



5880 Oak Street, Anderson, CA 96007
Phone: (530) 357-2121 Email: cccsd@clearcreekcsd.org

Board of Directors: Scott McVay - Chair
Logan Johnston, Vice Chair
Directors – Pam Beaver, Beverly Fickes, Terry Lincoln

General Manager: Dale Mancino

REGULAR MEETING: December 10, 2025 at 6:00PM: District Office Board Room

AGENDA

CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

OPEN TIME/PUBLIC COMMENT: Pursuant to Gov. code §54950, persons wishing to address the Board of Directors on matters not listed on the agenda should notify the Secretary prior to the start of the meeting. To speak at this time and for any item listed on the agenda – raise your hand, and when recognized by the Chair – proceed to the podium to address the Board.

CONSENT AGENDA (Action)

The following items are expected to be routine. Any interested party may comment or request an item be removed from the consent agenda for separate discussion/action.

- 1. Minutes from Meetings:** Regular Meeting Minutes 11/19/2025
- 2. Bills Paid:** 11/11/2025 – 12/5/2025
- 3. Activity P&L Report:** November 2025

REGULAR AGENDA (Discussion/Action)

- 4. Revision of Payable Dates (Discussion/Action)**
- 5. Approval of 2024 Independent Audit Engagement and Cost Proposal (Discussion/Action)**
- 6. Prop 218 Advisory Committee Interview (Discussion/Action)**

ADA Related Disabilities:

Contact the front office and speak with a Staff Member if special consideration is needed to attend any public meeting for disability related accommodations or aide is needed. Please give 72 hours - notice prior to the meeting to allow staff to meet your requests appropriately.

“This District is an Equal Opportunity Provider”

7. Addition to Cell Phone, Technology and Communication Policy – District-Issued Cell Phones for Operations Staff (Discussion/Action)

8. General Managers Report

9. Operations Oral Report

10. STANDING COMMITTEES & AD HOC COMMITTEES REPORT OUTS

- a. Agriculture Committee –
- b. Finance Committee –
- c. Planning/Steering Committee –
- d. Personnel Committee –
- e. Centerville Contract Ad Hoc Committee -

11. BOARD ITEMS

12. ADJOURN THE MEETING

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Board of Directors: Scott McVay - Chair
Logan Johnston, Vice Chair
Directors – Pam Beaver, Beverly Fickes, Terry Lincoln

General Manager: Dale Mancino

REGULAR MEETING: November 19, 2025, at 6:00PM: District Office Board Room

MINUTES

CALL TO ORDER: 6:00 PM

PLEDGE OF ALLEGIANCE: *Led by Director Johnston*

ROLL CALL: *Director Lincoln, Director McVay, Director Fickes, Director Beaver, Director Johnston, General Manager Dale Mancino, Administrative Assistant Emily King, Bookkeeper Shireen Erlei*

OPEN TIME/PUBLIC COMMENT:

Member of the public Joseph Gyves stated that the leak repair performed several months ago on Olinda Road left base rock on his neighbor's grass and was not cleaned up professionally. General Manager Dale Mancino responded that Distribution Operations Supervisor Morgan Rau had spoken with the affected customer, who indicated he was satisfied with the cleanup and did not want crews to return. Mr. Gyves stated that even if that particular customer is satisfied, crews need to do a better job of leaving customers' properties in good condition after completing leak repairs.

CONSENT AGENDA

1. Minutes from Meetings: Regular Meeting Minutes 10/15/2025

2. Bills Paid: 10/10/2025 – 11/13/2025

3. Activity P&L Report: October 2025

Bookkeeper Shireen Erlei responded to questions regarding the PG&E totals, grant money deposits, and interest. Director Beaver inquired about the status of the JPIA claim, and Ms. Erlei stated that it will be closed once the District receives a final letter from JPIA. Discussion followed regarding the WIIN Act repayment funds being transferred into different accounts.

Director Beaver, 2nd Director Fickes
Vote 5-0

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REGULAR AGENDA

4. Technology Policy

Director Fickes questioned whether language regarding the District's liability for employees' personal phones should be added to the policy. Director Johnston stated that further discussion is needed on employee cell phone policies, particularly when employees are asked to use their personal phones for work purposes. In response to a question from Director Beaver, member of the public Chad Krick noted that Bella Vista Water District provides cell phones to its crews. General Manager Dale Mancino recommended that the Board approve the policy as written, with the understanding that an amendment can be added later with input from legal counsel.

*Director Beaver, 2nd Director Lincoln
Vote 5-0*

5. Fatigue Policy

Director McVay questioned whether the policy should be referred to the Planning and Steering Committee. Administrative Assistant Emily King explained that this is the same policy presented for review at the October Regular Board Meeting, at which time the Board requested that it be brought back for approval. Director Beaver stated that the policy is well written and that she appreciates the inclusion of an assessment component. She added that she did not believe the Planning and Steering Committee would have additional input to contribute.

*Director Fickes, 2nd Director Beaver
Vote 5-0*

6. Prop 218 Advisory Committee Interviews

Director Beaver asked the Board whether they wished to withdraw Cole Miller's application for the advisory committee since he was not present, and the Board agreed.

Sarah Beer, who had also applied, stated that she has lived in the community for many years and is a CPA. Her primary focus is on tax accounting; however, she also has prior experience in financial auditing. Ms. Beer noted that her only concern was potential time constraints during tax season, but she affirmed that she would make every effort to review materials even if she is unable to attend meetings in person. The Board unanimously agreed to appoint Ms. Beer as a member of the advisory committee.

Dennis Possehn, who had applied, was present and spoke about his long-standing involvement in the community. He noted that he previously served on the advisory committee during the prior Prop 218 rate study and expressed his interest in serving again, stating that he could bring valuable experience to the committee. The Board unanimously agreed to appoint Mr. Possehn, and Director Beaver thanked him for all he does for the community.

7. Delinquencies and Water Service Disconnect Policy

In response to Director McVay, Administrative Assistant Emily King explained that turn-ons and shut-offs for delinquent accounts would not occur after hours, so additional fees would not apply under this policy. After further questioning from Director McVay, Ms. King clarified that field crews are not permitted to accept payments from customers and would not have system access to process payments for accounts scheduled for shutoff.

*Director Beaver, 2nd Director Johnston
Vote 5-0*

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8. Stale Customer Accounts

a. Update to Rules and Regulations for Water Service Policy Regarding Customer Accounts Being Sent to a Collections Agency

General Manager Dale Mancino reported that the proposed update to the Rules and Regulations for Water Service establishes a clear procedure for sending closed, delinquent customer accounts to a collections agency. He noted that the District currently has 115 stale accounts totaling \$45,496.82, with no forwarding information, and that internal efforts to recover these funds have been exhausted. The addition of this procedure would formalize how such accounts are identified and transferred, ensure consistency and transparency in the recovery process, and allow staff to utilize a collections agency on a contingency basis to pursue outstanding balances at no cost to the District. Director Fickes asked how long the District is required to retain an uncollectible account before it must be written off. Administrative Assistant Emily King stated that she will look into the matter and provide the necessary information.

