principles. Throughout the audit, we scrutinize all relevant information to ensure a reliable and accurate representation of the District's finances. The culmination of this audit information is then used to reach a conclusion on whether the financial statements taken as a whole conform with generally accepted accounting principles.</p> <ul style="list-style-type: none"> ✓ Reviewing significant events following the year-end closing process. ✓ Reviewing attorney letters for significant legal matters. ✓ Providing five levels of review on the District's Annual Report. ✓ Meeting with the Board of Directors to present the audit results, as requested.

Section F – Implementation of New GASB Pronouncements

We are committed to helping our clients navigate the ever-changing world of accounting standards. We understand implementing new standards presents significant challenges, and we provide guidance and support to help our clients implement these changes efficiently and effectively. In the upcoming years, the District will be required to implement several new accounting standards. Our services extend to consulting on these new standards to ensure your organization is well-prepared to meet the specified requirements.

Below are some of the significant new GASB pronouncements planned or proposed for local governments that may impact the District:

<p><i>GASB 103: Financial Reporting Model Improvements</i></p>	<p>The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. The requirements of this statement will be effective for the fiscal years beginning after June 15, 2025.</p>
<p><i>GASB 104: Disclosure of Certain Capital Assets</i></p>	<p>The objective of this Statement is to require certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, <i>Leases</i>, and intangible right-to-use assets recognized in accordance with Statement No. 94, <i>Public-Private and Public-Public Partnerships and Availability Payment Arrangements</i>, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, <i>Subscription-Based Information Technology Arrangements</i>, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. The requirements of this statement will be effective for the fiscal years beginning after June 15, 2025.</p>
<p><i>GASB 105: Subsequent Events</i></p>	<p>The objective of this Statement is to define subsequent events as transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement describes the date the financial statements are available to be issued as the date at which (1) the financial statements are complete in a form and format that complies with generally accepted accounting principles and (2) approvals necessary for issuance have been obtained. That definition modifies the subsequent events time frame throughout the GASB literature. This Statement also requires the date through which subsequent events have been evaluated to be disclosed. The requirements of this statement will be effective for the fiscal years beginning after June 15, 2026.</p>

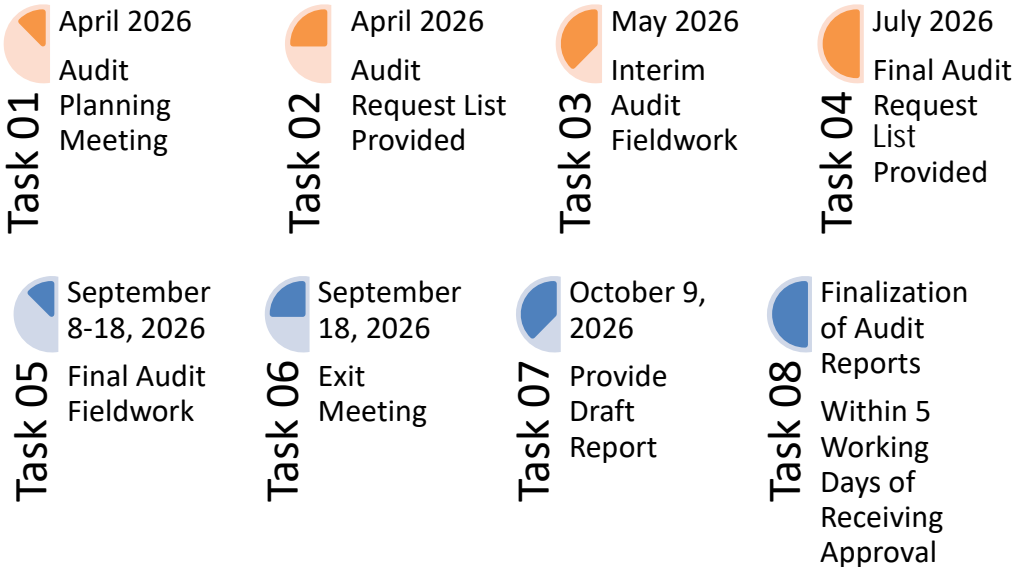
Section G – Scope of Work

Our understanding of the objectives and scope of the work to be performed for the District is as follows:

- Conducting an audit examination of the financial statements of the District for the fiscal year ending June 30, 2026 through 2028, with optional extensions through 2030, in accordance with generally accepted auditing standards, the AICPA Audit and Accounting Guide, Audits of State and Local Government Units, and the Government Auditing Standards issued by the Comptroller General of the United States. We will ensure that the Basic Financial Statements are prepared in conformity with the most recent edition of the GAAFR, the GAAFR Update, and subsequent GASB pronouncements.
- When necessary, we will perform a compliance audit of federal expenditures in accordance with the *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* in any year the District has federal expenditures of more than \$1,000,000.
- We will prepare a letter to the Board of Directors summarizing the audit results in accordance with the Codification of Auditing Standards Section AU-260.
- We will prepare a letter to the Board of Directors reporting any internal control issues that meet the threshold of a significant deficiency or material weakness, as defined by the Codification of Auditing Standards Section AU-265. We will immediately report any irregularities or illegal acts that come to our attention to management and/or those charged with governance.
- As requested, we will meet with the Board of Directors to discuss the results of the audit.
- Finally, we consider our role as advisors to the District regarding generally accepted accounting principles to be an essential part of our services. Throughout the year, the management and other finance personnel of the District will have full access to our team to seek advice on various matters relating to the application of generally accepted accounting principles, financial statement preparation and content, debt issuances, upcoming accounting standards and any other issues that may arise.

Section H – Proposed Timing of the Audit for FY 25/26

The following proposed timing is subject to the District’s revision and approval:





COST PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Prepared By:

Davis Farr LLP
1903 Wright Place | Suite 280
Carlsbad, CA 92008

Contact Person:

Shannon Ayala, CPA | Partner
Office: 760.536.5140 | Direct: 760.298.5872
Email: sayala@davisfarr.com



Lakeside Water District

10375 Vine Street
Lakeside, CA 92040

March 13, 2026



Davis Farr LLP
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612
Main: 949.474.2020 | Fax: 949.263.5520

February 10, 2026

Lakeside Water District
10375 Vine Street
Lakeside, CA 92040

We are pleased to provide our cost proposal for audit services to the Lakeside Water District (“District”) for the fiscal years ending June 30, 2026 through June 30, 2028, with optional extensions through 2030.

I certify that I am entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the Lakeside Water District.

I look forward to you contacting me so that I can answer any questions which you may have. You may contact me at (760) 298-5872.

Very truly yours,

A handwritten signature in blue ink that reads "Shannon Ayala".

Shannon Ayala, CPA
Partner

REQUIRED FORMS



ATTACHMENT A

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

The following is our estimate of the fees required to perform the audit:

Service Provided	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
<i>District Audit</i>	\$32,400	\$33,600	\$34,945	\$36,340	\$37,700
<i>Single Audit, if Required*</i>	\$4,500	\$4,600	\$4,700	\$4,700	\$4,700

*Includes one major program, additional programs can be audited at \$2,500 per program.

The following is our estimate of the hours by professional classification required to perform the services previously outlined:

Classification	Hours	Percentage
<i>Partner</i>	24	10%
<i>Manager</i>	32	14%
<i>Audit Supervisor/Senior</i>	100	42%
<i>Staff Auditor</i>	80	34%
Total	236	100%

For additional work performed outside of the engagement, our rates are as follows:

<i>Partner</i>	\$250
<i>Manager</i>	180
<i>Supervisor/Senior</i>	130
<i>Staff</i>	110



DavisFarr
CERTIFIED PUBLIC ACCOUNTANTS



PREPARED BY
LSL, LLP
Certified Public Accountants
License Number 2584

PROPOSAL PRESENTED TO
Lakeside Water District
Professional Auditing Services

Date of Submission: March 13, 2026
Valid for 90 Days

Authorized by:
Ryan Domino, CPA, Partner
Ryan.Domino@lslcpas.com
500 Technology Drive
Suite 350
Irvine, CA 92618
(949) 829 - 8299

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Transmittal Letter

March 13, 2026

Lakeside Water District
10375 Vine St.
Lakeside, CA 92040

Delivered Via Email: finance@lakesidewater.org

Dear Lakeside Water District General Manager and Board of Directors,

LSL, LLP (“LSL”) is pleased to present our proposal for Professional Auditing Services, and we value the opportunity to demonstrate our professional qualifications and commitment to excellence to the Lakeside Water District (“District”).

We understand that the Lakeside Water District is seeking a qualified firm to perform annual audits of the financial statements and issue opinions on the District’s financial statements for a contract period of three (3) years, beginning with the fiscal year ending June 30, 2026, through 2028, with the option to extend for two (2) single-years, through 2030.

