

*Rosamond Community Services District
Regular Board Meeting – Agenda
Wednesday, July 24, 2024 @ 5:30PM*

**REGULAR MEETING OF THE
BOARD OF DIRECTORS
ROSAMOND COMMUNITY SERVICES DISTRICT**

5:30PM Closed Session
6:00 PM Regular Board Meeting
Wednesday, July 24, 2024
District Board Room
3179 35th Street West
Rosamond, CA 93560

Teleconference
1-877-411-9748
Access Code: 5150560

Agenda

CALL TO ORDER Time: _____

ROLL CALL

Director Greg Washington
Director Alfred Wallis
Director Rick Webb
Vice President Ben Stewart
President Byron Glennan

General Manager (GM) Kim Domingo
Director of Public Works John Houghton
Director of Administration Sherri Timm
Legal Counsel, John Komar, Esq.

PLEDGE OF ALLEGIANCE

APPROVAL OF THE AGENDA Motion: _____ 2nd: _____

PUBLIC COMMENTS

(At this time, any person may address the Board on any subject within the District’s jurisdiction which is not on the agenda. However, any non-agenda matter will be referred to staff for a report and/or action at a subsequent Board meeting and no action can be taken on any such item discussed unless the action has been authorized under §54954.2(b) of the Government Code. Any person may also address the Board on any agenda matter at the time that matter is discussed, prior to Board consideration and action. Speakers are requested to limit comments to five (5) minutes.)

VOLUNTARY PUBLIC ROLL-CALL VIA TELECONFERENCE

(If any member of the public on the teleconference/video conference wishes to identify themselves as present for this meeting, please do so for the records/minutes)

CLOSED SESSION Time: _____

Motion _____ 2nd _____

CS 1. PUBLIC EMPLOYEES - Performance Evaluation: General Manager. (Govt. Code, § 54957.)

CS 2. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Govt. Code, § 54956.8.)

Description of Property: 275 Acres of vacant land, APNs 3201-003-005, 3201-003-006, 3201-004-007

Agency Negotiator: Kim Domingo

Negotiation Parties: RCSD and Potential Buyers

Under Negotiation: Price and terms

PUBLIC REPORT ON ACTION TAKEN IN CLOSED SESSION

Time Out of Closed Session: _____

Motion _____ 2nd _____

_____ No Reportable Action _____ Reportable Action by: _____

6:00 P.M. OPEN SESSION Time: _____

PUBLIC COMMENTS

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VOLUNTARY PUBLIC ROLL-CALL VIA TELECONFERENCE

(If any member of the public on the teleconference/video conference wishes to identify themselves as present for this meeting, please do so for the records/minutes)

CONSENT CALENDAR

CC 1 Review of the check/voucher register dated July 2, 2024 through July 15, 2024| Payroll (Direct Deposit) dated July 3, 2024| Payroll (Checks) dated July 3, 2024.

Motion: _____ 2nd: _____

MINUTES

M1. Approve July 10, 2024 Regular Board Meeting Minutes.

Motion: _____ 2nd: _____

NEW BUSINESS

NB 1. Approval of FY24-25 Engagement Letters with Eide Bailly for Accounting Services, Transition Services and Management Analyst Services. (Presenter Kim Domingo)

NB 2. Authorize the Filing of the Notice of Completion for the Rosamond Boulevard Utility Adjustment Project. (Presenter Kim Domingo)

NB 3. Authorize the Refund of the Water Availability Fee for the Sierra Creek Apartment Project. (Presenter Kim Domingo)

DIRECTOR REPORTS/COMMENTS/FUTURE AGENDA ITEMS

GENERAL COUNSEL UPDATE

John Komar, Esq

GENERAL MANAGER UPDATE

Kim Domingo

DIRECTOR OF ADMINISTRATION UPDATE

Sherri Timm

PUBLIC WORKS UPDATE

John Houghton

ADJOURNMENT Time: _____ Motion: _____ 2nd: _____

Requirements Regarding Disabled Access: In accordance with Government Code §54954.2(a), requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the RCSD Board Secretary at least 48 hours in advance of the meeting to ensure availability of the requested service or accommodation. Please contact the Board Secretary by telephone at (661) 256-3411, Email: stimm@rosamondcsd.com or in writing at the Rosamond Community Services District, Attn: Board Secretary 3179 35th Street West, Rosamond, CA 93560.

Pursuant to Government Code Section 54957.5, any writing that: (1) is a public record; (2) relates to an agenda item for an open session of a regular meeting of the Board of Directors; and (3) is distributed less than 72 hours prior to that meeting, will be made available for public inspection at the time the writing is distributed to the Board of Directors. Any such writing will be available for public inspection at the District offices located at 3179 35th Street West, Rosamond, CA 93560. A complete agenda packet containing all accompanying reports for this agenda is available by contacting the Board Secretary stimm@rosamondcsd.com or 661-256-3411, or in person or writing to Rosamond Community Services District, Attn: Board Secretary 3179 35th Street West, Rosamond, CA 93560.

Board meetings are subject to audio recording.