*Director Beaver, 2nd Director Fickes
Vote 5-0*

b. Approval to Enter into an Agreement with Collections Agency

General Manager Dale Mancino presented information on Empire Collections Agency and requested Board approval for Clear Creek CSD to enter into a contract with the agency to assist in collecting funds from stale accounts.

*Director Beaver, 2nd Director Johnston
Vote 5-0*

9. Adjustment Request – 17690 Warwick Place

Karen Yeager was not present at the Board Meeting to speak regarding her request for an adjustment on her September bill. Following discussion, the Board unanimously agreed to reject the request for a bill adjustment.

10. Adjustment Request – 18298 Majestic View Drive

Cara Anderson was present at the Board Meeting and spoke regarding the leak on her property and the steps taken to complete the necessary repairs. Mrs. Anderson explained that her household is currently experiencing financial hardship and that waiving the additional charges on their October water bill would greatly assist them, especially after incurring the unexpected costs of repairing the pipe.

Director Fickes expressed understanding for the situation but stated that granting a waiver for one customer would set a precedent and could obligate the Board to approve similar requests from all customers. Following discussion, the Board unanimously agreed to reject the request for a bill adjustment.

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11. Happy Valley Community Foundation – Request for Sign Placement

John Fickes from the Happy Valley Community Foundation addressed the Board regarding the recent destruction of the “Welcome to Happy Valley” sign previously located at the corner of Cloverdale Road and Placer Road. The Foundation is requesting permission to place a replacement sign and attach it to the fence surrounding Clear Creek CSD’s water tower at the same location

Director McVay expressed concern about potential liability and risk injury on District property. General Manager Dale Mancino assured Director McVay that District staff would be onsite during installation and would assist with the process, ensuring there is no safety concern.

In response to a question from Director Fickes, John Fickes confirmed that the new sign would not obstruct any sightlines or create visibility issues for traffic or nearby properties.

Director Beaver, 2nd Director Johnston

Abstain: Director Fickes Vote 4-0

12. Presentation and Acceptance of the 2023 Independent Financial Audit

Director Fickes raised a concern regarding the audit’s statement that the Finance Committee meets monthly. She questioned whether the committee should, in practice, be coming into the office each month to review the bank reconciliations. Director McVay asked whether reconciliations should be reviewed concurrently with the review of payables.

Following discussion, directors agreed that reconciliations will be formally reviewed, stamped, and signed by the Finance Committee moving forward.

Director Fickes, 2nd Director Beaver

Vote 5-0

13. General Managers Report

General Manager Dale Mancino provided an update on District operations. He reported that the Distribution Crew has been completing asphalt patch work, paving projects, backflow testing, and delinquent account shutoffs. Mr. Mancino stated that the Backwash Pond Project is nearly complete, with final completion anticipated within the next four weeks.

He also shared that he is working with RCAC to conduct a community income survey to establish an accurate Median Household Income (MHI), which will strengthen the District’s eligibility for future grants. Mr. Mancino noted that his next steps include developing a main break tracking system and implementing preventative maintenance measures.

14. Operations Oral Report

The administration staff is doing a remarkable job in monitoring and following up on customer accounts. Arrears have shown significant improvement, with the 60–90 day past-due accounts decreasing by 31% over the last month. All delinquent accounts are continuing on a downward trend.

The water treatment plant employees have been busy supporting a work-site learning student who is currently in their first semester of water courses at Shasta College, as well as keeping up with routine maintenance. Pond #2 project is nearing completion and staff has been coordinating with the contractors.

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Distribution crews addressed both planned and emergency leaks last month, with all post-repair water tests returning absent results. Confined Space, Trenching, and Excavating training is scheduled for next week. Additionally, meter read dates have been moved up a few days for the next few months to accommodate the holidays.

15. STANDING COMMITTEES & AD HOC COMMITTEES REPORT OUTS

- a. **Agriculture Committee** – Not met.
- b. **Finance Committee** – Not met, will schedule for January 2026.
- c. **Planning/Steering Committee** – Not met.
- d. **Personnel Committee** – Not met.
- e. **Centerville Contract Ad Hoc Committee** – A meeting was held with Centerville Community Services District on November 3, 2025. Director Fickes reported that after reviewing five years of data, she believes Centerville's figures appear accurate and that some of Clear Creek's historical data may be incorrect. She also noted that information previously provided by a District employee regarding Centerville's connections was not accurate.
Director Beaver expressed that both districts agree the current contract should be simplified and clarified to avoid future misunderstandings.
The next meeting with Centerville CSD is scheduled for December 8, 2025.

16. BOARD ITEMS

Director Fickes informed General Manager Dale Mancino that the Mid-Pacific Water Users Conference will be held in Reno, NV in January. She stated that it would be a valuable training and networking opportunity for staff and recommended sending the Distribution Supervisor and the Chief Plant Operator to attend.

In response to Director Beaver's comments, Administrative Assistant Emily King stated that after discussing the matter with the Distribution Supervisor, utilizing an answering machine for after-hours calls would not be an appropriate option. Ms. King explained that she is currently researching alternative answering service providers that are more user-friendly and cost-effective. She anticipates bringing a recommendation to the Board at the January meeting.

Director McVay stated that he would like the Board Agenda Management Policy revised to remove the ability for the public to add items directly to the agenda. Administrative Assistant Emily King clarified that the public cannot independently place items on an agenda; however, members of the public may bring topics forward during Public Comment, after which the Board may vote to include the item on a future agenda. She further explained that the public may also contact a Board member to request that an item be added, and that the General Manager has discretion to place items on the agenda as appropriate. Ms. King noted that the existing wording regarding the public adding items to the agenda also refers to the process for submitting billing adjustment requests. Directors Beaver and Lincoln stated that they are satisfied with the policy as currently written.

Director McVay stated that, per legal counsel, it is not within the Personnel Committee's scope to participate in interviews. Directors Fickes and Beaver responded, "Sure," indicating they did not necessarily agree with the limitation but would acknowledge the guidance. They both noted that their desire to sit in on interviews stemmed from past challenges when a previous General Manager was leaving, and they wanted to help ensure continuity and oversight during the hiring process.