At LSL, our Government Services team isn’t just another department – it’s the backbone of our firm. With a robust team of 60+ audit and consulting professionals, we bring decades of experience and highly specialized industry knowledge dedicated to serving state and local governments across the United States. Our expertise has shaped efficient procedures and streamlined work plans that deliver results.

Our government assurance team specializes in high-quality governmental audits aligned with GAAS and current GASB pronouncements. We prioritize accuracy and thoroughness while ensuring timely report delivery. Our commitment to effective collaboration and transparency with the District safeguards the integrity of its financial reporting and compliance with all regulatory requirements. With unequalled government experience, we are confident that LSL is the best-qualified accounting firm for the District.


AUTHORIZED REPRESENTATIVE

Ryan Domino is the designated Engagement Partner who will serve as the primary point of contact for this proposal. He is authorized to make representations on behalf of our firm and can be reached directly by phone at (714) 592-1814 or by email at Ryan.Domino@lslcpas.com. Please contact Ryan for any clarification or contract negotiations related to this proposal.

We affirm that our proposal fully aligns with all terms, conditions, and requirements outlined in the District's RFP. Our proposal is a firm and irrevocable offer for ninety (90) calendar days following the closing date of the receipt of proposals.

We welcome the opportunity to discuss any aspect of our proposal to ensure your complete satisfaction.

Sincerely,



Ryan Domino, CPA, Partner
LSL, LLP

B. Independence

LSL meets the independence requirements set forth by the *Government Auditing Standards*. Our partners have no ownership in any other business organization that currently or will potentially provide services, supplies, materials, or equipment to the District. We annually distribute a listing of our firm's clients to all employees to ensure that any possible independence threats are properly documented and reviewed. Additionally, LSL, LLP, has not had any professional relationships with the District or members of its Board of Directors within the past five (5) years.

C. License to Practice in California

LSL is a public accounting firm licensed by the State of California Department of Consumer Affairs as a Public Accounting Partnership. Additionally, we are members of the American Institute of Certified Public Accountants (AICPA) and the California Society of Certified Public Accountants (CalCPA). All key members assigned to this engagement are licensed or are in the process of obtaining their license as Certified Public Accountants by the State of California.

BUSINESS LICENSE

LSL affirms that we will obtain and maintain active business licensure with the Lakeside Water District upon award of contract.

D. Firm Qualifications and Experience

HISTORY & SIZE

LSL, LLP is a limited liability partnership and is not a wholly owned subsidiary of a parent company.

LSL was established in 1929 and has grown as a leader in the government sector. Our full-service accounting firm is headquartered in Irvine, California, with a dynamic team of 15 partners, 4 principals, and 165 employees. At LSL, our Government Services team isn't just another department – it's the backbone of our firm. With a robust team of 60+ audit and consulting professionals, we bring decades of experience and highly specialized industry knowledge dedicated to serving state and local governments across the United States.

We provide auditing, accounting, and consulting services to over 100 municipal clients, including counties, cities, water and electric utility districts, and special-purpose government agencies. Our government sector services encompass a broad range of specialties, including attestation, compliance, consulting, outsourced accounting and reporting, year-end close assistance, interim staffing, strategic planning, and tax services.

LSL'S GOVERNMENT TEAM RESOURCES

Our governmental staff consists of three (3) Partners, one (1) Director, four (4) Senior Managers, eight (8) Managers, nine (9) Supervisors, and twenty (20) Professional Staff.

LSL will not be subcontracting any portion of the District's audit. All staff assigned to the audit portion of the engagement will be employed by LSL on a full-time basis and have extensive experience providing auditing services for cities, counties, and special-purpose government agencies. However, LSL does collaborate with a third-party for the preparation of the SCO (State Controller's Office) reports to ensure that the reports are prepared and filed correctly and timely by experts in those reports.

Our educational programs are designed to provide our team members with the knowledge and skills necessary to deliver high-quality services to our clients. We offer a variety of training opportunities, including those provided by CalCPA, AICPA, Government Audit Quality Center, and Government Finance Officers Association (GFOA).

LOCATION



Irvine, CA

500 Technology Drive, Suite 350
Irvine, CA 92618
Phone: (949) 829-8299

Sacramento, CA

500 Capitol Mall., Suite 2350
Sacramento, CA 95814
Phone: (916) 503-9691

Phoenix Metropolitan Area, AZ

950 W. Elliot Rd., Suite 110
Tempe, AZ 85284
Phone: (480) 424-7855

The Woodlands, TX

21 Waterway Avenue, Suite 30089
The Woodlands, TX 77380
Phone: (936) 828-4587

Our Irvine office will serve as location from which work on this engagement is to be performed however, we regularly share staff and resources across our offices to leverage the virtual footprint of our government team that spans across the United States. This collaborative approach ensures that you receive the highest level of industry-specialized service while maintaining a streamlined, reliable audit and comprehensive coverage.

NUMBER AND NATURE OF STAFF ASSIGNED

There will be five staff assigned to the District's engagement, one engagement partner, one concurring partner, one relationship manager, one audit supervisor, and one audit in-charge.

PEER REVIEW

Our firm has participated in the AICPA Peer Review Program since its inception. All our peer reviews have covered governmental engagements and have received *pass* ratings. Our most recent peer review conducted by Spafford and Landry CPAs is provided on the following pages.



HERE TO MAKE THE COMPLEX SIMPLE.

Patrick D. Spafford, CPA
Todd C. Landry, CPA

Licensed by the California Board of Accountancy
Member: American Institute of Certified Public Accountants

Report on the Firm's System of Quality Control

To Lance, Soll & Lunghard, LLP
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP (the firm) in effect for the year ended May 31, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of the applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and employee benefit plan audits.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Lance, Soll & Lunghard, LLP in effect for the year ended May 31, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, *pass with deficiency (ies)*, or *fail*. Lance, Soll & Lunghard, LLP has received a peer review rating of *pass*.

Spafford & Landry, Inc.

March 30, 2023

H. Bidding Proposal

ALL-INCLUSIVE MAXIMUM PRICE

All-Inclusive Maximum Price by Report					
Report	2025-26	2026-27	2027-28	Optional 2028-29	Optional 2029-30
Financial Statement Audit	\$29,110	\$29,110	\$30,570	\$30,570	\$32,100
Out-of-Pocket Expenses	<i>Included</i>	<i>Included</i>	<i>Included</i>	<i>Included</i>	<i>Included</i>
Total for Fiscal Year (Not-to-Exceed)	\$29,110	\$29,110	\$30,570	\$30,570	\$32,100

LSL'S STANDARD HOURLY BILLING RATES

Auditor's Standard Billing Rates	2025-26	2026-27	2027-28	Optional 2028-29	Optional 2029-30
Partner	\$443	\$443	\$466	\$466	\$490
Director	\$349	\$349	\$367	\$367	\$386
Senior Manager	\$308	\$308	\$324	\$324	\$341
Manager	\$263	\$263	\$277	\$277	\$291
Supervisor	\$236	\$236	\$248	\$248	\$261
Senior Accountant	\$188	\$188	\$198	\$198	\$208
Experienced Staff	\$158	\$158	\$166	\$166	\$175
Staff Accountant	\$143	\$143	\$151	\$151	\$159
Clerical	\$83	\$83	\$88	\$88	\$93

MANNER OF PAYMENT

LSL's offers two manners of payment to our government audit clients. The first manner of payment is an upfront payment for the services to be rendered, less a 10% retention. This payment is due upon execution of the professional services agreement or the engagement letter. We apply an additional 5% discount to the overall audit fee for up-front payments. The second method of payment is that 90% of the total fees are invoiced in equal, monthly installment payments commencing from the month the professional services agreement or engagement letter is executed and scheduled to conclude December each year. If the installment payment method is selected, if the scope of work is concluded earlier than December of each year, the remaining balance becomes due and payable upon completion of the annual scope of work. Under both methods, the final 10% retention is due and payable upon completion of the scope of work. The peripheral reports (e.g., the Single Audit and Appropriations Limit) are invoiced upon completion of the scope of work. Invoices will not be provided on a more than monthly interval.

**TECHNICAL PROPOSAL
FOR
PROFESSIONAL AUDITING SERVICES**

Lakeside Water District

**For the Fiscal Years Ending
June 30, 2026-2028
(With the Option for Fiscal Years 2029 to 2031)**

NIGRO & NIGRO^{PC}

Respectfully Submitted on March 6, 2026 by:

Paul J. Kaymark, CPA
Nigro & Nigro, PC
pkaymark@nncpas.com
Federal Tax ID: 30-0636241
Nncpas.com

Murrieta Office: 25220 Hancock Ave. #400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
Walnut Creek: 2121 N. California Blvd. #290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444

Let's Work Together!