**REGULAR MEETING OF THE
BOARD OF DIRECTORS
ROSAMOND COMMUNITY SERVICES DISTRICT**

6:00 PM Regular Board Meeting
Wednesday, July 10, 2024
District Board Room
3179 35th Street West
Rosamond, CA 93560

Teleconference
1-877-411-9748
Access Code: 5150560

Minutes

CALL TO ORDER

The meeting was called to order at 6:00 PM by President Glennan

ROLL CALL

Director Greg Washington	Present
Director Alfred Wallis	Present
Director Rick Webb	Present
Vice President Ben Stewart	Absent
President Byron Glennan	Present

General Manager (GM) Kim Domingo	Via Teleconference
Director of Public Works John Houghton	Present
Director of Administration Sherri Timm	Present
Legal Counsel, John Komar, Esq.	Via Teleconference

PLEDGE OF ALLEGIANCE

APPROVAL OF THE AGENDA

A motion to approve the agenda was made by Director Webb and seconded by Director Wallis.

Motion passed 4 ayes. VP Stewart absent.

PUBLIC COMMENTS

(At this time, any person may address the Board on any subject within the District’s jurisdiction which is not on the agenda. However, any non-agenda matter will be referred to staff for a report and/or action at a subsequent Board meeting and no action can be taken on any such item discussed unless the action has been authorized under §54954.2(b) of the Government Code. Any person may also address the Board on any agenda matter at the time that matter is discussed, prior to Board consideration and action. Speakers are requested to limit comments to five (5) minutes.)

Byron Glennan spoke as a member of the public.

VOLUNTARY PUBLIC ROLL-CALL VIA TELECONFERENCE

(If any member of the public on the teleconference/video conference wishes to identify themselves as present for this meeting, please do so for the records/minutes)

None.

CONSENT CALENDAR

CC 1 Review of the check/voucher register dated June 18, 2024 through July 1, 2024 | Payroll (Direct Deposit) dated June 19, 2024 | Payroll (Checks) dated June 19, 2024 | Payroll (Checks) dated June 20, 2024.

A motion to approve CC1 was made by Director Webb and seconded by Director Wallis.

Motion passed 4 ayes. VP Stewart absent.

MINUTES

M1. Approve June 26, 2024 Regular Board Meeting Minutes.

A motion to approve M1 was made by Director Washington and seconded by Director Wallis.

Motion passed 4 ayes. VP Stewart absent.

NEW BUSINESS

NB1. Retroactive Approval of Engagement Letter with Rogers, Anderson, Malody & Scott, LLP, for Annual Audit Services. (Presenter Kim Domingo)

A motion to retroactively approve the engagement letter dated April 15, 2024 with Anderson, Malody & Scott, LLP, for Annual Audit Services for FY2023-2024 was made by Director Wallis and seconded by Director Washington.

Motion passed 4 ayes. VP Stewart absent.

NB2. Holiday Meeting Cancellations.(Presenter Kim Domingo)

A motion to cancel the regular board meetings on November 27, 2024 and December 25, 2024 was made by Director Washington and seconded by Director Wallis.

Motion passed 4 ayes. VP Stewart absent.

NB3. Closure of District Office from December 24 , 2024 through January 1, 2025. (Presenter Kim Domingo).

The Public Works Department will schedule an on-call staff member to cover Emergencies.

A motion to close the District office from December 24, 2024 through January 1, 2025 was made by Director Washington and seconded by Director Wallis.

Motion passed 4 ayes. VP Stewart absent.

DIRECTOR REPORTS/COMMENTS/FUTURE AGENDA ITEMS

Director Washington – Reported \$50mm was cut from the State of California’s 2024-25 budget for water storage dam grants and the negative impact the reduced funding will have on dam repair. The State also put into place permanent water restrictions mandating decreasing water usage that will take effect over the next 15 years.

He also gave kudos to the PR team for the fire safety information that was in the recent newsletter.

Director Webb-attended the RMAC meeting last week and discussed forming a local Community Emergency Response Team (CERT).He also spoke with a trustee of the Southern Kern Unified School District. He also informed the Board about ADU's and recent State Legislation that will allow cities to sell ADUs.

President Glennan – attended the AVEK meeting this week. The RCSD Directors Have been invited to the grand opening of the facility expansion at Tropico Middle School on July 29th at 9:00 AM.

GENERAL COUNSEL UPDATE

John Komar, Esq
No report

GENERAL MANAGER UPDATE

Kim Domingo reported he was contacted by a developer who previously purchased water rights from the District and is asking for a refund of fees related to the water rights as their project will not be moving forward. The refund will require formal board action.

He also suggested the need for RCSD to consider a policy for an administrative fee for such requests.

Also reported was the Rosamond Blvd. utility raising project has been completed and a NOC will be presented at the July 24th board meeting.

The GM will be on vacation next week, returning on July 23rd.

DIRECTOR OF ADMINISTRATION UPDATE

Sherri Timm reported on the following:

Service was discontinued for 8 accounts for non-payment on July 9th.

One payment arrangement account was shut off for non-payment on July 10th.

A reminder was given to the Board that the EKEA business meeting will be held on July 11th from 2-4:00 PM in the RCSD board room.

All staff completed their annual safety training and Right to Know class on July 8th and 9th.

PUBLIC WORKS UPDATE

John Houghton presented the Field Operations report.

ADJOURNMENT

A motion to adjourn at 6:39 PM was made by Director Wallis and seconded by Director Webb.