17. ADJOURN THE MEETING: 8:25 PM

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10:57 AM

12/05/25

Accrual Basis

Clear Creek Community Services District

Transaction Detail by Account

November 11 through December 5, 2025

Type	Date	Num	Name	Memo	Amount
8000 · Accounts Payable					
Bill Pmt -Check	11/11/2025	Auto P...	Ameritas (VSP Vision Ins)	Vision Nov 20...	-206.64
Bill Pmt -Check	11/15/2025	Auto P...	TDS	530-357-2121	-386.96
Bill Pmt -Check	11/17/2025	Auto P...	Pacific Gas & Electric	Cloverdale/Cl...	-295.91
Bill Pmt -Check	11/17/2025	Auto P...	Pacific Gas & Electric	Outdoor Lights	-21.65
Bill Pmt -Check	11/17/2025	Auto P...	Pacific Gas & Electric	Clear Creek R...	-83.20
Bill Pmt -Check	11/18/2025	ACH	ACWA/JPIA - Insurance	C020 Qtr 1 W...	-7,339.66
Bill Pmt -Check	11/18/2025	ACH	CDTFA (Tax and Fee Adm...	USBR1130	-22,940.66
Bill Pmt -Check	11/20/2025	34513	Ace Hardware - Acct # 2186	2186	-55.86
Bill Pmt -Check	11/20/2025	34514	Ace Hardware - Acct# 2118	2118	-19.27
Bill Pmt -Check	11/20/2025	34515	ACWA/JPIA - Insurance	C020	-54,871.42
Bill Pmt -Check	11/20/2025	34516	American Water Works As...	36911 AWWA...	-539.00
Bill Pmt -Check	11/20/2025	34517	Apex Automotive, Inc.		-223.36
Bill Pmt -Check	11/20/2025	34518	AT&T	Well Field Bo...	-4.43
Bill Pmt -Check	11/20/2025	34520	Cintas Corporation	22228100	-397.06
Bill Pmt -Check	11/20/2025	34521	Com-Pair Services	10117	-110.00
Bill Pmt -Check	11/20/2025	34522	Emily King	Emily King Re...	-128.69
Bill Pmt -Check	11/20/2025	34523	Ferguson Waterworks	409921	-130.20
Bill Pmt -Check	11/20/2025	34524	Fickes, Beverly	Spec Mtg 11....	-25.00
Bill Pmt -Check	11/20/2025	34525	Independent Business For...	171000	-286.83
Bill Pmt -Check	11/20/2025	34526	Northwood Backflow Servi...	Annual Backfl...	-5,435.00
Bill Pmt -Check	11/20/2025	34527	Pace Analytical Services L...	28-100128	-1,108.10
Bill Pmt -Check	11/20/2025	34528	Pace Engineering		-6,080.40
Bill Pmt -Check	11/20/2025	34529	Professional Exterminator ...	17387	-65.00
Bill Pmt -Check	11/20/2025	34530	Sunbelt Rentals, Inc.	948758	-334.57
Bill Pmt -Check	11/20/2025	34531	Thatcher Company of Calif...	3001810	-6,158.73
Bill Pmt -Check	11/20/2025	34532	United Public Employees o...	Union Membe...	-463.50
Bill Pmt -Check	11/20/2025	34533	US Bank Equipment Finan...	1453267	-316.93
Bill Pmt -Check	11/20/2025	34534	Wienhoff Drug Testing	CLEARCR	-255.00
Bill Pmt -Check	11/21/2025	Auto P...	Pacific Gas & Electric	Wells 1 & 2	-246.01
Bill Pmt -Check	11/21/2025	Auto P...	Pacific Gas & Electric	5880 Oak/Ga...	-1,474.07
Bill Pmt -Check	11/21/2025	34519	Beaver, Patricia A	Spec Mtg 11....	-25.00
Bill Pmt -Check	11/22/2025	Auto P...	Verizon	242343122-0...	-38.86
Bill Pmt -Check	11/24/2025	ACH	HydroCorp LLC	Dist:Cross Co...	-1,961.08
Bill Pmt -Check	11/26/2025	Auto P...	Waste Management	3-99477-15008	-410.61
Bill Pmt -Check	12/01/2025	Auto P...	UNUM Life Insurance of Co.	Acct #014206...	-1,347.77
Bill Pmt -Check	12/02/2025	34535	Allen Gill Construction, Inc.	BWP Project ...	-559,068.83
Total 8000 · Accounts Payable					-672,855.26
TOTAL					-672,855.26

10:55 AM

12/05/25

Accrual Basis

Clear Creek Community Services District

Profit & Loss

November 2025

	Nov 25
Ordinary Income/Expense	
Income	
11000 · Revenue - Customer Accts	
11005 · Base Rate Charge	148,843.29
11010 · Domestic Water Sales	16,334.64
11020 · Agricultural Water Sales	3,429.56
11060 · Billing Pmt Late Fee	229.28
Total 11000 · Revenue - Customer Accts	168,836.77
12000 · Revenue - Water Service	
12010 · Turn On Fees	165.00
12015 · Centerville Admin O&M	15,981.62
12035 · Backflow Maint Charge	820.11
12100 · Misc. Revenue	39.70
Total 12000 · Revenue - Water Service	17,006.43
13000 · Designated Revenue -Non Op	
13005 · Filter Plant Repayment Charge	19,807.94
13010 · Recycle Backwash Water Charge	1,008.90
13015 · State Loan Repayment Charge	2,616.00
13025 · WIIN Act Repayment Charge	4,918.09
Total 13000 · Designated Revenue -Non Op	28,350.93
17000 · Other Revenue Accounts	
17001 · Carr Fire Insurance Loss Pay	-160,397.37
Total 17000 · Other Revenue Accounts	-160,397.37
Total Income	53,796.76
Gross Profit	53,796.76
Expense	
30000 · Water Treatment Plant	
30100 · Utilities	
30125 · Internet	54.99
Total 30100 · Utilities	54.99
30150 · Safety Equipment & Training	
30155 · Safety Equipment - General	47.18
Total 30150 · Safety Equipment & Training	47.18
30170 · Supplies	57.29
30200 · WTP Repair & Maintenance O&M	55.86
30400 · Water Quality Analysis	105.00
30500 · Vehicle Maintenance & Expense	
30525 · GM Truck Chev Colorado - Unit 9	104.17
Total 30500 · Vehicle Maintenance & Expense	104.17
Total 30000 · Water Treatment Plant	424.49
40000 · Distribution	
40400 · Repair & Maintenance (O&M)	
40405 · Backflow Device Testing	5,435.00
40430 · Inventory	110.51
40440 · Water Quality Analysis - Dist	564.00
40450 · Repair & Maintenance(O&M)-Other	404.96
Total 40400 · Repair & Maintenance (O&M)	6,514.47