*By applying our financial expertise,
we partner with our clients to build
valuable relationships that inspire success.*

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March 6, 2026

Ms. Melinda Vargas, Finance & Accounting Specialist
Lakeside Water District
10375 Vine St
Lakeside, CA 92040

Dear Ms. Vargas

Thank you for the opportunity to submit this proposal to provide audit services for the Lakeside Water District (District). Our understanding of the work to be done is: the annual audit of the District's financial statements and ACFR for the fiscal years ending June 30, 2026-2028 with a three-year option. Based on our history with water agencies, we believe our firm would be a great fit, and we would develop a great working relationship. Our staff works hard to help ensure our audits are completed with the highest level of service and meet all deadlines.

Although many people think that all water agencies function in the same manner, we know that's not the case. The audit leadership team we've assigned to your District, including myself, will take the time to learn the intricacies of your organization. We find that by delving deep into our client's structure and operations we are able to make recommendations that are not only useful, but also practical to implement.

At Nigro & Nigro, PC, our greatest strengths correspond to your most critical needs; we possess the full spectrum of resources needed to most effectively help the District's management team and Board members meet their goals – all at a very competitive rate. We believe we are your best choice.

- **Credibility, Reputation, and Resources of a Large Firm** without sacrificing the small-firm touch. Our CPAs and consultants can help you analyze and address financial, operational, and regulatory issues so you can focus attention on serving your citizens. We were originally formed in 1999, and now perform annual audits for approximately 100+ public agencies annually.
- **State-Wide Reach with Local Presence.** At Nigro & Nigro, we have the benefit of having the resources of a state-wide firm while serving you from our Murrieta (Headquarters) and Walnut Creek offices.
- **Dedicated IT Auditor.** Having a dedicated IT Auditor on the audit team provides critical value by ensuring that the agency's information systems and technology controls are thoroughly assessed by a specialist with focused expertise. This dedicated role enhances the depth and accuracy of the audit by identifying potential vulnerabilities, inefficiencies, or compliance issues that might otherwise go undetected. It also allows for more effective evaluation of cybersecurity, data integrity, access controls, and IT governance, ultimately strengthening the overall internal control environment and reducing risk. Furthermore, a dedicated IT Auditor can offer targeted recommendations tailored to the agency's technology landscape, supporting more informed decision-making and long-term operational resilience. **A Value-Added Service from our Firm.**

- **An Efficient and Effective Work Plan.** We currently serve over 100+ governmental entities statewide, which enables our staff to understand the scope of the audit. We also understand the District's complexities, not just from a compliance standpoint but also from an operational point of view. We have developed an effective work plan that takes into consideration your needs for high quality audit services, as well as timely deliverables. As a result of our efficient work plan, we commit to meeting your deadlines to complete our auditing services within the time-period you have specified.
- **Efficiency.** Our use of portal software allows you to upload audit documentation at any time, which will minimize disruption to your staff and enable timely completion of all deliverables.
- **Thought Leadership.** Members of our firm have been actively involved as presenters in numerous industry conferences and programs, including the GFOA, CSDA, and CSMFO. We have incorporated our experience with these committees into our audit framework.
- **Engagement Team.** We know that quality people drive quality results, which is why our commitment to you starts with the engagement team members who are selected based on their experience, focus on serving local government agencies, and who are the best fit for you. Each of the District's engagement team members have completed and exceeded the mandatory requirement for continuing professional education hours as requested in the RFP. Paul Kaymark, Partner, will be the main contact for the District regarding this project and as you can see from the Audit Teams resumes, in the following pages, they have many years of experience to make the audit a smooth process.
- **A Focus on Providing Consistent, Dependable Service to Government Entities.** Nigro & Nigro is organized by industry, affording our clients with industry-specific expertise supplemented by valuable local service and insight. Therefore, the District will enjoy the service of members of our Governmental Audit Services Team who have experience with similar governmental entities and understand the issues and environment critical to you. You will not have to train our auditors.

You may have many options in selecting a professional audit firm. By choosing Nigro & Nigro, you will gain value-added accounting and operational insights. We are the right fit for the District, as we have the expertise and depth of resources within our firm to offer you exceptional service while maintaining a sincere and honest relationship. We understand the work, we are committed to meeting your deadlines, and we would like the opportunity to continue to be your auditors. We also commit to meeting or exceeding your expectations.

Thank you once again for the opportunity to present our qualifications. If you have any questions about our offerings, please do not hesitate to contact me.

Sincerely,



Paul J. Kaymark, CPA
 Managing Partner
 Special District's Audit Services Partner



LICENSE TO PRACTICE IN CALIFORNIA

The Firm and its entire CPA staff hold licenses to practice in the State of California. The Firm's CPA's are all members in good standing with the California Society of CPA's and the AICPA. We will assign a California licensed CPA as the auditor in charge of the audit.

PROFILE OF THE FIRM

Statement of Independence

Our standards require that we be without bias with respect to your operations. The Firm is independent of all entities listed in the RFP, as defined by auditing standards generally accepted in the United States of America and the U.S. General Accounting Office's "Governmental Auditing Standards". In addition, the Firm shall give the District written notice of any relevant professional relationships entered into during the period of this agreement.

Experience

Nigro & Nigro team members are highly trained in governmental accounting and auditing, which sets us apart as being able to add value beyond the basic attest engagement. We are comfortable working with clients of various sizes. Within the past five years, we have worked with numerous governmental clients with revenues ranging from \$200,000 to over \$300 million.

Prior to any audit engagement, our engagement team leader will meet with the Board, Audit Committee and Management to gain a full understanding of the philosophy, objectives and policies for operating the organization, as well as to discuss significant business, regulatory and accounting matters that will affect the audit. At the conclusion of the audit, we will communicate the results of the audit with the Board, Audit Committee and Management.

Areas of specialization include:

- Audit and Review Services
- Government Auditing Standards & Single Audits
- Annual Report of Financial Transactions
- Agreed Upon Procedures Engagements
- Annual Comprehensive Financial Report (ACFR) development

PROFILE OF THE FIRM (CONTINUED)

Size of Our Firm

Firm-wide, we have the following staffing for our governmental audit services:

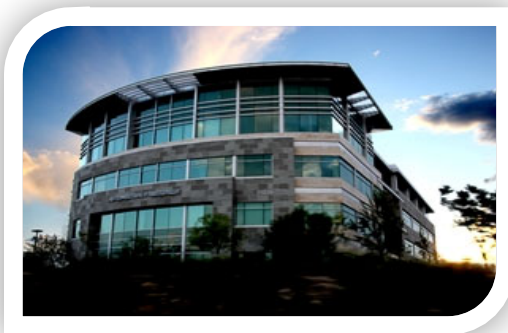
Position	Number of Employees	Number of Licensed CPA's
Partner*	9	9
Senior Manager	1	1
Manager	5	5
Supervisor	5	-
Senior Associates	8	-
Support Staff	3	-
Total	40	15

**Although the term "partner" is used throughout this proposal to avoid confusion, the firm is organized as a Professional Corporation, and the firm's owners are "shareholders."*

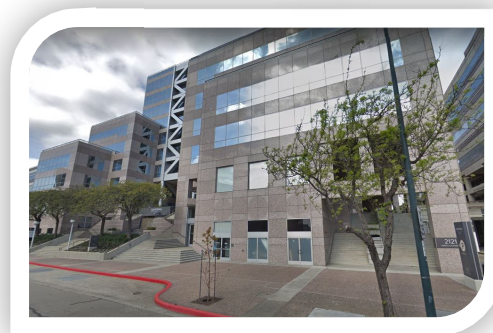
Size and Location of Offices

The firm was originally established in 1999. In 2013, we opened our second office in Northern California in order to better serve our growing client base of agencies in the San Francisco Bay Area. The Firm now has five partners and a professional staff of 18 accountants and expects to add more in the coming years as we continue to grow. We are a full service firm, providing audit and review, tax, consulting, and accounting services to local government, non-profit organizations, charter schools, commercial businesses and homeowners' associations. The office serves clients of all sizes and industries, however, we focus on government agencies, just like yours.

We are prepared to do what it takes to provide the extra level of service required to maintain a long-term business relationship.



MURRIETA OFFICE



WALNUT CREEK OFFICE

Range of Activities Performed

- Consulting and other services for numerous other agencies and not-for-profits
- Tax services for individuals, corporations, and non-profit organizations

PROFILE OF THE FIRM (CONTINUED)

Peer Review

Our firm's most recently issued peer review report can be found under the "Additional Documents" section of the proposal. A firm can receive a "Fail", "Pass with Deficiencies", or a "Pass" rating. The firm's most recent peer review report rating was a Pass. This rating indicates that the firm's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with professional standards and applicable legal and regulatory requirements in all material respects. As required by our membership in the Government Audit Quality Center (GAQC), the peer review included a selection of a sample of governmental audit engagements.