Motion passed 4 ayes. VP Stewart absent.

Requirements Regarding Disabled Access: In accordance with Government Code §54954.2(a), requests for a disability related modification or accommodation, including auxiliary aids or services, in order to attend or participate in a meeting, should be made to the RCSD Board Secretary at least 48 hours in advance of the meeting to ensure availability of the requested service or accommodation. Please contact the Board Secretary by telephone at (661) 256-3411, Email: stimm@rosamondcsd.com or in writing at the Rosamond Community Services District, Attn: Board Secretary 3179 35th Street West, Rosamond, CA 93560.

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Respectfully submitted:

RCSD Board of Directors

RCSD Board Secretary

STAFF REPORT

Rosamond Community Services District

DATE: July 24, 2024
TO: Board of Directors
FROM: Kim Domingo, General Manager
Subject: Approval of FY24-25 Engagement Letters with Eide Bailly for Accounting Services, Transition Services and Management Analyst Services

RECOMMENDATION:

Approve the FY24-25 Engagement Letters with Eide Bailly for Accounting Services, Transition Services and Management Analyst Services, and Authorize the General Manager to Execute Each.

BACKGROUND:

Eide Bailly has had a successful relationship with the District for more than ten years. During this time, they have advised the District through difficult financial times, preparing the District for the current and future challenges to its fiscal viability. Their advice has led to responsible decisions and have prepared the District for the infrastructure investments needed to meet growth and regulatory needs. In order to continue the relationship, engagement letters are prepared and affirmed annually.

ANALYSIS

There are three (3) distinct services provided by Eide Bailly as requested by the District. They are:

- Accounting Services, the day-to-day activities required to manage and document District finances, proposed as a lump sum for \$276,000.
- Transition Services, intended to cover services related to personnel and utility billing transitions, as well as any services not included in the Accounting Services scope, proposed at time and materials in accordance with the rate schedule.
- Management Analyst Services, activities that support management directives as they relate to data organization, process implementation and optimization and planning support, also proposed at a time and materials basis.

The engagement letters are attached for reference.

FISCAL REVIEW:

The funds for the services have been included in the FY24-25 budget.

LEGAL REVIEW:

None

CONCLUSION:

Approval is recommended.

Handwritten signature of Kim Domingo in blue ink, written over a horizontal line.

Kim Domingo, General Manager

Handwritten signature of Sherri Timm in blue ink, written over a horizontal line.

Sherri Timm, Director of Administration

ATTACHMENTS:

- Engagement Letter (Financial Services)
- Engagement Letter (Transition Services)
- Engagement Letter (Management Analyst Services)



July 8, 2024

Mr. Kim Domingo
Rosamond Community Services District
3179 35th Street West
Rosamond, CA. 93560

Dear Mr. Domingo,

This letter outlines the understanding of the terms and objectives of the consulting engagement between Eide Bailly LLP (Eide Bailly) and Rosamond Community Services District (you) for the fiscal year ended June 30, 2025.

Scope of Engagement

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

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

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

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

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

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

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

Timeline

We will begin our procedures July 1, 2024. We would expect to have our work completed within a reasonably agreed upon timeline of receipt of all required data. This timetable assumes the timely receipt of requested information and the cooperation of the parties involved. If delays are experienced in receiving information, the delivery of our work will be delayed accordingly.

Fees

Our fees for the services listed in the scope of engagement section above are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices are payable upon presentation. We estimate that our fee for the scope of engagement services will be \$276,000 and be billed in twelve (12) monthly, even amounts of \$23,000. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate.

Any other work requested by the District will be invoiced on an hourly basis as the need arises and will be billed pursuant to the level of staff that may be engaged to assist with the completion of the assignment. Prior to beginning any new assignments, we will coordinate with District staff to ensure there are no surprises and will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate.

EB Staff	Hourly Rate
Partner	\$383
Director	\$361
Senior Manager	\$328
Manager	\$274
Supervisor	\$243
Senior Associate	\$208
Staff Associate	\$164

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

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

Rosamond Community Services District accepts responsibility for the results of the services being provided and agrees to perform the following functions in connection with this engagement:

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

DISPUTE RESOLUTION

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

Mediation

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

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

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

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

Governing Law and Venue

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

LIMITATION OF DAMAGES AND NO PUNITIVE DAMAGES

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

TIME LIMITATION

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

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

INDEMNITY

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

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

ASSIGNMENTS PROHIBITED

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

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

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

Respectfully,



Dr. Bradford Rockabrand, CPA
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Rosamond Community Services District by:

Name: _____

Title: _____

Date: _____



July 08, 2024

Mr. Kim Domingo
Rosamond Community Services District
3179 35th Street West
Rosamond, CA. 93560

Dear Mr. Domingo,

This letter outlines the understanding of the terms and objectives of the consulting engagement between Eide Bailly LLP (Eide Bailly) and Rosamond Community Services District (you) for the fiscal year ended June 30, 2025.

Scope of Engagement

We will work with you to provide consulting services in connection with services related to the transition of District personnel, utility billing software conversions, and any services determined to fall outside the scope of routine accounting services and management analyst services which are outlined in separate agreements.