10:55 AM

12/05/25

Accrual Basis

Clear Creek Community Services District

Profit & Loss

November 2025

	Nov 25
40500 · Vehicle Maintenance & Expense	
40505 · Fuel Expense	1,694.90
40515 · Ford F350 2016 - Unit 3	119.19
40535 · Chevy PU 2015 - Unit 10	22.50
Total 40500 · Vehicle Maintenance & Expense	1,836.59
Total 40000 · Distribution	8,351.06
41000 · Wells & Booster Station	
41100 · Utilities	
41105 · Wells 1 & 2 - PGE 2671	246.01
41110 · Well #3 - PGE 2838	372.91
41115 · So. Booster - AT&T 2121	4.43
41120 · So. Booster - Internet	55.00
Total 41100 · Utilities	678.35
Total 41000 · Wells & Booster Station	678.35
50000 · Administration/ General	
50100 · Utilities	
50105 · Oak St.- PGE 2838	1,101.16
50120 · Verizon - On-call Cell Phone	38.86
50130 · Answering Service	524.35
50135 · Telephone - TDS	386.96
Total 50100 · Utilities	2,051.33
50200 · Office Supplies	
50205 · Janitorial supplies	19.27
50200 · Office Supplies - Other	770.36
Total 50200 · Office Supplies	789.63
50315 · Postage	90.00
50320 · Meal & Reimbursements	78.60
50500 · Special & Professional Services	
50510 · Director Fees	50.00
50515 · Server & Computer Maintenance	
50516 · Municipal Software	240.00
50517 · Software Subscriptions	193.68
Total 50515 · Server & Computer Maintenance	433.68
50525 · Engineering	756.25
50535 · Building & Ground Maint.-Office	
50536 · Waste Management	410.61
50535 · Building & Ground Maint.-Office - Other	5,248.32
Total 50535 · Building & Ground Maint.-Office	5,658.93
Total 50500 · Special & Professional Services	6,898.86
50700 · Regulatory	
50705 · Water District Regulatory Fees	
50711 · SWRCB - CDTFA - Water Rights	22,940.66
Total 50705 · Water District Regulatory Fees	22,940.66
50900 · Testing & License Fees	255.00
Total 50700 · Regulatory	23,195.66

Clear Creek Community Services District

Profit & Loss

November 2025

	Nov 25
51400 · Employee Benefits	
50410 · JPIA - Workers Comp	-1,546.00
51405 · Vision, Dental,	206.64
51415 · UNUM-Disability, Life, Accident	1,347.77
51440 · CalPERS Retirement Contribution	5,565.17
51455 · Uniform & Service	200.70
Total 51400 · Employee Benefits	5,774.28
51600 · Retiree Benefits	
51605 · Retiree Health Benefit - Direct	7,545.59
Total 51600 · Retiree Benefits	7,545.59
53000 · Customer Accounts & Billing	
53015 · Supplies	
53020 · Postage	1,533.06
53025 · Billing Supplies & Materials	1,948.69
Total 53015 · Supplies	3,481.75
53030 · Chargebacks, NSF, Acct Refunds	447.64
Total 53000 · Customer Accounts & Billing	3,929.39
Total 50000 · Administration/ General	50,353.34
50319 · Training & Professional Develop	179.00
60000 · Payroll Expense -Salary & Wages	
60100 · Payroll Exp - Administration/GM	5,192.31
60200 · Payroll Exp - Distribution	13,096.39
60300 · Payroll Exp - Water Treatment	11,522.24
60500 · Payroll Exp - Customer Accts	7,353.33
Total 60000 · Payroll Expense -Salary & Wages	37,164.27
80000 · Grants	
80010 · Backwash Pond Grant D2202015	
80011 · Engineering	-21,200.38
80010 · Backwash Pond Grant D2202015 - Other	-559,069.00
Total 80010 · Backwash Pond Grant D2202015	-580,269.38
Total 80000 · Grants	-580,269.38
Total Expense	-483,118.87
Net Ordinary Income	536,915.63
Net Income	536,915.63



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MEMO

Date: December 10, 2025
To: Board of Directors
From: General Manager – Dale Mancino

Re: 4 – Revision of Payables Date (Discussion/Action)

Discussion/Action:

To request approval to revise the District's current payable schedule from the 10th and 20th of each month to the 1st and 15th of each month.

Background:

The District currently processes payables on the 10th and 20th of each month. This schedule has presented timing challenges related to month-end closing, and vendor invoice alignment. Shifting the payable dates to the beginning and midpoint of each month will improve operational efficiency and provide consistency for vendors and internal processing.

Recommendation:

Staff recommends that the Board approve the modification of the payable dates to the 1st and 15th of each month, effective December 10, 2025.

.Attachments:

Updated General Administration Policy (Page 6. Timely Receipt/Approval/Payment Section)

Timely Receipt/Approval/Payment

All vendor invoices that are received, approved, and supported by adequate documentation by the 25th of the month shall be paid by the 1st of the following month. Invoices received, approved, and properly documented by the 10th of the month shall be paid by the 15th of that month.

With the exception of payroll-related expenses, all other invoices shall not be processed until the next scheduled payable date (the 1st or 15th). These timelines support the timely preparation of monthly financial statements by the 10th of the following month for presentation at the regular Board meeting.

Approval by Department Supervisors indicates their acknowledgment of satisfactory receipt of the goods and/or services, agreement with the contents of the invoice and the assigned general ledger coding, and authorization for full payment. Invoices must be initialed by the approving party.

Vendor Discounts

To the extent practical, it is the policy of CCCSD to take advantage of all prompt payment discounts offered by vendors. When such discounts are available and all required documentation is in place, payments will be scheduled to ensure full utilization of these discounts.

Expense Reimbursement/Travel and Entertainment

Refer to the current Employee Travel Guidelines and Reimbursement Policy on file and the CCCSD Directors Compensation and Expense Reimbursement Policy on file.

CASH DISBURSEMENTS

Payment Preparation

Vendor checks and expense reimbursement checks shall be prepared on a semi-monthly basis. Checks shall be prepared by the Bookkeeper or Administrative Assistant and approved by the General Manager or the Department Supervisors. The entire payable package shall be reviewed and approved by a Board Director, and checks shall be signed by two (2) authorized check signers.

All vendor and expense reimbursement checks shall be produced in accordance with the following guidelines:

1. Expenditures must be supported in conformity with the applicable sections described in this policy.
2. Timing of disbursements shall be scheduled to take advantage of all discounts offered by vendors.
3. Generally, all vendors shall be paid within thirty (30) days of submitting a proper invoice upon delivery of goods or services.
4. Total cash requirements associated with each accounts payable run shall be monitored in conjunction with available cash in the general bank account prior to releasing any checks.



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MEMO

Date: December 10, 2025
To: Board of Directors
From: General Manager – Dale Mancino

Re: 5 – Approval of Engagement Letter for the 2024 Independent Financial Audit
(Discussion/Action)

Discussion/Action:

Request Board approval of the FY 2024 Audit Engagement Letter from Harshwal & Company, LLP, authorizing the firm to conduct the District's annual independent financial audit for a proposed fee of \$21,400. This engagement is required under Government Code §26909 to ensure the District remains in compliance with annual financial reporting requirements.