Meet Your Audit Leadership Team

Listed on the following pages are the resumes of the management team that will be assigned to your audit. As mentioned previously, our staff members have considerable governmental audit experience. This gives us a pool to draw on in addition to the group listed.

Name	Role	Years of Experience in Audits
Paul J. Kaymark, CPA	Lead/Review Partner	32
Jared Solmonsén, CPA	Engagement Audit Partner	8
Stacy Macias, CPA	Senior Audit Manager – Federal Compliance	8
Anabel Cruz, CPA	Audit Manager	7
Tyler Cook	Audit Supervisor	4
Angelina Paunkov	Audit Senior	3
Valeria Castaneda	Audit Staff	2
Alejandra Melero	Audit Staff	1

Proposed Pricing Per Professional Staff Member

Professional	Hours	Rates		Total
		Standard	Quoted	
Partner	10.00	\$ 275.00	\$ 250.00	\$ 2,500.00
Managers	20.00	250.00	225.00	4,500.00
Seniors	40.00	225.00	200.00	8,000.00
Staff Members	60.00	200.00	175.00	10,500.00
Admin	-	125.00	100.00	-
Subtotal	130.00			25,500.00
Out-of-Pocket - Included in Rates (We Are Local)				-
Total Max				\$ 25,500.00

Fiscal Year	FY 2026	FY 2027	FY 2028	Total
District Financials ACFR	\$ 25,000	\$ 25,000	\$ 25,000	\$ 75,000
SCR Preparation, if needed	500	500	500	1,500
Total	\$ 25,500	\$ 25,500	\$ 25,500	\$ 76,500

Same Price for FY 2029 to FY 2031

Federal Single Audit - \$5,000, if needed

ADDITIONAL INFORMATION

Testimonial

"Few people have the opportunity to work with someone who was a coach and a mentor-but I did when I worked with Paul. I had the pleasure working directly under Paul's supervision and I was particularly impressed by his ability to handle even the toughest clients - and effortlessly. That skill often takes years to develop, but it seemed to come perfectly natural to him. Paul was one of those rare partners who also naturally serve as an inspiring mentor for the whole staff and I was grateful to learn a lot from him."

*Deana Miller
Accounting Manager
PolyCera, Inc.*

Fraud Hotline



Throughout the audit process, we will make available our fraud hotline reporting service at no additional charge over the period of the contract to ensure the District has an effective anti-fraud program.



STATE WATER RESOURCES CONTROL BOARD
REGIONAL WATER QUALITY CONTROL BOARDS

“Conservation as a Way of Life” Compliance Summary:
Lakeside Water District (ORG ID 1368)

Report prepared by State Water Resources Control Board staff on February 23, 2026

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1 Executive Summary

The “Making Conservation a California Way of Life” regulation establishes unique efficiency goals for each urban retail water supplier in California and provides those suppliers flexibility to implement locally appropriate solutions. The regulation seeks to cultivate long-term practices that help communities adapt to California’s ongoing water challenges.

The regulation requires suppliers to:

- Annually calculate urban water use objectives for a subset of urban water uses: residential indoor water use, residential outdoor water use, real water loss, and commercial, industrial, and institutional (CII) landscapes with dedicated irrigation meters (DIMs)
- Carry out performance measures for CII water use
- Annually report to the State Water Board

This report summarizes the supplier’s compliance with annual reporting requirements under the “Making Conservation a California Way of Life” regulation for the state fiscal year 2024-2025. This report was due on January 1, 2026.

1.1 Key Highlights from the Report

The following points are a summary of Sections 3 through 7.

- The report was submitted **on time**, on December 18, 2025.
- The supplier has **met** its calculated objective for fiscal year 2024-2025.¹
- The supplier has no approved variances or temporary provisions for fiscal year 2024-2025.
- The report contains 1 data quality flag.

1.2 Objectives Calculated with Future Standards

The water use objectives will become progressively smaller as standards change through 2040. The following table compares the current water use objective and reported water use (shown in million gallons) to future efficiency requirements; the full summary can be found in Section 8. While this table does not capture how future water use objectives will be influenced by changes in local climatology, service area population, square footage of irrigated landscapes, and other data that will factor into future water use efficiency objectives, it is provided as a tool for local planning purposes.

Year	FY 24-25 Use (MG)	Calculated/Projected Objective (MG)	Current use lower than objective?
Current	981.4	1,591.4	Yes
FY25-26	981.4	1,539.1	Yes
FY30-31	981.4	1,474.3	Yes
FY35-36	981.4	1,298.0	Yes
FY40-41	981.4	1,212.8	Yes

Table 1: Simplified version of Table 6. Objectives calculated using the values and standards specified in Table 5 (with the exception of CII DIMs due to lack of data). See Section 8 for more information on the calculations and assumptions made.

¹The State Water Board will begin formally assessing compliance with the objective for the report due on January 1, 2027.

2 Introduction

The “Making Conservation a California Way of Life” regulation went into effect on January 1, 2025. Pursuant to the regulation, urban retail water suppliers are annually required to submit a reporting form to the State Water Resources Control Board (State Water Board) by January 1 of each year. This document is intended to provide the supplier with a high-level summary of its compliance with reporting requirements for the state fiscal year 2024-2025, as well as some supplemental information that may help to inform future decision-making. Sections 3 through 7 summarize the information that the supplier provided on the required reporting form, as well as data quality issues identified by State Water Board staff. Section 8 calculates what the objective for fiscal year 2024-2025 would look like if future water use efficiency standards were applied.

Note: This is the second year that water use and water use objectives were required to be reported and calculated pursuant to the State Water Board’s regulation, and State Water Board staff are identifying errors in the submitted data and reporting form as review is ongoing; these errors may impact the values shown throughout this report. Staff are taking steps to identify the more common errors so that they are corrected by suppliers and are resolved by the time water use objective compliance is assessed (i.e., for reports submitted January 1, 2027).

This report was generated by the State Water Board on February 23, 2026.

3 Report Submittal Date

The fiscal year 2024-2025 report was due on January 1, 2026. The version reviewed by the State Water Board was submitted on December 18, 2025.

4 Comparing the Objective to Reported Water Use

The supplier has **met** its calculated objective for fiscal year 2024-2025.

The final urban water use objective and corresponding reported water use, as calculated in the reporting workbook, is summarized in Table 2 in both million gallons (MG) and acre-feet (AF). Please note that compliance with the objective will first be formally assessed for the fiscal year 2025-2026, based on the report due January 1, 2027.

Quantity	Value (MG)	Value (AF)
Objective	1,591.4	4,883.7
Actual Water Use	981.4	3,011.7

Table 2: Objective and reported water use for fiscal year 2024-2025

As of the report due January 1, 2026, the SBx7-7 backstop volumes for process and recycled water are no longer equivalent to the values reported in the 2020 Urban Water Management Plan. Instead, they are based on values calculated in the SBx7-7 Backstop section of the reporting form. If the supplier had previously reported process and/or recycled water in the 2020 urban water management plan and did not include it in this year’s report, this may lower the volume of the SBx7-7 backstop relative to that shown in the fiscal year 2023-2024 report, and result in a lower objective volume. Please refer questions about these changes to State Water Board staff at waterconservation@waterboards.ca.gov.

If you have any questions about how the objective was calculated, please refer to Appendix A.

5 Summary of Data Quality Flags for Objective Calculations

Table 3 summarizes objective data-related issues as identified by State Water Board staff.

Section	Data Checked	Reporting Issues Flagged
Objective	Calculated Final Volume	None
Objective	Intermediate Calculations	None
Residential Indoor	Calculated Volume	None
Residential Indoor	Required Cells Left Blank	None
Residential Outdoor	Calculated Volume	None
Residential Outdoor	LAM Data	None
Residential Outdoor	Required Cells Left Blank	None
Bonus Incentive	Calculated Volume	None
Water Loss Budget	Calculated Volume	None
Water Loss Budget	Service Connections/ Length of Mains	None
Actual Water Use	Calculated Volume	None
Actual Water Use	Missing/ Zero Potable Deliveries	None
Actual Water Use	Required Cells Left Blank	None
Real Water Loss	Reported Volume	None
Real Water Loss	Reporting Method	None
SBx7-7 Backstop	Required Cells Left Blank	None

Table 3: Data quality flags for the objective-related data

6 Summary of Data Quality Flags for Variance Calculations

As of the fiscal year 2024-2025 reporting period, variances and temporary provisions are reviewed by State Water Board staff; approved variances and temporary provisions are prefilled into the report. This has removed the need for variance data quality flags.

The supplier has no approved variances or temporary provisions for fiscal year 2024-2025.

7 CII Performance Measures

Table 4 summarizes Commercial, Institutional, and Industrial (CII) Performance Measures data-related issues as identified by State Water Board staff. The table summarizes flags for the CII Classification, Dedicated Irrigation Meters (DIMs) and In-Lieu Technologies, and Best Management Practices (BMPs) sections in the reporting form.