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

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

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

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

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

Timeline

We will begin our procedures July 1, 2024. We would expect to have our work completed within a reasonably agreed upon timeline of receipt of all required data. This timetable assumes the timely receipt of requested information and the cooperation of the parties involved. If delays are experienced in receiving information, the delivery of our work will be delayed accordingly.

Fees

Our fees for the services listed in the scope of engagement section above are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices are payable upon presentation.

Any work determined to be out of scope from either the routine accounting services or management analyst services requested by the District will be invoiced on an hourly basis as the need arises and will be billed pursuant to the level of staff that may be engaged to assist with the completion of the assignment. Prior to beginning any new assignments, we will coordinate with District staff to ensure there are no surprises and will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate.

EB Staff	Hourly Rate
Partner	\$383
Director	\$361
Senior Manager	\$328
Manager	\$274
Supervisor	\$243
Senior Associate	\$208
Staff Associate	\$164

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

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

Rosamond Community Services District accepts responsibility for the results of the services being provided and agrees to perform the following functions in connection with this engagement:

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

DISPUTE RESOLUTION

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

Mediation

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

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

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

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

Governing Law and Venue

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

LIMITATION OF DAMAGES AND NO PUNITIVE DAMAGES

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

TIME LIMITATION

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

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

INDEMNITY

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

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

ASSIGNMENTS PROHIBITED

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

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

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

Respectfully,



Dr. Bradford Rockabrand, CPA
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Rosamond Community Services District by:

Name: _____

Title: _____

Date: _____



July 08, 2024

Mr. Kim Domingo
Rosamond Community Services District
3179 35th Street West
Rosamond, CA. 93560

Dear Mr. Domingo,

This letter outlines the understanding of the terms and objectives of the consulting engagement between Eide Bailly LLP (Eide Bailly) and Rosamond Community Services District (you) for the fiscal year ended June 30, 2025.

Scope of Engagement

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

- Assist the District with contract and agreements oversight
- Perform vendor audit in conjunction with contract management tasks and collaborate efforts with the District's finance department in budget continuity, best practices, uniform pricing, and routine internal reporting
- Examine documents to ensure accuracy of information, proper authorization, and conformance with District policies, agreements, contracts, and state and federal requirements
- Assist District finance department with ensuring consistency of vendor invoices and contract terms
- Coordinate with District Management and Legal Counsel during contract negotiation and to ensure department communication and general understanding of contracts and vendor proposals and quotes
- Examine District document retention policy for compliance with state requirements and develop and implement a document and storage and retrieval database
- Conform current ordinances and policies to include all amendments and modifications. Develop conformed documents for staff input and board approval
- Assist with preparation of files necessary for the processing of water and sewer charges through the County tax collection system
- Research and propose grant opportunities to achieve District goals. Coordinate grant application preparation with District staff
- Assist District finance department with annual budget, budget analysis, variance analysis, forecasting and monthly budget to actual reporting
- Assist with GASB 96 implementation

- Perform employee information audit and create internal process and procedure to ensure employee records and files are complete and remain current
- Perform meters inventory audit and create internal process and procedure to reconcile current inventory to accounting records. Develop accounting procedure to maintain complete and accurate inventory of meters
- Develop water use policy in conjunction with District Management to account for and maintain current and accurate records of water purchased, sold, or otherwise used in total and by fiscal year

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

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

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

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

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

Timeline

We will begin our procedures July 1, 2024. We would expect to have our work completed within a reasonably agreed upon timeline of receipt of all required data. This timetable assumes the timely receipt of requested information and the cooperation of the parties involved. If delays are experienced in receiving information, the delivery of our work will be delayed accordingly.

Fees

Our fees for the services listed in the scope of engagement section above are based on the amount of time required at various levels of responsibility, plus actual out-of-pocket expenses. Invoices are payable upon presentation. We estimate that our fee for the scope of engagement services will be \$84,100 and be billed in accordance with the hourly rates listed below. We will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate.

Any other work requested by the District will be invoiced on an hourly basis as the need arises and will be billed pursuant to the level of staff that may be engaged to assist with the completion of the assignment. Prior to beginning any new assignments, we will coordinate with District staff to ensure there are no surprises and will notify you immediately of any circumstances we encounter that could significantly affect this initial fee estimate.

EB Staff	Hourly Rate
Partner	\$383
Director	\$361
Senior Manager	\$328
Manager	\$274
Supervisor	\$243
Senior Associate	\$208
Staff Associate	\$164

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

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

Rosamond Community Services District accepts responsibility for the results of the services being provided and agrees to perform the following functions in connection with this engagement:

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

DISPUTE RESOLUTION

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

Mediation

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

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

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

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

Governing Law and Venue

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

LIMITATION OF DAMAGES AND NO PUNITIVE DAMAGES

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

TIME LIMITATION

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

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

INDEMNITY

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

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

ASSIGNMENTS PROHIBITED

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

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

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

Respectfully,



Dr. Bradford Rockabrand, CPA
Partner

RESPONSE:

This letter correctly sets forth our understanding.

Acknowledged and agreed on behalf of Rosamond Community Services District by:

Name: _____

Title: _____

Date: _____

STAFF REPORT

Rosamond Community Services District

DATE: July 24, 2024
TO: Board of Directors
FROM: Kim Domingo, General Manager
Subject: Authorize the Filing of the Notice of Completion for the Rosamond Boulevard Utility Adjustment Project

RECOMMENDATION:

Authorize the General Manager to Sign and File the Notice of Completion for the Rosamond Boulevard Utility Adjustment Project.