Background:

Harshwal & Company recently completed the District's FY 2023 audit and has submitted an Engagement Letter to perform the FY 2024 audit. The audit will be conducted in accordance with Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards.

Key components of the engagement include:

- Independent audit of the FY 2024 financial statements
- Review of internal controls and compliance with laws and regulations
- Preparation of audit deliverables, including adjusting entries and draft financial statements
- Coordination with District staff for financial data and supporting documentation
- Retention of audit workpapers for 7 years
- Proposed fee of \$21,400, a slight increase from the FY 2023 cost of \$20,000

Continuing with Harshwal & Company supports consistency, maintains progress on prior audit recommendations, and avoids delays associated with onboarding a new auditor. Early approval ensures availability for timely completion of the FY 2024 audit.

Recommendation:

Approve and authorize execution of the FY 2024 Audit Engagement Letter with Harshwal & Company, LLP in the amount of \$21,400.

Attachments:

- FY 2024 Audit Engagement Letter – Harshwal & Company, LLP

November 18, 2025

To the Board of Directors
Clear Creek Community Services District
5880 Oak Street
Anderson, California 96007

We are pleased to confirm our understanding of the services we are to provide for Clear Creek Community Services District (the "District") for the year ended June 30, 2024.

Audit Scope and Objectives

We will audit the financial statements of the business-type activities, including the disclosures, which collectively comprise the basic financial statements of the District as of and for the year ended June 30, 2024. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis
2. Schedule of Proportionate Share of the Net Pension Liability and Related Ratios
3. Schedule of Pension Contributions
4. Schedule of Changes in the Net OPEB Liability and Related Ratios
5. Schedule of District's Contributions - OPEB
6. Schedule of Investment Returns - OPEB

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

Auditor's Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of the District and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures - Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions.

Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us; for the accuracy and completeness of that information and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for the 12 months after the financial statements date or shortly thereafter. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements.

Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

As per Federal and State Laws, we don't require, nor do we request, demand, collect, or desire any Personal Identifying Information ("PII"). PII includes but is not limited to individual's first name (or first initial) and last name combined with other types of personal information, such as Social Security Number; home addresses; online identifiers; passport numbers; bank or credit card numbers; clearances; biometrics; date of birth; birth place; age; mother's maiden name; medical, criminal, and financial records; educational transcripts; email addresses, phone numbers; birth marks, professional designation, employment history, social media account information; driver's license numbers, any other similar and unique personal identifiers, etc. As such, do not provide our firm, staff, employees, consultants, contractors, managers, admin staff, third-party service providers with any of the aforementioned PII as we will not be perusing the records provided to us to identify and purge such records.

By your signature below, you acknowledge and agree that Harshwal & Company, LLP is not responsible for "sanitizing" or "scrubbing" its work papers in an attempt to identify and delete PII, and as such is not liable were such information to be retained by us or accessed by third parties.

Other Services

We will also assist in preparing the financial statements, proposed adjusting journal entries and related notes of the District in conformity with accounting principles generally accepted in the United States of America based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards.

The other services are limited to the financial statement, proposed adjusting journal entries and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities. You agree to assume all management responsibilities relating to the financial statements, proposed adjusting journal entries, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, proposed adjusting journal entries and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Subpoena and Other Release of Documents

As a result of our services to you, we may be required or requested to provide information or documents to you or a third-party pursuant to a subpoena, court order or other administrative or legal process in connection with governmental regulations or activities, or a legal, arbitration or administrative proceeding, in which we are not a party.

You agree that our efforts in complying with such requests or demands will be deemed a part of this engagement and Harshwal & Company, LLP shall be entitled to additional compensation for our time and reimbursement for our out-of-pocket expenditures (including legal fees) in complying with such request or demand.

Limitation on Liability

IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES IN CONNECTION WITH OR OTHERWISE ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT.

Engagement Administration, Fees, and Other

We have our technical resources and audit software in the cloud. We may, from time to time and depending on the circumstances, use third party service providers within and outside of the United States in serving your account. As required by Section 54.1 (b) of the California Code of Regulations, Title 16, confidential information provided by you to our firm, may be disclosed to persons, outside of the United States in connection with the services provided. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Board of Directors; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

Our report on the financial statements must be associated only with the financial statements that were the subject of our engagement. You may make copies of our report, but only if the entire financial statements (including related footnotes, as appropriate) are reproduced and distributed with our report. You agree not to reproduce or associate our report with any other financial statements, or portions thereof, that are not the subject of this engagement.

The audit documentation for this engagement is the property of Harshwal & Company, LLP and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the grantor agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities.

We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Harshwal & Company, LLP personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

Your records are the primary records for your operations and comprise the backup and support for the results of this engagement. Our records and files, including our engagement documentation whether kept on paper or electronic media, are our property and are not a substitute for your own records. Our firm policy calls for us to destroy our engagement files and all pertinent engagement documentation after a retention period of seven years (or longer, if required by law or regulation), after which time these items will no longer be available. We are under no obligation to notify you regarding the destruction of our records. We reserve the right to modify the retention period without notifying you. Catastrophic events or physical deterioration may result in our firm's records being unavailable before the expiration of the above retention period.

Except as set forth above, you agree that Harshwal & Company, LLP may destroy paper originals and copies of any documents, including, without limitation, correspondence, agreements, and representation letters, and retain only digital images thereof.

Mr. Sanwar Harshwal is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Fieldwork for audit will be determined with the District's management based on the availability of accounting records and supporting documentation. Our scheduling depends on your completion of the year-end closing and adjusting process prior to our arrival to begin the fieldwork. We may experience delays in completing our services due to your staff's unavailability or delays in your closing and adjusting process. You understand our fees are subject to adjustment if we experience these delays in completing our services. Certain engagement personnel who are not licensed as certified public accountants may provide services during this engagement.

Our fee for the services described in this letter will be \$21,400, plus applicable gross receipts taxes and out-of-pocket costs (such as travel costs). We have estimated our fees assuming that accounting records will be in balance and supported by appropriate documentation. Also, our costs assume that the Organization's personnel will provide supporting schedules for all asset and liability accounts, and provide general assistance, such as locating documents, typing confirmation requests, and coordinating meetings. If there were significant changes to District's operations or the scope of work related to the financial statements, we will discuss with you additional time and fees that may be incurred.

Our ability to provide services in accordance with our estimated fees depends on the quality, timeliness and accuracy of the District's records, and, for example, the number of general ledger adjustments required as a result of our work. We will also need your accounting staff to be readily available during the engagement to respond in a timely manner to our requests. Lack of preparation, poor records, general ledger adjustments and/or untimely assistance will result in an increase of our fees.