Section	Data Checked	Reporting Issues Flagged
CII Classification (972)	Required Cells Left Blank	None
CII Classification (972)	Number of Service Connections	Zero CII service connections reported.
DIMs and In-Lieu Tech (973)	Large Landscapes Identification Method	None
DIMs and In-Lieu Tech (973)	Required Cells Left Blank	None
BMPs (974)	CII BMP Identification Method	None
974(c)(1)	Required Cells Left Blank	None

Table 4: Data quality flags for the CII BMP sections

8 Objectives Calculated with Future Standards

The current and future standards for the urban water use objective calculations are summarized in Table 5.

Year	Residential Indoor	Residential Outdoor	CII DIMs	Water Loss Budget
FY23-24	55 GPCD	0.8 LEF	Volume as Reported	Reported or Budget
FY25-26	47 GPCD	0.8 LEF	Volume as Reported	Reported or Budget
FY30-31	42 GPCD	0.8 LEF	0.8 LEF (starts July 1, 2028)	Budget (starts July 1, 2027)
FY35-36	42 GPCD	0.63 LEF	0.63 LEF	Budget
FY40-41	42 GPCD	0.55 LEF	0.45 LEF	Budget

Table 5: Summary of the standards that inform objective calculations

Using the standards in Table 5 and the calculation steps explained in Appendix A, as well as the data provided in the fiscal year 2024-2025 report, State Water Board staff generated objective volume estimates as shown in Table 6.

Please note that these values do **not** represent the final calculated budgets for the corresponding years; they are intended to show what an objective for the fiscal year 2024-2025 would look like if future standards, rather than the standards in effect at the time, were applied to the reported data. Compliance with the regulation is a long-term process, but programs or actions implemented to reduce service area demand may also take time to implement and produce intended outcomes. State Water Board staff have provided these numbers as a starting point for considerations of which actions, if any, may need to be taken.

The budget associated with irrigable-not-irrigated landscapes (INI) is conditionally included or not included in the budget as noted in the “INI Included?” column of the table (see item 6 in the list of assumptions below for details). Future water use objectives will be influenced by changes in local climatology, service area population, and square footage of irrigated landscapes, as well as other data points that are not yet available, such as the square footage of CII landscapes with DIMs.

Please note that issues with missing or incorrect data from the fiscal year 2024-2025 report may also affect these values.

Year	INI Included?	Capped?	Objective (MG)	Objective (AF)	FY 24-25 use lower than objective?
Current	No	No	1,591.4	4,883.7	Yes
FY25-26	No	No	1,539.1	4,723.3	Yes
FY30-31	No	No	1,474.3	4,524.5	Yes
FY35-36	No	No	1,298.0	3,983.4	Yes
FY40-41	No	No	1,212.8	3,722.0	Yes

Table 6: Objectives calculated using the values and standards specified in Table 5 (with the exception of CII DIMs due to lack of data; see point 3 below)

These values were generated using the following assumptions:

1. For all years, reported quantities such as population, irrigated residential landscapes, and excluded demands remained constant.
2. For all years, the volume of requested variances (with the exception of the seasonal population variance, if applicable) remained the same as the volumes requested in this year’s submitted report.
3. For all years, the CII with DIMs budget was assumed to be equivalent to the reported actual water use for CII with DIMs, since the landscape area data is not yet available. Variances for CII with DIMs are therefore assumed to be 0.
4. The water loss budget prior to FY2030-2031 was equivalent to the value selected by the reporter in this year’s submitted report. The water loss budget for FY2030-2031 onwards was set as either (A)

the water loss budget calculated using the standards; or (B) the reported water loss, if one or more necessary components for the water loss budget calculation were missing.

5. The volume of the bonus incentive, if applicable, was capped according to the reported method and calculated objective for the corresponding year.
6. The 20% INI was included if actual water use exceeded the pre-“capped” objective for the corresponding year.
7. Before 2040, if the “no backsliding” provision was applicable and the supplier was part of a regional alliance that met its regional target, the pre-“capped” objective was used in place of the “capped” objective.

A Steps to Calculate Objective

Table 7 summarizes the initial budget components as determined within the submitted workbook, in both million gallons (MG) and acre-feet (AF).

Budget Component	Equation Symbol	Budget Value (MG)	Budget Value (AF)
Residential Indoor	RI_B	661.3	2,029.3
Residential Indoor Variances and Provisions	RI_V	0.0	0.0
Residential Outdoor	RO_B	862.2	2,645.9
Residential Outdoor Variances and Provisions	RO_V	0.0	0.0
CII with DIMs	DIM_B	13.3	40.7
Real Water Loss	RWL_B	54.6	167.7
Bonus Incentive	BI	0.0	0.0
Sum (before INI)	OBJ	1,591.4	4,883.7

Table 7: Individual budgets within the objective for fiscal year 2024-2025

The following section describes the step-by-step calculations that produced the final objective for fiscal year 2024-2025. All calculations are shown in million gallons.

1. The initial water use objective (not including INI, the bonus incentive, or the “no backsliding” provision) was calculated as follows:

$$Obj_{init} = RI_B + RI_V + RO_B + RO_v + DIM_B + RWL_B$$

$$OBJ_{init} = 661.3 + 0.0 + 862.2 + 0.0 + 13.3 + 54.6$$

$$OBJ_{init} = 1,591.4 \text{ Million Gallons}$$

2. The bonus incentive was reported as 0 or not calculated. Therefore,

$$OBJ = OBJ_{init}$$

$$OBJ = 1,591.4 \text{ Million Gallons}$$

If you think the bonus incentive should be greater than 0, please review the values that were entered in the “Bonus Incentive” tab of the reporting form.

3. The calculated objective was greater than actual water use for FY 2024-2025, so the 20% INI buffer was not added to the objective.

Volume	Equation Symbol	Value (MG)	Value (AF)
Objective without INI	OBJ	1,591.4	4,883.7
Actual Water Use	AWU	981.4	3,011.7
20 pct INI Volume (if applicable)	RO_{INI}	132.4	406.3
Excluded Demands	$EXCL$	127.2	390.4

Table 8: Summary of volumes used in steps 3 and 4 to compare to the SBx7-7 target volume

$$OBJ_{ADJ} = OBJ$$

$$OBJ_{ADJ} = 1,591.4 \text{ Million Gallons}$$

4. The “no backsliding” provision was assessed.

SBx7-7 Component	Equation Symbol	Value (MG)	Value (AF)
SBx7-7 Target Volume	SBX_V	1,840.0	5,646.6
Process Water	PW	0.0	0.0
Indirect Recycled	IR	0.0	0.0
Total No Backsliding Volume	SBX_{TOT}	1,840.0	5,646.6

Table 9: Summary of supplier’s individual SBX7-7 target volume, plus any additional demands excluded from the original target

The sum of the objective plus excluded demands (OE) is as follows:

$$OE = OBJ_{ADJ} + EXCL$$

$$OE = 1,591.4 + 127.2$$

$$OE = 1,718.6 \text{ Million Gallons}$$

OE was less than the no backsliding volume, SBX_{TOT} . Therefore, the final objective remains as calculated in the prior step.

$$OBJ_{FINAL} = OBJ_{ADJ}$$

$$OBJ_{FINAL} = 1,591.4 \text{ Million Gallons}$$



YOUR BEST PROTECTION

January 26, 2026

Mr. Brett Sanders, General Manager
Lakeside Water District
10375 Vine Street
Lakeside, California 92040-2440

Re: Workers' Compensation, Liability, and Property Risk Assessment

Dear Mr. Sanders:

I visited Lakeside Water District on January 14, 2026. The purpose was to identify opportunities to reduce potential liability, property, and workers' compensation loss exposures. Please pass on my thanks to Paul Malinoski, Safety Officer, and Melinda Vargas, Finance and Accounting Specialist, for taking the time to meet with me. Below are highlights of our discussion and related JPIA resources.

Loss Review

The District's Experience Modification Rates (E-Mods) are currently 0.73 for Workers' Compensation (WC) and 1.07 for the Liability Program.

For Workers' Compensation, we reviewed that the District has had two claims in the last five years. The most recent was a strained lower back while shoveling. Ergonomics is the most reported type of claim, and conducting a job hazard analysis on common tasks can help verify that proper controls are in place. It was good to hear from Paul that Lakeside WD has an Ergonomic Program in place, which provides detailed responsibilities for both supervisors and employees.

Property Program

During our walkaround of the District's Maintenance Yard, Paul provided a tutorial on the new Engineering Operations and Security building currently under construction. We also looked at the solar panels that were installed last year.