BACKGROUND:

On May 22, the District entered into a contract with Bowman Asphalt Inc. to raise the utility covers after the construction of the Kern County Public Works Department Rosamond Boulevard Road Improvement Project. The project has been completed satisfactorily as confirmed by Public Works Staff. A five percent (5%) retention is held from completed work during project progress.

ANALYSIS:

Pursuant to Public Contract Code, upon completion of a Public Works project, a Notice of Completion is filed with the County Recorder. This action provides notice to subcontractors and suppliers that the prime contractor will be requesting the release of retention for the project, allowing them to file claims in the event that any invoices have not been paid satisfactorily. Thirty-five (35) days after the Notice of Completion recordation date, the retention is released to the contractor for the final payment absent any claims.

FISCAL REVIEW:

The project is fully budgeted in Capital Project Nos. 01243 and 02243

LEGAL REVIEW:

None

CONCLUSION:

Approval is recommended so the final payment can be paid to the contractor.



Kim Domingo, General Manager



Sherri Timm, Director of Administration

ATTACHMENTS:

Notice of Completion

RECORDING REQUESTED BY

Rosamond Community Services District

When recorded mail to:

Rosamond Community Services District
3179 35th Street West
Rosamond, California 93560

NOTICE OF COMPLETION

TO WHOM IT MAY CONCERN:

NOTICE IS HEREBY GIVEN, that the Rosamond Community Services District, a political subdivision of the State of California, by and through its duly elected, qualified and acting Board of Directors, caused certain work to be done by written contract. Said contract has been completed and accepted and instructions for the filing of this notice has been given by said Board of Directors:

INFORMATION PERTINENT TO THIS NOTICE IS AS FOLLOWS:

1. OWNER: Rosamond Community Services District, 3179 35th Street West, Rosamond, CA 93560
2. CONTRACTOR: Bowman Asphalt Inc., 3333 Gibson Street, Bakersfield, CA 93308
3. ARCHITECT/ENGINEER: AECOM, 5001 E. Commercenter Dr, Suite 100, Bakersfield, CA 93309
4. SURETY: Travelers Casualty and Surety Company of America, 21668 Gateway Center Drive, Diamond Bar, CA 91765
5. CONTRACT FOR: **Rosamond Boulevard Utility Covers Adjustment Project**
6. FUND: 01/02 PROJECT NO: 01243, 02243
7. CONTRACT FILED: 5/22/2024
8. LOCATION OF PROJECT: Rosamond Boulevard, between Stevenson Street and 25th Street West, Rosamond, CA 93360
9. OWNER OF LAND: County of Kern, 1115 Truxtun Ave., Bakersfield, CA., 93301
10. DATE OF COMPLETION: 6/25/2024
11. FILED AT REQUEST OF: Board of Directors of Rosamond Community Services District
12. DOCUMENT FILED BY: Rosamond Community Services District

ROSAMOND COMMUNITY SERVICES
DISTRICT, a political subdivision of the
STATE OF CALIFORNIA

By _____
Kim Domingo
General Manager

VERIFICATION

I, the undersigned, say:

I am the General Manager of the declarant of the foregoing completion; I have read said Notice of Completion and know the contents thereof; the same is true of my own knowledge. I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 24, 2024, at Rosamond, California.

Kim Domingo
General Manager

STAFF REPORT

Rosamond Community Services District

DATE: July 24, 2024
TO: Board of Directors
FROM: Kim Domingo, General Manager
Subject: Authorize the Refund of the Water Availability Fee for the Sierra Creek Apartment Project

RECOMMENDATION:

Approve the Water Availability Fee Refund of the Sierra Creek Apartments Project and Direct Staff to Develop a Policy for Future Requests.

BACKGROUND:

In order for a developer to improve parcels for a constructed project, an acknowledgement is required from the utilities that the project will be served by those utilities. The District provides water and sewer services for customers within the District, and a will-serve letter serves as that acknowledgment. During the period which the District was obtaining water rights for future development, the District required proposed developments to enter into an agreement to provide water services. This was done to recoup District costs to pursue, secure and finance the purchase of water rights required to provide service to the developments.

The agreement typically required a non-refundable deposit and the balance of fees to be paid within a fixed period of time. The District used these funds to procure the needed water rights.

ANALYSIS:

On May 9, 2022, the developer of the Sierra Creek Apartments project entered into a Water Service Agreement with the District. The attached agreement indicates the water service would be provided under the following terms:

- 248 Apartment Units requiring a water right of 59.52 AFY.
- The total Water Acquisition Fee payment to the District for these rights at \$13,000 per AFY is \$773,760.
- The non-refundable portion of the Water Acquisition Fee is \$100,000.

A conditional will-serve letter has been issued for the project, requiring all fees to be paid before an unconditional will-serve letter will be issued. Along with the Water Acquisition Fees, the Capacity and Connection Fees for both water and sewer are required, including account set up fees and meter fees are to be paid.