To keep fees at a minimum and provide the reports to you on a timely basis, we are planning on significant assistance from your personnel. In this regard, we will furnish you with a list of schedules and data to facilitate our work. We understand that all records, documentation, and information we request in connection with our audit will be made available to us. Your preparation of schedules and providing supporting evidence requested timely is imperative for us to perform our audit procedures in the most efficient manner possible. If audit related accounting assistance is required to reconcile accounts, these fees will be billed separately at our standard hourly rates. We will obtain your concurrence before we begin such services significantly beyond the scope of the audit.

In the future, you may decide that you need the services of one or more full-time employee. At that time, we could assist you in identifying individuals, our fees for which would then be agreed upon in a separate engagement letter. However, because of the knowledge that our staff have or will obtain of your organization, you may wish to hire one or more of them. If this should occur, please notify us immediately so that we may avoid any potential independence issues.

Also, if this should occur, we will charge you a recurring fee of one hundred percent (100%) of the annual gross salary or wages (on an annualized basis) offered to our employee to compensate us for the loss of our valued and extensively trained employee(s). Such amount shall be paid within thirty (30) days following the date of such notification.

The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit.

The District acknowledges that the following unexpected circumstances will result in an increase of our fees:

- Failure to prepare for the audit as evidenced by accounts and records that have not been subject to normal year-end closing and reconciliation procedures;
- Failure to complete the audit preparation work by the applicable due dates; Significant unanticipated transactions, audit issues, or other such circumstances;
- Delays causing scheduling changes or disruption of fieldwork;
- After audit or post fieldwork circumstances requiring revisions to work previously completed or delays in resolution of issues that extend the period of time necessary to complete the audit;
- An excessive number of audit adjustments.

Unexpected circumstances are also defined as fire, destruction or disappearance of records, discovery of fraud, or similar situations beyond our control or knowledge.

We will endeavor to advise you in the event these circumstances occur, however we may be unable to determine the impact on the estimated fee until the conclusion of the engagement.

Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. Any invoices left unpaid beyond 30 days will be charged a 1.5% late fee per month, added to the then outstanding balance. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination.

This engagement letter may be terminated by either party, with or without cause, upon ten (10) days' written notice. In such event, we will stop providing services hereunder except on work, mutually agreed upon in writing, necessary to carry out such termination. In the event of termination, (a) you shall pay us for services provided and expenses incurred through the effective date of termination, (b) we will provide you with all finished reports that we have prepared pursuant to this engagement, and (c) neither party shall be liable to the other for any damages that occur as a result of our ceasing to render services.

In the interest of facilitating our services to you, we may communicate by facsimile transmission or send electronic mail over the Internet. Such communications may include information that is confidential. We employ measures in the use of electronic communications designed to provide reasonable assurance that data security is maintained.

While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, you recognize and accept we have no control over the unauthorized interception of these communications once they have been sent. Unless you issue specific instructions to do otherwise, we will assume you consent to our use of electronic communications to your representatives and other use of these electronic devices during the term of this engagement letter as we deem appropriate.

The proposed fee estimate is contingent upon the District having performed the following functions and sending us copies to review at least two weeks prior to us performing the audit fieldwork:

1. Submitting trial balances and general ledger to us in an electronic format.
2. Completing all steps and sending us copies of the requested information on the audit preparation guide, which we will provide.
3. All material balance sheet accounts need to be reconciled and scheduled. Prepare reconciliations of all checking (payroll and accounts payable, etc.) accounts, savings accounts and investment accounts on a monthly basis and send us copies of the year end reconciliations.
4. Providing us electronic copies of your payroll and accounts payable check registers for the fiscal year under audit.

Reporting

We will issue a written report upon completion of our audit. Our report will be addressed to Board of Directors of the District. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.

The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

We appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Harshwal & Company, LLP



Sanwar Harshwal
(Managing Partner)

RESPONSE:

This letter correctly sets forth the understanding of Clear Creek Community Services District.

Management signature: _____

Title: _____

Date: _____

Governance signature: _____

Title: _____

Date: _____



5880 Oak Street, Anderson, CA 96007
Phone: (530) 357-2121 cccsd@clearcreekcsd.org

MEMO

Date: December 10, 2025
To: Board of Directors
From: General Manager – Dale Mancino

Re: 6 – Application & Interview for Prop 218 Advisory Committee (Discussion/Action)

Background:

As part of the upcoming Proposition 218 Water Rate Study, Clear Creek CSD is forming a Community Advisory Committee to provide input, represent ratepayer perspectives, and assist in reviewing key elements of the proposed rate structure. The committee will serve in an advisory capacity, offering feedback throughout the study process to help ensure transparency, community engagement, and alignment with district goals.

Applications to serve on the committee have been made available both online and at the District office. Community members who expressed interest and submitted an application have been invited to attend the December 10, 2025 Board Meeting for an opportunity to speak with the Board and participate in an informal interview.

Discussion:

During the meeting, the applicant will be asked to introduce themselves, share their background, and explain their interest in serving on the Advisory Committee. This informal interview will allow the Board to better understand the applicant's perspective and how they might contribute to the committee's work.

Following the interview, the Board may choose to deliberate and appoint members to the Proposition 218 Advisory Committee. The committee will begin meeting shortly thereafter to support the rate study process.

Recommendation:

It is recommended that the Board:

1. Conduct an informal interview with the applicant for the Proposition 218 Advisory Committee.
2. Appoint member to serve on the committee.

Join the Clear Creek CSD Community Advisory Committee

Clear Creek Community Services District (CSD) is beginning the Proposition 218 Rate Study to evaluate water rates for the future needs of our District.

✦ We are inviting community members to participate in a Community Advisory Committee that will:

- ☒ Review information presented during the Prop 218 study
- ☒ Provide feedback and suggestions on possible water rate adjustments
- ☒ Help ensure the study reflects the needs and concerns of the community

💧 **Your voice matters** — this is your opportunity to be directly involved in shaping decisions that affect every water customer in Clear Creek CSD.

What's Involved?

- Committee members will meet periodically during the Prop 218 study process
- Review materials and share input with the District
- Work together to recommend fair and sustainable solutions

Interested in Serving?

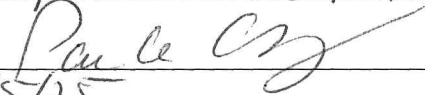
Please complete the form below and return it to the Clear Creek CSD office:

📍 **Office Address:** 5880 Oak Street, Anderson, California

✉ **Email:** cccsd@clearcreekcsd.org

☎ **Phone:** (530) 357-2121

 **Community Advisory Committee – Interest Form**

Name: PAULA COZZI
Address: 6225 OAK ST Anderson Ca 96007
Phone: 415 722 2236
Email: hpcozzi@comcast.net
Signature: 
Date: 12/15/25

✦ **Help shape the future of Clear Creek CSD – Be part of the solution!** ✦

💧 **Together, we can build a stronger, sustainable community.**



5880 Oak Street, Anderson, CA 96007
Phone: (530) 357-2121 cccsd@clearcreekcsd.org

MEMO

Date: December 10, 2025
To: Board of Directors
From: General Manager – Dale Mancino

Re: 7 – Addition to Cell Phone, Technology and Communication Policy – District-Issued Cell Phones for Operations Staff (Discussion/Action)

Discussion/Action:

Staff requests Board approval to update the District's Cell Phone, Technology, and Communication Policy to include the issuance of District-owned cell phones to all Distribution and Water Treatment Plant Operations staff.