As a reminder, all property must be scheduled before loss or within 90 days of acquisition to ensure coverage applies; any additional contributions will be prorated. Using the [RiskStar Member Dashboard](#), members are encouraged to review and update their Property Schedules throughout the year. If a loss occurs to unscheduled property, there is no coverage. Staff are encouraged to continue consulting the JPIA when questions arise regarding property claims. For assistance, please contact [JPIA Member Services](#).

Mr. Brett Sanders, General Manager
Lakeside Water District
January 26, 2026
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Program Contacts

For detailed information regarding workers' compensation claims, please contact [Erin Bowles](#), JPIA Workers' Compensation Claims Manager.

For detailed information regarding liability and property claims, please contact [Judy Shiu](#), Liability and Property Claims Manager.

For information on Member Contributions, please contact [David deBernardi](#), JPIA Director of Finance.

Risk Control Grant Program and H.R. LaBounty Safety Awards Program

We reviewed the JPIA's Risk Control Grant Program. It is designed to help members prevent or mitigate losses. JPIA members may be eligible for a grant award of up to \$10,000 to fund risk management and safety program projects. For additional information, please visit the [JPIA's Grant Program](#) page on our website.

The H.R. LaBounty Safety Awards Program is designed to promote safe workplace behavior and operations practices while rewarding employees who participate in risk-reducing actions. Please visit the [H.R. LaBounty Safety Awards Program](#) page for more information.

Risk Control Manual (RCM) and Commitment to Excellence (C2E)

The [RCM](#) and [C2E](#) are resources members can use when developing or updating policies for their Safety and Loss Control Programs. During our meeting, we reviewed the following sections.

Risk Control Manual

- **Section 15 Forms and Checklists** – We discussed using the Sample [PPE Hazard Assessment Form](#) to help in updating current work procedures.
- **Section 16 Ergonomics** – [The Back School](#) is a good opportunity for employees to learn how to conduct ergonomic evaluations.

Commitment to Excellence

- **Construction** – The use of the [Contractor Prequalification Resources](#) and the [JPIA SOG Contractor General Safety Practices](#) can help when reviewing contractors for District jobs.

Training

Paul and I discussed scheduling Ergonomics and Defensive Driving training for District personnel in 2026.

Focus Areas

Fall Prevention Standards – Paul informed me that the District has ladder safety devices on all fixed ladders. This is a great way to protect employees from fall hazards. For more information, please review the *Splash Alert* on the [fixed ladder standard](#).

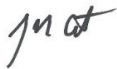
Mr. Brett Sanders, General Manager
Lakeside Water District
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Cybersecurity – I provided Paul and Melinda with information about the services offered by KYND and KnowBe4. Please note that the JPIA has cybersecurity resources in Section 26 of its Risk Control Manual. For any cybersecurity questions, please contact [Hunter Sargent](#), JPIA Cybersecurity Risk Specialist.

Ergonomics Strains/Sprains Program – Paul informed me that Lakeside WD has an Ergonomic Program and that VectorSolutions is used for training. Ergonomic best practices are available on the JPIA's website. The [JPIA's Sample Ergonomic Program](#) can serve as a template for updating the District's current program.

As always, it was a pleasure visiting Lakeside Water District. I look forward to providing risk management services to the District. If you or your team have any questions, please contact me at (949) 433-0471 or jcota@acwajpia.com.

Sincerely,



Jesse Cota, CSP
Senior Risk Control Advisor

126:tl

c: Paul Malinoski, Safety Officer
Melinda Vargas, Finance and Accounting Specialist
JPIA Member Services
JPIA Risk Management Committee
Eileen Neumeister, JPIA Board Member

**Lakeside Water District
Disbursements List**

March 2026

Num	Name	Account	Original Amount
17667	Hydrocurrent Well Services	5200 · Water Treatment -Maint/Supplies	31,264.00
17668	BEVINS, PAUL D	4000 · Water Sales on Account	104.73
17669	BICKEL, VALERIE & SHUCK, SAM	4000 · Water Sales on Account	174.72
17670	CHRISTIAN, MATTHEW	4000 · Water Sales on Account	88.43
17671	DANIELS, MORGAN	4000 · Water Sales on Account	155.52
17672	EMMONS, RUSSELL	4000 · Water Sales on Account	165.17
17673	FOGEL, QUINN	4000 · Water Sales on Account	123.84
17674	GREEN, RODERICK	4000 · Water Sales on Account	137.41
17675	HEARTLAND ASSOCIATES, INC.	4000 · Water Sales on Account	129.43
17676	JANSZ, MICHELLE L.	4000 · Water Sales on Account	146.36
17677	JUDY, ZACHARY	4000 · Water Sales on Account	119.08
17678	MCELROY, JOSEPH	4000 · Water Sales on Account	129.82
17679	MILLER, LAUREN	4000 · Water Sales on Account	170.71
17680	ROSKE, HEATHER	4000 · Water Sales on Account	53.81
17681	RUIZ, BENJAMIN	4000 · Water Sales on Account	50.37
17682	SALMON, JUHAISHI	4000 · Water Sales on Account	91.44
17683	SELBY, RONALD	4000 · Water Sales on Account	34.61
17684	THOMPSON, CHAD	4000 · Water Sales on Account	200.00
17685	ACWA - Group Ins	7040 · Group Insurance	30,622.37
17686	All Star Computers	7400 · Office Expense	200.00
17687	Asphalt & Concrete Enterprises, Inc.	1582 · Oper, Eng. & Security Bldg.	4,029.00
17688	Bee Removal Logics	6400 · Outside Labor	400.00
17689	Border Tire	6200 · Trucks-Fuel,Maintenance,Repair	38.78
17690	Crisplmaging Inc.	Split	663.40
17691	Dexter Wilson Engineering, Inc.	Split	5,737.50
17692	Excel Telemessaging	7400 · Office Expense	209.05
17693	Ferguson Waterworks	6100 · Distribution - Maint/Supplies	442.51
17694	Gallade Chemical	5200 · Water Treatment -Maint/Supplies	975.38
17695	Gregory Sheets, CPA	7230 · Consultants	600.00
17696	HASA	5200 · Water Treatment -Maint/Supplies	664.33
17697	Helix Water District	5080 · Water Treatment & Testing	783.00
17698	Heritage Landscape Supply	6100 · Distribution - Maint/Supplies	38.81
17699	Home Depot Credit Services	Split	830.38
17700	Inland Pacific Res. Recovery, Inc.	6100 · Distribution - Maint/Supplies	120.00
17701	Jake's Concrete Pumping	1582 · Oper, Eng. & Security Bldg.	1,320.00
17702	Jan-Pro	7400 · Office Expense	350.00
17703	Municipal Diving Services Inc.	6400 · Outside Labor	6,150.00
17704	Payton's Ace Hardware, Inc.	Split	472.98
17705	PorterRents	6100 · Distribution - Maint/Supplies	355.54
17706	Quadient - Postage	7400 · Office Expense	2,000.00
17707	Republic Services	6100 · Distribution - Maint/Supplies	904.10
17708	Rexel	6100 · Distribution - Maint/Supplies	65.04
17709	Target River	7400 · Office Expense	110.00
17710	Underground Service Alert	7440 · Dues & Subscriptions	111.05
17711	UniFirst Corp	6100 · Distribution - Maint/Supplies	693.92
17712	United Site Service, Inc.	6100 · Distribution - Maint/Supplies	114.90
17713	Wave.Band	7400 · Office Expense	947.03
17714	Weck Laboratories, Inc.	5080 · Water Treatment & Testing	660.00
17715	West & Associates Engineering, Inc.	7230 · Consultants	5,606.00