The developer has indicated that the project will not move forward due to a lack of financing. They have requested that the District refund the Water Acquisition Fee payment. Doing so releases the District from

reserving the water right allotment for the project. The conditional will-serve letter remains in place but would require a new Water Acquisition Fee payment at the current rates should the developer decide to move forward. The proposed refund is for the amount of \$673,760 which is the total fees paid less the \$100,000 non-refundable portion.

The District does not have a policy in place prescribing how the refund is to be administered. Staff will develop a policy recommendation for future refund requests.

FISCAL REVIEW:

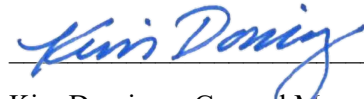
Administrative costs to execute this request are covered in the \$100,000 non-refundable portion.

LEGAL REVIEW:

None

CONCLUSION:

Since the Water Availability Fee is related to adjudicated water rights, refund of the fees frees up the reserved water for other potential developments. Staff will bring a proposed policy to the Board for consideration within 90 days.



Kim Domingo, General Manager



Sherri Timm, Director of Administration

ATTACHMENTS:

Agreement to Provide Water Service

AGREEMENT TO PROVIDE WATER SERVICE

THIS AGREEMENT TO PROVIDE WATER SERVICE (this “Agreement”) is entered into as of May 19, 2022 (the “Effective Date”), by and between **ROSAMOND COMMUNITY SERVICES DISTRICT**, a public body, corporate and politic (the “District”), and **SC APARTMENTS, LLC**, a California Limited Liability Company (the “Developer”) (the District and Developer are sometimes referred to herein individually as a “Party” and collectively as the “Parties”).

R E C I T A L S

A. The District is a community services district organized, existing and operating pursuant to the Community Services District Law (Cal. Gov’t Code § 61000 *et seq.*) (the “CSD Law”). The CSD Law authorizes the District to supply water for any beneficial use, in the same manner as a municipal water district formed pursuant to the Municipal Water District Law of 1911 (Cal. Water Code § 71000 *et seq.*) (the “MWDL”). The MWDL authorizes the District to acquire, control, distribute, store, spread, sink, treat, purify, recycle, recapture, and salvage any water, including sewage and storm waters, for the beneficial use or uses of the District, its inhabitants, or the owners of rights to water in the District.

B. The Antelope Valley’s local groundwater water supplies are limited and will be adjudicated in the near future. The District has determined that it does not have sufficient water entitlements to issue commitments to provide water service to land development projects beyond customers the District currently serves or future developments that have an existing and unexpired service commitment.

C. The District has established a new water supply entitlement acquisition program that generally consists of the District acquiring water supplies or other permanent water rights for a new development at the developer’s cost and expense (the “Water Acquisition Program”). The District estimates that it will cost the District approximately \$13,000.00 per acre-foot to acquire water supplies or other permanent water rights pursuant to the Water Acquisition Program.

D. The Developer needs new water service for a project identified as Sierra Creek Apartment Project, which generally consists of 248 units, or lots identified as Assessor Parcel Number(s) 258-110-11-00-3 and 258-110-10-00-0 (the “Project”).

E. The Developer has determined that the total annual potable water supply demand for the Project is (59.52) acre-feet (the “Requested Annual Project Demand”) and has requested that the District acquire water supplies or other permanent water rights pursuant to the Water Acquisition Program sufficient to fully satisfy the Requested Annual Project Demand.

NOW, THEREFORE, in consideration of the mutual promises and agreements herein contained, the Parties hereto agree as follows:

1. Incorporation of Recitals. The foregoing recitals are true, correct and a substantive part of this Agreement.

2. Developer's Participation in Water Acquisition Program. Subject to the terms and conditions of this Agreement, the Developer shall participate in the District's Water Acquisition Program with respect to the Project.

2.1 Requested Annual Project Demand. The Annual Project Demand has been calculated by the District and is calculated at 59.52 acre feet at a cost of \$773,760.

2.2 Payment of Estimated Acquisition Cost. Contemporaneous with its execution of this Agreement, the Developer shall pay to the District cash in the amount of \$773,760.00, which is equal to the Requested Annual Project Demand multiplied by \$13,000.00 (the "Water Acquisition Program Cost") and payable as follows:

a.) \$100,000 non-refundable down payment

b.) The Balance of \$663,760 shall be due within 50 calendar days

c.) In the event the \$663,760 is not paid within the 50 calendar days referenced in 2.2b the \$100,000 deposit referenced in 2.2a will be forfeited and remain in the possession of the Rosamond Community Services District and the Agreement will become null and void.

3. District's Acquisition of Water Rights. Water Rights have been secured for this project.

3.1 Issuance of Will Serve Letter. Upon the Developer's performance of all obligations under this Agreement, the District shall issue a conditional will serve letter evidencing the District's commitment to provide water service for the Project; provided, however, that issuance of such letter(s) shall be and is subject to all other applicable laws, rules, regulations, ordinances and policies.

4. Notices. Any approval, disapproval, demand, document or other notice required or permitted under this Agreement must be in writing and shall be sufficiently given if delivered by hand (and a receipt therefor is obtained or is refused to be given) or dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered by telecopy or overnight delivery service to:

To District: Rosamond Community Services District
3179 35th Street West
Rosamond, California 93560
Attn: Steve A. Perez

To Developer: SC Apartments, LLC
c/o Russell Singer
303 Broadway Street, Suite 204-1
Laguna Beach, CA 92651

Such written notices, demands and communications may be sent in the same manner to such other addresses as either Party may from time to time designate by mail as provided in this Section 4.