Background:

Providing District-issued cell phones is the most cost-effective and operationally efficient alternative to issuing monthly cell phone stipends. Under the current system, staff use personal devices and rotates a single on-call phone, which creates challenges when schedules change or when an employee calls in sick.

The District received a quote from our current cell phone carrier Verizon Wireless indicating that all devices are provided at no cost and each additional line is billed at a flat rate of \$38 per month, including insurance. This pricing structure is more economical than a stipend program and provides predictable monthly expenses.

Issuing District phones also aligns with standard practices among similarly sized local water districts, enhances cybersecurity protection, and prevents District liability for personal phones damaged during field work. Additionally, employees will be able to contact customers directly without disclosing personal phone numbers, improving privacy and professionalism.

Upon issuance, employees will review and sign the updated Cell Phone and Technology Use Agreement (attached).

Recommendation:

Staff recommend that the Board approve the addition to the Cell Phone, Technology, and Communication Policy authorizing District-issued cell phones for all Distribution and Water Treatment Plant Operations staff.

.Attachments:

- Updated Cell Phone, Technology, and Communication Policy Agreement (Section 4. Cell Phone Use at Work)
- District-Issued Cell Phone Acknowledgment

1. Purpose

The Clear Creek Community Services District (CCCSD) provides technological resources including desktop computers, internet access, and email services to help employees perform their duties effectively. Many employees also use personal cell phones or other personal devices to conduct District business. This policy sets clear guidelines to ensure all technology use supports District operations, maintains safety, and protects confidential information.

2. Scope

This policy applies to all Clear Creek CSD employees, contractors, and authorized users who access or use:

- District owned desktop computers, laptop computers, email, and network services
- Internet access provided by Clear Creek CSD
- Personal devices (such as cell phones or tablets) when used for District related communication or work

3. General Use Guidelines

Technology and communications, whether on District equipment or personal devices used for work must be used primarily for official District business.

Limited personal use is allowed only if it:

- Does not interfere with work duties
- Does not incur costs for the District
- Does not violate District policy or law

4. Cell Phone Use at Work

Prohibited Uses:

- Using a cell phone while driving or operating equipment
- Surfing the internet, gaming, or streaming unrelated to work during work hours
- Occasional brief personal communication is acceptable, but it should be kept infrequent and not interfere with work duties
- Using a cell phone during meetings unless required for work purposes
- Recording confidential information without authorization

Acceptable Uses:

- Making or receiving work related calls in appropriate place and situation to do so
- Work related communication, such as text messaging or emailing, in appropriate places and situations
- Scheduling and managing work appointments
- Conducting work related research
- Tracking work tasks and contacts

Company cell phones are to be used exclusively for District related business and communication. Personal use is not permitted. Employees shall not alter settings, download or remove applications without prior authorization from the General Manager or IT Department. Phones must be set to an audible volume level sufficient to hear incoming calls and alerts over vehicle or worksite noise. Employees are expected to handle District devices with care to prevent damage from drops, spills or neglect. Any lost, stolen or damaged devices must be reported to the supervisor or General Manager immediately.

District-Issued Cell Phones

The District may issue cell phones to employees whose job duties require frequent fieldwork, customer contact, or after-hours availability. District-issued phones are provided to support efficient communication, enhance operational safety, and protect employee privacy.

a. Purpose

District-issued cell phones are intended for official District business, including communication with customers, supervisors, and field personnel. Issued devices reduce the need for personal phone use, improve response capabilities, and strengthen cybersecurity by ensuring District data remains on District-managed devices.

b. Eligibility

District-issued phones will be provided to:

- Distribution staff
- Water Treatment Plant Operations staff
- Any additional employees designated by the General Manager based on operational needs

c. Use Requirements

Employees issued a District cell phone must:

- Keep the device on their person during work hours.
- Keep the device accessible and operational at all times while on call.

- Maintain the phone in charged and working condition.
- Use the device in a professional and appropriate manner.
- Follow all District cybersecurity and technology-use policies.
- Not install unauthorized applications or connect the device to unsecured systems.

d. Care, Damage, and Loss

Employees are responsible for taking reasonable care of District-issued cell phones. Any damage, malfunction, or loss must be reported **immediately** to the employee's Supervisor and the General Manager. The District will coordinate repair or replacement consistent with provider insurance and District procedures.

e. Privacy

District-issued cell phones are District property. Employees should have no expectation of personal privacy for data stored or transmitted on District-owned devices. The District may access device information as permitted by law and District policy.

f. Return of Equipment

All District-issued cell phones and accessories must be returned in good working condition, aside from normal wear, upon separation of employment or upon request.

5. Technology Use (District Desktops, Laptops, Email, and Internet)

Employees must:

- Use District computers and systems for official business whenever possible
- Protect passwords and never share login credentials
- Log off or lock computers when unattended
- Use only authorized software and applications

6. Personal Devices for District Business

When using a personal device (such as a cell phone) for District work:

- Maintain professionalism in all communications
- Avoid sending or storing confidential information in unsecured apps
- Understand that official communications may be subject to the California Public Records Act (CPRA)
- Forward important work-related messages or documents to District systems for recordkeeping



District-Issued Cell Phone Acknowledgment

I acknowledge that I have been issued a District-owned cell phone for official business use. By accepting this device, I agree to the following requirements:

1. Possession During Work Hours:

I will keep the District-issued cell phone on my person and accessible at all times during my scheduled work hours.

2. On-Call Availability:

When assigned to on-call duty, I will keep the phone with me at all times and ensure it is fully functional and ready for use.

3. Charging and Maintenance:

I will keep the device charged, in good working condition, and take reasonable care to prevent damage, loss, or misuse.

4. Immediate Reporting:

I will immediately report any damage, malfunction, or loss of the device to my Supervisor and the General Manager.

5. Professional Use:

I will use the District-issued cell phone for District-related communication and maintain professionalism when interacting with customers, vendors and colleagues.

6. Security and Confidentiality:

I will follow all District policies regarding cybersecurity, data protection, and appropriate use of technology. I will not install unauthorized apps or software.

7. Return of Equipment:

Upon separation of employment or at the District's request, I will return the phone and any related accessories in good condition, aside from normal wear.

I understand that failure to follow this policy may result in revocation of cell phone privileges and/or disciplinary action.