17716	White Cap Industries, Inc.	1582 · Oper, Eng. & Security Bldg.	558.05
17717	Techniclean, Inc.	7400 · Office Expense	575.00
17718	San Diego Recorder/County Clerk	7400 · Office Expense	20.00
17719	ELLIOTT, MARK & CAROL	4000 · Water Sales on Account	119.78
17720	Staxup Lakeside	Voided-Printed Incorrectly	0.00
17721	Staxup Woodside LP	7400 · Office Expense	3.10
17722	Staxup Lakeside	7400 · Office Expense	1.55
17723	Ababa Bolt	6200 · Trucks-Fuel,Maintenance,Repair	151.11
17724	Alpha Analytical Laboratories, Inc	5080 · Water Treatment & Testing	508.00
17725	Boot World, Inc.	6100 · Distribution - Maint/Supplies	110.00
17726	Competitive Metals	6100 · Distribution - Maint/Supplies	344.77
17727	Dexter Wilson Engineering, Inc.	1581 · Yerba Valley Annex. Pipeline	2,272.50
17728	Enniss, Inc.	Split	857.09
17729	Ferguson Waterworks	6100 · Distribution - Maint/Supplies	1,270.25
17730	Hach Company	5200 · Water Treatment -Maint/Supplies	8,268.67
17731	HASA	5200 · Water Treatment -Maint/Supplies	1,267.51
17732	Hot Taps Unlimited	1550 · Pumping Plant & Distribution	670.00
17733	Jack Henry - Remit	7400 · Office Expense	2,004.42
17734	Lakeside Equipment, Inc.	1550 · Pumping Plant & Distribution	621.72
17735	Lakeside Petroleum, Inc.	6200 · Trucks-Fuel,Maintenance,Repair	2,645.80
17736	MTGL, Inc.	1582 · Oper, Eng. & Security Bldg.	1,784.48
17737	Napa Auto Parts Inc	6200 · Trucks-Fuel,Maintenance,Repair	491.13
17738	Nossaman, LLP	1581 · Yerba Valley Annex. Pipeline	6,555.00
17739	Omni Graphics	7400 · Office Expense	6,319.54
17740	Pacific Pipeline Supply, Inc.	Split	9,836.66
17741	SDGE	6100 · Distribution - Maint/Supplies	118.93
17742	Snell & Wilmer	7210 · Attorney Fees	1,742.50
17743	Sunstate Equipment Co	1551 · New Services/Meters	265.65
17744	UniFirst Corp	6100 · Distribution - Maint/Supplies	476.55
17745	United Site Service, Inc.	6100 · Distribution - Maint/Supplies	114.90
17746	**included in payroll	Payroll Check	0.00
17747	Standard Insurance	7040 · Group Insurance	445.20
17748	Variable Annuity Life Insurance	2100 · Payroll Liabilities	4,133.44
17749	Metropolitan Compounds, Inc.	6100 · Distribution - Maint/Supplies	2,149.96
eft	First Bankcard - Visa	First Bankcard	2,070.00
eft	First Bankcard - Visa	First Bankcard	765.02
eft	First Bankcard - Visa	First Bankcard	214.40
eft	US Bank-Register	7400 · Office Expense	169.27
eft	Bankcard CC Fee	7400 · Office Expense	68.98
eft	Paya ACH Fee	7400 · Office Expense	10.00
eft	US Bank-NSF	1200 · Accounts Receivable	122.69
eft	InvoiceCloud Fee	7400 · Office Expense	770.00
eft	San Diego County Water Authority	5000 · Water Purchases	670,901.80
eft	US Bank-NSF	1200 · Accounts Receivable	148.33
eft	US Bank-Fees	7400 · Office Expense	925.89
eft	Verizon	7400 · Office Expense	172.28
eft	US Bank-NSF	1200 · Accounts Receivable	556.03
eft	US Bank-NSF	1200 · Accounts Receivable	9.00
eft	SDGE	5100 · Electric Power	15,913.55
eft	SDGE	5100 · Electric Power	19.64
eft	SDGE	5100 · Electric Power	1,826.88
eft	SDGE	5100 · Electric Power	556.37
eft	SDGE	5100 · Electric Power	129.64

eft	SDGE	5100 · Electric Power	50.66
eft	Cal Pers	7050 · CalPers Retirement	12,358.16
eft	Union Bank InstaTax State	2100 · Payroll Liabilities	5,203.89
E-pay	Union Bank InstaTax Federal	2100 · Payroll Liabilities	25,345.50
eft	Cal Pers	2100 · Payroll Liabilities	6,668.91
payroll	Payroll	Split	78,469.05
			<u>979,703.72</u>



**SUMMARY OF FORMAL BOARD OF DIRECTORS' MEETING
MARCH 19, 2026**

1. Exchange Water Delivery Agreement with Western Municipal Water District.
The Board ratified an Exchange Water Delivery Agreement Between the San Diego County Water Authority and Western Municipal Water District.
2. Amend Agreement for Consulting Services with M Strategic Communications.
The Board amended the agreement with M Strategic Communications for continued consulting services for the Water Authority through February 29, 2028, by \$192,000 for a period of 24 additional months with total contract funding not to exceed \$2,562,000.
3. Monthly Treasurer's Report on Investments and Cash Flow.
The Board noted and filed the monthly Treasurer's Report
4. Approve City of San Diego Compensation Agreements and Accept Proceeds from the Transfer of Former Redevelopment Agency Parcels in San Diego, California.
 - 1) The Board authorized the General Manager to enter into a compensation agreement with the City of San Diego and accepted proceeds from real property transfer to the City (Naval Training Center Site) amounting to \$2,742.07; and
 - 2) The Board authorized the General Manager to enter into a compensation agreement with the City of San Diego and accepted proceeds from real property transfer to the City (Walker Scott Site) amounting to \$1,664.05; and
 - 3) The Board authorized the General Manager to enter into a compensation agreement with the City of San Diego and accepted proceeds from real property transfer to the City (Chinese Historical Museum Site) amounting to \$337.15.
5. Approve Capacity Fee Refund to KD Logan LLC.
The Board authorized the General Manager to issue a capacity charges refund in the amount of \$107,179.00 to KD Logan LLC (property owner).
6. Approve the Recommended Debt Management Activities.
 - 1) The Board authorized staff to schedule Debt Management Activities including the issuance of a new Senior Lien Water Revenue Bond to fund the Capital Improvement Program, restructuring Series 11 of the Commercial Paper Program, and refunding of select Senior Lien bonds; and
 - 2) The Board authorized the selection of the Financing Parties for associated Debt Management Activities.



7. Adopt positions on various bills.
 - 1) The Board adopted a position of Oppose on H.R. 7078, the Equal Access to the Colorado River Act (Schweikert); and
 - 2) The Board adopted a position of Support on S. 3923, the Weather Research and Forecasting Innovation Reauthorization Act (Cruz and Cantwell); and
 - 3) The Board adopted a position of Support on AB 2180, Proposition 218 Omnibus Implementation Act: proportional cost of service (Ward); and
 - 4) The Board adopted a position of Oppose unless amended on AB 2013, Fire risk areas: water suppliers: emergency preparedness plan (Bennett); and
 - 5) The Board adopted a position of Support on SB 1153: Disaster preparedness: urban retail water suppliers and public water systems: wildfire (Caballero).

8. Approval of Minutes.

The Board approved the minutes of the Formal Board of Directors' meetings of February 26, 2026.

**General Managers
Monthly Report**

April 7, 2026

Board of Directors Meeting

- 1) Customer Service & Billing Representative 1 Position Filled**
- 2) Yerba Valley Annexation USDA Update**
- 3) Urban Water Management Plan for 2025**

Articles/Editorials Enclosed:

San Diego Signs Landmark Water Transfer Deal

News Release: SoCal Water Leaders Announce Landmark Regional Water Partnership

News Release: Water Authority Plan Shows Sufficient Supplies Through 2025

S.D. County signs landmark deal that may ease water costs

Region to sell billions of extra gallons to other communities



Officials sign a new agreement to sell water to other counties at a news conference hosted by the San Diego County Water Authority on Thursday in San Diego. McKenzie Patterson / For The u-t

BY LUCAS ROBINSON

UNION-TRIBUNE

The San Diego County Water Authority has inked its first deal to sell excess water to other communities in Southern California, a landmark overhaul of the water authority's business model that's long been promised by top officials.

The water authority's new agreement to sell water to the Western Municipal Water District in Riverside County will bring in \$100 million in new revenue for the San Diego region's financially strapped water system over the next five years.

That influx of cash could temper future rate hikes for many county residents. But it's too early to say what impact the deal might have.

"This is going to be groundbreaking for them as much as it is for us," Water Authority General Manager Dan Denham said of the deal.

The water authority's Board of Directors unanimously backed the agreement with Western on Thursday.

Over the decades, worries about drought and population growth led the water authority to overbuild the region's water supply.

Population estimates didn't pan out and conservation efforts saw residents use less water, leaving the water authority contractually obligated to buy more water than customers need. That requires it to pass on those fixed costs by raising water rates.

County residents have gotten increasingly battered by high water costs, with the water authority's rates jumping 23% in the last two years.

But water officials see an off-ramp to that cycle with water sales.

Under the newly signed agreement, Western will annually buy at least 10,000 acre-feet of water from the water authority, roughly 3.3 billion gallons, over the next 21 years.

The water authority expects to make \$330 million from the deal. A big chunk of the revenue comes up front, with Western buying 30,000 acre-feet of water for \$39 million on top of their annual purchase.

Thursday's deal likely won't be the last for the water authority.

In an interview, Denham said the water authority expects to sign similar agreements with Burbank and the Three Valleys Municipal Water District in Los Angeles County.

Those deals should be inked before the water authority launches rate talks in the summer.

The sales have been made possible by a settlement last year to a long-running legal fight between the water authority and the Metropolitan Water District of Southern California.

Part of the settlement greenlit the water authority to sell water to other water agencies connected to Metropolitan.

Other deals to sell water to states in the Colorado River Basin, such as Arizona, are still years away but progressing, with the water authority approving a preliminary agreement with the federal government last month for eventual interstate water sales.