5. Hold Harmless and Indemnification. The Developer agrees to and shall defend, indemnify and hold harmless the District against all claims, damages, losses and expenses including attorney's fees arising out of or related to this Agreement, the Developer's participation in the District's Water Acquisition Program and/or the District's acquisition of water supplies or other permanent water rights pursuant to this Agreement, except where caused by the District's active and sole negligence or willful misconduct.

6. General Provisions.

6.1 Non-Liability of Officials and Employees of District. No member, official or employee of the District shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the District or for any amount which may become due under the terms of this Agreement.

6.2 Relationship Between Parties. It is hereby acknowledged that the relationship between the Parties is not that of a partnership or joint venture and that no Party shall be deemed or construed for any purpose to be the agent of any other Party. The Developer agrees to indemnify, hold harmless and defend the District from any claim made against the District arising from a claimed relationship of partnership or joint venture between the District and Developer with respect to the subject matter of this Agreement.

6.3 Counterparts. This Agreement may be signed in multiple counterparts which, when signed by all Parties, shall constitute a binding agreement.

6.4 Integration. This Agreement contains the entire understanding between the Parties relating to the transaction contemplated by this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged in this Agreement and shall be of no further force or effect. Each Party is entering this Agreement based solely upon the representations set forth herein and upon each Party's own independent investigation of any and all facts such party deems material.

6.5 Amendment. The Parties agree to mutually consider reasonable requests for amendments to this Agreement. The Developer shall be responsible for the costs incurred by the District, including without limitation attorneys' fees, not to exceed \$10,000 (the "Developer

Costs”), in connection with any amendments to this Agreement which are requested by the Developer (the “Developer Request”). The Developer shall be responsible for payment of Developer Costs as provided in this Section 6.5 regardless of the outcome of the Developer Request.

6.6 Titles and Captions. Titles and captions are for convenience of reference only and do not define, describe, or limit the scope or the intent of this Agreement or of any of its terms. Reference to section numbers is a reference to sections in this Agreement, unless expressly stated otherwise.

6.7 Interpretation. As used in this Agreement, masculine, feminine or neuter gender and the singular or plural number shall each be deemed to include the others where and when the context so dictates. The word “including” shall be construed as if followed by the words “without limitation.” This Agreement shall be interpreted as though prepared jointly by the Parties.

6.8 No Waiver. A waiver by any Party of a breach of any of the covenants, conditions, or agreements under this Agreement to be performed by the other Party shall not be construed as a waiver of any succeeding breach of the same or other covenants, agreements, restrictions or conditions of this Agreement.

6.9 Modifications. Any alteration, change or modification of or to this Agreement, in order to become effective, shall be made in writing and in each instance signed on behalf of each Party.

6.10 Severability. If any term, provision, condition or covenant of this Agreement or its application to any Party or circumstances shall be held, to any extent, invalid or unenforceable, the remainder of this Agreement, or the application of the term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected, and shall be valid and enforceable to the fullest extent permitted by law.

6.11 Computation of Time. The time in which any act is to be done under this Agreement is computed by excluding the first day and including the last day, unless the last day is a holiday or Saturday or Sunday, and then that day is also excluded. The term “holiday” shall mean all holidays as specified in Section 6700 and 6701 of the California Government Code. If any act is to be done by a particular time during a day, that time shall be Pacific Time Zone time.

6.12 Legal Advice. Each Party represents and warrants to the other the following: they have carefully read this Agreement, and in signing this Agreement, they do so with full knowledge of any right which they may have; they have received independent legal advice from their respective legal counsel as to the matters set forth in this Agreement, or have knowingly chosen not to consult legal counsel as to the matters set forth in this Agreement; and, they have freely signed this Agreement without any reliance upon any agreement, promise, statement or representation by or on behalf of the other Party, or their respective agents, employees or attorneys, except as specifically set forth in this Agreement, and without duress or coercion, whether economic or otherwise.

6.13 Time of Essence. Time is expressly made of the essence with respect to the performance of each and every obligation and condition of this Agreement.

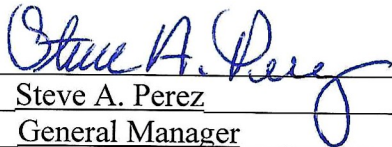
6.14 Cooperation. Each Party agrees to cooperate with the other in this transaction and, in that regard, to sign any and all documents which may be reasonably necessary, helpful, or appropriate to carry out the purposes and intent of this Agreement including, but not limited to, releases or additional agreements.

6.15 Assignment. The Developer or future Developer of the Project shall have the right to assign this Conditional Water Agreement provided the water rights stay with the Project, however any assignment of the Conditional Water Agreement by a Developer not related to the Project shall not assign this Agreement, or any portion of this Agreement, without first obtaining the written consent of the District, it being expressly understood that such consent may be withheld at District's sole discretion.

IN WITNESS WHEREOF, the District and Developer have executed this Agreement as of the day and year above first written.