Employee Name: _____

Employee Signature: _____

Date: _____

Supervisor Name: _____

Supervisor Signature: _____

Date: _____



5880 Oak Street, Anderson, CA 96007
Phone: (530) 357-2121 cccsd@clearcreekcsd.org

MEMO

Date: December 10, 2025
To: Board of Directors
From: General Manager – Dale Mancino
Re: 8 – General Manager Report

Operational Overview

District operations have remained stable and productive throughout this reporting period. Distribution and WTP staff continue to work efficiently and collaboratively, completing routine maintenance, customer service tasks, and system monitoring.

Leak response and field work are on schedule. The hydrant replacement on Hopekay Road is set for December 9, with all materials received and in-house labor being used where feasible to reduce project costs. The Poco Lane isolation valve has been repaired, and a coordinated leak repair—addressing both customer- and District-side valves—is scheduled for December 11.

Shut-off notices were issued December 1, and the shut-off date has been extended to December 8 to ensure proper notice and SB 998 compliance. All non-functioning meter registers and transponders identified in November have been replaced ahead of the billing cycle.

At the Water Treatment Plant, October production totaled 181.67 AF, with Clear Creek CSD using 120.77 AF. Total surface water use for Water Year 25/26 is now 2,528 AF. The plant is performing normally at approximately 2 MGD, and Train 6 has been taken offline for winter operations.

Projects & Infrastructure

The Backwash Pond Project is nearing completion. On November 20, the District hosted DFA, PACE Engineering, and Allen Gill Construction for a walkthrough, and all remaining control joints have been sealed. Final testing and inspection will proceed once Pond 2 is filled.

Safety and training remain a priority. Additional staff completed certified flagging training, and JPIA conducted Confined Space and Trench Safety training on December 3. A follow-up risk assessment meeting is planned for December 4.

Administrative & Financial Updates

Staff are implementing the financial reporting improvements discussed at the November meeting, including reserve transfer procedures, clearer grant impact separation, and preparation of the mid-year (July–December) financial review.

The FY 2024 Audit Engagement Letter is included on tonight's agenda for Board consideration. Staff continue to update documentation and workflows in alignment with the FY 2023 audit recommendations.

Customer communication materials are being prepared for the expanded HydroCorp backflow and cross-connection compliance program to ensure customers understand upcoming requirements.

Regional Coordination & Policy Work

Staff continue supporting the Centerville Contract Ad Hoc Committee, refining usage data and simplifying acre-foot billing documentation. The District is awaiting SWRCB approval for RCAC to conduct the Median Household Income study, which will support future grant eligibility.

Work is ongoing to close remaining audit-identified policy gaps and prepare additional policy updates for early 2026 review. Staff are also evaluating options for a more reliable and cost-effective answering service, which will be brought to the Board in January.

Closing Note

Staff morale remains strong, and teams across Distribution, WTP, and Administration continue to demonstrate professionalism and accountability. The District remains well positioned as we move into 2026, with continued focus on preventive maintenance, customer communication, financial transparency, and long-range planning.



5880 Oak Street, Anderson, CA 96007
Phone: (530) 357-2121 cccsd@clearcreekcsd.org

MEMO

Date: December 10, 2025
To: Board of Directors
From: Administrative Assistant Emily King, Water Treatment Plant Operator Brandon Anderson and Distribution Supervisor Morgan Rau
Re: **9 – OPS Report**

Administration

There are 220 Accounts that are 121+ days delinquent totaling \$80,380
There are 93 Accounts that are 90-120 days delinquent totaling \$6,280
There are 191 Accounts that are 60-90 Days delinquent totaling \$14,636
There are 493 Accounts that are 30-60 Days delinquent totaling \$38,086

Aging	November 2025	December 2025	Difference
121+ Days	207 accounts – \$78,504	220 accounts – \$80,380	+13 accounts +\$1,876
90–120 Days	89 accounts – \$3,981	93 accounts – \$6,280	+4 accounts +\$2,299
60–90 Days	138 accounts – \$9,056	191 accounts – \$14,636	+53 accounts +\$5,580
30–60 Days	346 accounts – \$25,339	493 accounts – \$38,086	+147 accounts +\$12,747
Totals			
	780 accounts – \$116,880	997 accounts – \$139,382	+217 accounts -\$22,502

Delinquent account totals increased across all aging categories compared to the prior month; however, these figures are not fully representative of a complete billing cycle because the Board meeting was held one week earlier than usual. Accounts 121+ days delinquent increased from 207 accounts totaling \$78,504 to 220 accounts totaling \$80,380. The 90–120 day category rose slightly from 89 accounts (\$3,981) to 93 accounts (\$6,280). Accounts 60–90 days delinquent increased from 138 accounts totaling \$9,056 to 191 accounts totaling \$14,636. The most significant change occurred in the 30–60 day category, which increased from 346 accounts (\$25,339) to 493 accounts (\$38,086). These increases are largely attributable to the shortened reporting period and do not reflect a full month's activity.

WTP OPERATIONS

The WTP produced 182 AF of SW
Clear Creek CSD used 121 AF of SW in November (68 AF – M&I, & 53 AF- Ag)
2528 AF total SW for WY 25/26
Well Water Production- 0 AF

- Staff have been busy with routine maintenance, monitoring, and operation of the WTP. The WTP is currently producing 2MGD.
- On 11-20-25 we had a walkthrough with a rep from Division of Financial Assistance, Pace Engineering and Allen Gill Construction.
- Allen Gill finished caulking all control joints as the project is almost fully complete.
- Train 6 is now offline for the winter and will be used to fill pond 2 for testing and then inspected.

DISTRIBUTION OPERATIONS

Leak Management

- Hydrant Replacement: Scheduled for December 9. All necessary parts have been received to connect to the 8" C900 line on the east side of Hopekay Road. This will include installing a new 6" line and valve to supply the hydrant. We are utilizing in-house resources wherever possible to minimize project costs.
- Valve Repair and Leak Resolution: The valve on Poco Lane that previously failed to shut off has been repaired. We will address an additional leak on Poco Lane on December 11, coordinating with the customer to replace leaking valves on both customer and CCSD sides.

Training

- Additional team members have completed certified flagging classes, leaving only two crew members pending certification.
- JPIA Training: Scheduled for December 3, covering confined space and trench safety. A risk assessment meeting will follow on December 4 with our safety advisor to review and implement risk control measures.

Field Work

- All non-functional registers and transponders from November have been replaced, ensuring readiness for December read dates.
- Shut-Off Notices: Notices will be issued on December 1, with the shut-off date extended to December 8 due to a high workload during the first week of the month.

ADA Related Disabilities:

Contact the front office and speak with a Staff Member if special consideration is needed to attend any public meeting for disability related accommodations or aide is needed. Please give 72 hours - notice prior to the meeting to allow staff to meet your requests appropriately.

"This District is an Equal Opportunity Provider"