Water officials expect to unveil their recommended rate hikes in May.

In recent months, the water authority forecast rates to rise between 38% and 65% over the next decade. But those figures didn't account for money coming in from new water deals.

Revenue from water sales could soften the forecasted rate hikes. But it depends on how the water authority's Board of Directors wants to spend the new money it has.

The water authority could use the money to pay down debt and invest in its infrastructure, moves that could improve its long-term financial outlook.

But it could also put the money toward subsidizing customers' water bills and make water more affordable.

In an interview, water authority board Chair Nick Serrano, who represents San Diego, didn't commit to any specific path forward.

"We are going to have a holistic conversation with all of the board to decide what do we want to do in the short-term, the long-term," Serrano said. "It's kind of premature to sort of say with some definitiveness."

New inter-county water deals come at a key moment in the relationship between the water authority and its biggest customer: the city of San Diego.

The city's \$1 billion Pure Water program is expected to come online in 2027. The behemoth recycled water project will complement two similar facilities in Oceanside and East County.

But local communities producing their own recycled water will cut in on the turf of the water authority, which is expecting a 15% drop in sales once the three facilities come online.

Denham expects new water deals will do more than offset the water authority's losses due to a new era of recycled water.

"Being able to get costs off the books is going to help the city and all member agencies with their overall cost structure," he said.



News Release

FOR IMMEDIATE RELEASE

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SoCal Water Leaders Announce Landmark Regional Water Partnership

Innovative agreement moves water from San Diego County to Riverside County

SAN DIEGO (March 19, 2026) – The San Diego County Water Authority and Western Municipal Water District today announced a historic long-term regional water supply agreement that strengthens water reliability and creates a paradigm shift in how water providers share resources across the region to benefit millions of customers.

Together, the agencies serve communities representing more than 4 million Southern California residents across Riverside and San Diego counties.

“This agreement is a win for San Diego ratepayers, a win for Western, and a win for Southern California,” said Water Authority Board Chair Nick Serrano. “It allows us to maximize the value of the investments San Diego County residents made over decades, strengthen water reliability, and do so in a way that is mindful of affordability and public responsibility. It is exactly the kind of innovative, collaborative approach this moment demands.”

Under the agreement, Western Water will receive a minimum of 10,000 acre-feet of water annually over the next 21 years, enough to supply approximately 30,000 Southern California households each year and strengthen long-term water reliability for the communities it serves. Western Water is also pre-purchasing approximately 30,000 acre-feet of water for future delivery, a nearly \$40 million investment that provides added flexibility during drought.

The partnership will generate approximately \$13.5 million annually in revenue for the San Diego County Water Authority, with the agreement expected to deliver roughly \$100 million over the first five years after accounting for the upfront payments. Those revenues help offset the cost of long-term water supply investments while making efficient use of existing regional water supplies.

The Water Authority’s current draft Urban Water Management Plan confirms that the agency’s diversified portfolio of water supplies, combined with a sustained commitment to water-use efficiency, will meet the region’s water needs through 2050, even during multiple dry years. That means the Water Authority can continue providing reliable water for San Diego County while making the most of long-term investments through agreements like the one with Western Water.

Revenues generated through those agreements help reduce wholesale water rate pressures for San Diego County customers.

“The county’s ratepayers continue to benefit from investments in water conservation that give us flexibility to balance water affordability and reliability,” said Water Authority General Manager Dan Denham. “This agreement would not have been possible without the incredible team at Western Water that shares our commitment to visionary leadership and collaboration in developing a new way to think about water resources.”

For Western Water, the partnership strengthens long-term water supply planning by securing access to highly reliable supplies at one of the most cost-effective opportunities available today.

Western Water serves nearly one million residents across southwest Riverside County, one of California’s fastest-growing regions, where planning ahead for dependable water supplies is essential for community stability and economic growth. By securing access to these supplies, Western Water strengthens drought protection and long-term supply planning without the cost, risk, or timelines associated with developing major new water supply projects.

“Partnerships like this show what is possible when water agencies work together,” said Laura Roughton, president of Western Water’s Board of Directors. “By sharing secured resources, we can strengthen water reliability for our communities while freeing up supplies that are needed elsewhere across the region. It’s a win for our customers, a win for San Diego, and a win for Southern California’s water system.”

Western Water and the Water Authority worked collaboratively to develop the agreement, reflecting a shared commitment to the health and resilience of Southern California’s water system for generations.

“With California’s water landscape shifting due to climate variability, economic and population growth, now is the time to pursue innovative partnerships that strengthen long-term water planning and affordability,” said Craig Miller, general manager of Western Water. “We appreciate the leadership and professionalism of the San Diego County Water Authority in helping make this partnership possible.”

The agreement builds on a series of innovative efforts by the Water Authority to make the most of its long-term water supply investments. Earlier this year, the Water Authority’s Board approved an agreement with the U.S. Bureau of Reclamation to explore a pilot program that could allow desalinated seawater to be exchanged with Colorado River Basin states – another step aimed at strengthening water security across the Southwest while modernizing how regional water resources are managed.

Water purchased by Western Water will be delivered through existing connections within the Metropolitan Water District of Southern California’s regional pipeline system, meaning no new infrastructure is required. Because the water moves through existing facilities, transfers can be carried out efficiently without building new pipelines or treatment plants.

“Southern California is an economic engine for the nation, and its future depends on a secure and sustainable water supply,” said Metropolitan Board Chair Adán Ortega, Jr. “This agreement was made possible by a legal settlement forged last year between Metropolitan and the Water Authority. That settlement gave birth to a new business model allowing the movement of water between our 26 member agencies. The water that is part of this agreement didn’t just fall from the sky. It was conserved by businesses and residents for the benefit of greater Southern California. Together, we are ensuring our region continues to thrive for generations to come and providing a model that can solve other water challenges in the Southwest.”

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News Release

FOR IMMEDIATE RELEASE

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Water Authority Plan Shows Sufficient Supplies Through 2050

Draft Urban Water Management Plan released for public review

March 12, 2026 – The San Diego County Water Authority today released its draft 2025 Urban Water Management Plan (UWMP) and draft Water Shortage Contingency Plan (WSCP) for public review. The draft UWMP confirms that the Water Authority’s diversified portfolio of water supplies, combined with a sustained commitment to water-use efficiency, will meet the region’s water supply needs through 2050, even during multiple dry years.

As a result, the Water Authority is pursuing water transfer agreements with agencies outside of the San Diego region. Those agreements would provide the Water Authority with revenue to help mitigate future wholesale water rate increases.

The draft documents will be available for a 45-day public comment period ending April 25, 2026. The Water Planning and Environmental Committee of the Water Authority’s Board of Directors will hold a public hearing on April 23, 2026. The Board is expected to consider adoption of the final plans at its meeting on May 28. The draft plans must be submitted to the state by July 1.

To read the draft documents, or to submit comments, go to: www.sdcwa.org/water-authority-releases-water-planning-documents-for-public-review-and-comment/.

“Thanks to the Water Authority’s water supply investments, San Diego County is well positioned to meet future water demands with reliable supplies. We are continuing to work with partners across Southern California and the Southwest to support supply reliability, while maintaining the water supply that San Diego County residents and businesses depend on,” said Water Authority Director of Water Resources Jeff Stephenson.

The Water Authority started the process to prepare the plans in 2024, coordinating closely with its 22 member agencies, which provided input for the draft plans.

The draft UWMP’s long-range demand forecast shows that regional water demands are expected to remain nearly flat through 2050. This is consistent with the forecasts prepared by the Water Authority’s member agencies and the Metropolitan Water District of Southern California.

Multiple supply and demand projections factor into the draft UWMP, which is mandated by the state to ensure sufficient supplies over a 25-year planning horizon. The draft UWMP is not used to set water rates; rates are set annually based on multiple financial factors at the time, not long-term projections about water supplies.

The content of the draft UWMP is driven by statutory guidelines and input from the Water Authority’s Board of Directors. The plan accounts for changes in socio-economic factors, such as the number of projected housing units, the mix of single-family and multi-family dwellings, and employment growth. The plan also supports state laws that link approval for large housing developments to water supply availability.

In addition to the UWMP and WSCP, the Water Authority also regularly updates its Water Facilities Master Plan, which focuses on the infrastructure necessary to meet projected long-term demands, and its Long-Range Financing Plan. Those documents work together to ensure the right mix of supplies and facilities to meet the region’s water needs in a sustainable way.

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The San Diego County Water Authority sustains a \$267 billion regional economy and the quality of life for 3.3 million residents through a multi-decade water supply diversification plan, major infrastructure investments and forward-thinking policies that promote fiscal and environmental responsibility. A public agency created in 1944, the Water Authority delivers wholesale water supplies to 22 retail water providers, including cities, special districts and a military base.

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