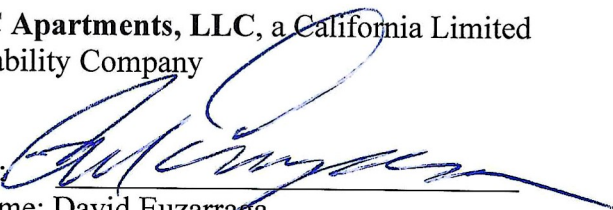
DISTRICT:

**ROSAMOND COMMUNITY SERVICES
DISTRICT**, a public body, corporate and politic

By: 
Name: Steve A. Perez
Its: General Manager

DEVELOPER:

SC Apartments, LLC, a California Limited
Liability Company

By: 
Name: David Euzarraga
For: Russell Singer
Its: Manager

Field Operations Report Sewer – July 17th, 2024

FID	MH From	MH To	LENGTH	Date_clean	CLEAN_NOTE
60	255	256	285.87	7/15/2024	Clear
61	256	257	102.98	7/15/2024	Clear
62	254	492	155.25	7/15/2024	Clear
63	252	492	308.79	7/15/2024	Clear
64	253	252	145.29	7/15/2024	Clear
119	257	492	183.40	7/15/2024	Clear
703	759	716	516.09	7/3/2024	Previous clean 05/10
704	760	759	480.16	7/3/2024	Previous clean 04/01
705	590	760	480.82	7/3/2024	Previous clean 04/01
706	585	590	480.35	7/3/2024	Previous clean 04/01
707	584	585	401.48	7/3/2024	Previous clean 04/01
713	765	764	480.60	7/3/2024	Previous clean 07/02
714	764	763	282.70	7/3/2024	Previous clean 04/02
715	763	762	279.48	7/3/2024	Previous clean 05/10

Sewer Report: 4,576 feet cleaned Period 7/3 – 7/16

1. Calls from customers – None this period
2. Sewer Camera footage – 335 ft
3. Illicit discharges - None this period
4. FOG inspections – None this period
5. Pest Control measures – Boric acid
6. SSO 's – None this period
7. Manhole inspections - 19
8. We are communicating with Edison to have power moved closer to our lift station on Apple blossom Ave. A service request has been initiated.

Field Operations Report Water – July 17th, 2024

ADDRESS	Date
2009 Westwind	7/3/2024
2184 Poplar	7/3/2024
2906 Trakell	7/8/2024
3330 Poplar	7/8/2024
2632 Westland	7/8/2024
2027 Campbell	7/8/2024
3025 Richland	7/8/2024
2740 Westland	7/8/2024
3701 Fernwood	7/9/2024
3701 Gainsborough	7/10/2024
2816 Owens Way	7/10/2024
3307 Mesa	7/10/2024
3430 Garnet	7/10/2024
3148 Melvin	7/11/2024
5401 Cobalt	7/11/2024
3056 Janine	7/11/2024
3324 Poplar	7/15/2024
3319 Poplar	7/15/2024
4440 Knox	7/15/2024

19 Leaks Repaired

1. Work Orders- 52
2. Meter Reading - 7/11
3. Lock Offs - 7/9
4. Door Tags - 7/18
5. USA Dig Alert - 29
6. Main Breaks - None this period
7. System Flushing - None this period
8. Graffiti - 4 Locations
9. Asphalt Patching - None this period
10. The district will be sending out test kits to 38 residents for lead and copper sampling around the middle of July.

Development and Construction

1. Hill View Homes is continuing tract 6306 next to our public works bldg. They have started the next phase of construction with 6 more homes that just had meters installed and passed sewer lateral inspection.
2. K. Hovanian is continuing development as planned on tract 7391. They have completed their Monte Rosa model homes. They have BCI construction running pipeline on the next tract which will connect to Poplar st in the Trakell tract.
3. Legacy Homes is continuing tract 6455 development as planned. They have passed 10 new sewer laterals on new lots. They are currently raising manholes that they paved over and are cleaning out debris from construction.
4. Tropico Middle School is continuing development to the school addition. New portable buildings are being built. They have run a new sewer lateral and manhole to the southwest building and poured a new manhole to tie into our sewer and eliminate the septic system.
5. The Crossings condominium park is currently expanding on Sedona and Rosamond Blvd. They are adding 18 units. Gall bros construction has potholed our water main and has hot tapped and tied in on Sedona st. They have another tie in to do on Rosamond blvd.
6. Rosamond school district is planning to tie into our water system at the High School as part of the Arsenic consolidation program. The Public Works staff has potholed our water main in multiple areas to determine size in preparation.
7. Bowman Asphalt has been completed Rosamond Blvd.
8. The Trakell street tract will begin construction to install new service lines soon.
9. Spohn Ranch is building a skatepark for the public at Glendower Park.



Sedona street condos hot tap tie-in. There was a gas main at the same elevation as our water main so the contractor had to tilt the tie in up 22 degrees to clear it.



BCI construction tie-in to our line on Switchback street for K.Hov. There was a cap and thrust block on the existing line that they removed , connected and continued to run pipeline.



New sewer manholes being finished by BCI construction for K. Hov



Birds Eye Aerial Drones doing soil and dust sampling for the EPA where the development is taking place.



Public Works Dept had our annual safety training July 8,9. Pictured is confined space entry training by staff.